

O. C.

Meeting No. 769

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

Navy P. 44, 62, 64, ~~65~~
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checked thru P. 111 - 9/22

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Navy checked with me about gift file.
Put revised sheets in.

July 10-11, 1980

Port Aransas, Texas

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MEETING NO. 769

THURSDAY, JULY 10, 1980. -- The Board of Regents met at 1:30 p. m. on Thursday, July 10, 1980, in the second floor hallway of the Main Building at the Marine Science Institute in Port Aransas, Texas, with the following in attendance:

ATTENDANCE. --Present

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

Absent

Regent Hay ✓

Chancellor Walker

Secretary Thedford**

Chairman Williams called the meeting to order.

WELCOME AND REPORT ON MARINE SCIENCE INSTITUTE BY DR. PETER T. FLAWN, PRESIDENT OF THE UNIVERSITY OF TEXAS AT AUSTIN. --

Chairman Williams recognized Dr. Peter T. Flawn, President of The University of Texas at Austin, and said that the members of the Board of Regents had enjoyed a delightful stay in Port Aransas and had taken an interesting tour that morning (July 10) on the "Longhorn." (The "Longhorn" is an eighty-foot research vessel owned by the University and stationed at Port Aransas.) Chairman Williams thanked President Flawn and the local staff of the Marine Science Institute for the arrangements that had been made with respect to holding a meeting of the Board of Regents in Port Aransas for the first time.

On behalf of the U. T. Austin Marine Science Institute and the Port Aransas Marine Laboratory, President Flawn welcomed the members of the Board of Regents and other guests to Port Aransas. With the aid of slides, he briefly outlined the history and programs of the Marine Science Institute and particularly the Port Aransas Marine Laboratory.

At the conclusion of his remarks, President Flawn presented to the Board the following representatives of the Marine Science Institute and pointed out that Associate Director Parker had recently broken his leg and was unable to attend the meeting:

- Dr. J. Robert Moore, Director of the U. T. Austin Marine Science Institute
- Dr. Patrick L. Parker, Associate Director of the U. T. Austin Marine Science Institute
- Mr. John Thompson, Associate Director for Administration of the Port Aransas Marine Laboratory
- Mr. Ross Shipman, Associate Vice-President for Research Administration at U. T. Austin

[No written report was filed.]

*Because of a prior commitment, Regent Hay was excused from the meeting on Thursday but was present for all committee meetings and the meeting of the Board on Friday, July 11. (See Page 44 .)

**Secretary Thedford was absent from the entire meeting (July 10 and 11) due to critical illness in the family. Miss Margaret Glover and Mrs. Lela Lenning, Administrative Assistants in the Office of the Board of Regents, recorded the Minutes.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM PER-
 MANENT UNIVERSITY FUND BONDS, NEW SERIES 1980, \$26,000,000

(1) RESOLUTION AUTHORIZING THE ISSUANCE OF BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1980, IN THE AMOUNT OF \$26,000,000 AND AWARDING THE SALE OF THE BONDS TO CITIBANK, N.A., NEW YORK, NEW YORK (FOR THE JOINT MANAGERS); (2) DESIGNATION OF AMERICAN NATIONAL BANK, AUSTIN, TEXAS, PAYING AGENT WITH IRVING BANK AND TRUST, NEW YORK, NEW YORK, AND HARRIS BANK AND TRUST, CHICAGO, ILLINOIS, CO-PAYING AGENTS; AND (3) AWARD OF CONTRACT TO PRINT THE BONDS TO HART GRAPHICS, INC., AUSTIN, TEXAS. -- The following written Resolution (Pages 3-11)* was duly introduced for the consideration of the Board and read in full. It was then duly moved by Regent Richards, 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 Permanent University Fund Bonds, New Series 1980, in the amount of \$26,000,000 and awarded the sale of the bonds to Citibank, N.A., New York, New York (for the Joint Managers) at the price of par and accrued interest to the date of delivery (Page 11) at rates of interest reflected on Pages 5-6. The effective interest rate is 6.6089%.

Upon motion of Regent Sterling, seconded by Regent Richards, the bid of American National Bank, Austin, Texas, to serve as Paying Agent with Irving Bank and Trust, New York, New York, and Harris Bank and Trust, Chicago, Illinois, Co-Paying Agents for Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1980, in the amount of \$26,000,000 was unanimously accepted (Pages 6, 8). The Bank will pay the Board of Regents \$4,010 per annum as long as the bonds are outstanding.

The contract for printing the Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1980, in the amount of \$26,000,000, was awarded to Hart Graphics, Inc., Austin, Texas, upon motion of Regent Sterling, seconded by Regent Powell. These bonds are to be printed according to specifications with lithographed borders for the sum of \$3,364 (less \$400 if delivery is made in Austin, Texas), there being five interest rates.

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

RESOLUTION

BY THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM AUTHORIZING THE ISSUANCE OF BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1980, IN THE AMOUNT OF \$26,000,000

WHEREAS, the Board of Regents of The University of Texas System (hereinafter sometimes called the "Board") heretofore has authorized, issued, and delivered that issue of Board of Regents of The University of Texas Permanent University Fund Refunding Bonds, Series 1958, dated July 1, 1958, said Bonds having been authorized pursuant to the provisions of Section 18, Article VII of the Texas Constitution; and

WHEREAS, said Refunding Bonds, Series 1958, were payable from and secured by a first lien on and pledge of the Interest of The University of Texas System in the income from the Permanent University Fund, in the manner and to the extent provided in the resolution authorizing said Refunding Bonds, Series 1958; and

WHEREAS, the resolution adopted on July 23, 1958, authorizing the issuance of said Refunding Bonds, Series 1958, reserved the right and power in the Board to issue, under certain conditions, Additional Parity Bonds and Notes for the purposes and to the extent provided in Section 18, Article VII of the Texas Constitution, said Additional Parity Bonds and Notes to be on a parity with the aforesaid Refunding Bonds, Series 1958, and equally and ratably secured by and payable from a first lien on and pledge of the Interest of The University of Texas System in the income from the Permanent University Fund, in the same manner and to the same extent as are said Refunding Bonds, Series 1958; and

WHEREAS, Section 18, Article VII of the Texas Constitution provides that the Board is authorized to issue negotiable bonds and notes for the purpose of constructing, equipping, or acquiring buildings or other permanent improvements for The University of Texas System, in a total amount not to exceed two-thirds (2/3) of Twenty per cent (20%) of the value of the Permanent University Fund, exclusive of real estate, at the time of any issuance thereof; and

WHEREAS, the Board heretofore has authorized, issued, sold, and delivered its Permanent University Fund Bonds, Series 1959, Series 1960, Series 1961, Series 1962, Series 1963, Series 1964, Series 1965, and Series 1966, as installments or issues of such Additional Parity Bonds; and

WHEREAS, the board has deemed it necessary and advisable that no more of said Additional Parity Bonds shall be issued because of the excessively restrictive Permanent University Fund investment covenants made in connection with all of the aforesaid Permanent University Fund Bonds heretofore issued; and

WHEREAS, the Board is required by law to keep said investment covenants in full force and effect as to all of the aforesaid Permanent University Fund Bonds heretofore issued and to affirm the first lien on and pledge accruing to said outstanding Permanent University Fund Bonds heretofore issued on the Interest of The University of Texas System in the income from the Permanent University Fund; and

WHEREAS, pursuant to a resolution adopted on June 16, 1967, the Board authorized, issued, sold, and delivered an installment or issue of negotiable bonds designated as the Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1967, dated July 1, 1967 (hereinafter sometimes called the "New Series 1967 Bonds"), in the principal amount of \$14,000,000, payable from and secured by a lien on and pledge of the Interest of The University of Texas System in the Permanent University Fund, subject only and subordinate to the first lien on and pledge of said Interest heretofore created in connection with the aforesaid outstanding Permanent University Fund Bonds; and

WHEREAS, in said resolution adopted on June 16, 1967, the Board set forth the terms and conditions under which additional bonds may be issued to be on a parity with the aforesaid New Series 1967 subordinate lien bonds, and the Board has issued its Permanent University Fund Bonds, New Series 1968, New Series 1969, New Series 1970, New Series 1971, New Series 1972, New Series 1973, New Series 1974, New Series 1975, New Series 1976, New Series 1977, New Series 1978, and New Series 1979, in accordance therewith; and

WHEREAS, the Board has determined to authorize, issue, sell, and deliver another installment or issue of such subordinate lien parity New Series Bonds in the principal amount of \$26,000,000; and

WHEREAS, the Board hereby officially finds and determines that the value of the Permanent University Fund, exclusive of real estate, is in excess of \$1,231,247,000.

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

1. Throughout this resolution the following terms and expressions as used herein shall have the meanings set forth below:

The term "Permanent University Fund", "Permanent Fund", and "Fund" used interchangeably herein shall mean the Permanent University Fund as created by Article VII, Section 11 of the Texas Constitution, further implemented by the provisions of Title 49, Chapter 1, of the Revised Civil Statutes of Texas, 1925, as amended and supplemented.

The expression "Interest of the University" in the Permanent University Fund shall mean all of the income to such Fund from grazing leases on University lands, and all of the other income from such Fund, after making provision for the payment of the University's proportion of the expenses of administering such Fund, excepting one-third of the income arising and accruing to the Texas A&M University from the 1,000,000 acres of land appropriated by the Constitution of 1876 and the land appropriated by the Act of 1883, as more particularly defined by Chapter 42, Acts of the Forty-second Legislature, Regular Session, 1931 (Article 2592, Vernon's Annotated Civil Statutes of Texas).

The term "Resolution" as used herein and in the Bonds shall mean this resolution authorizing the Bonds.

The term "Bonds" shall mean the New Series 1980 Bonds authorized in this Resolution, unless the context clearly indicates otherwise.

The term "Old Series Outstanding Bonds" shall mean the outstanding bonds of the following Series of bonds:

Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1961, Series 1962, Series 1963, Series 1964, Series 1965, and Series 1966.

The term "New Series Additional Parity Bonds and Notes" and "Additional Parity Bonds and Notes" shall mean the additional parity bonds and the additional parity notes permitted to be issued pursuant to Section 11 of the resolution adopted on June 16, 1967, authorizing the issuance of Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1967, dated July 1, 1967.

The term "New Series Outstanding Bonds" shall mean the outstanding bonds of the following Series of bonds:

Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1967, Series 1968, Series 1969, Series 1970, Series 1971, Series 1972, Series 1973, Series 1974, Series 1975, Series 1976, Series 1977, Series 1978, and Series 1979.

The term "Board" shall mean the Board of Regents of The University of Texas System.

2. That said Board's negotiable coupon bonds, to be designated the "BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1980", are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas in the principal amount of \$26,000,000 FOR THE PURPOSE OF CONSTRUCTING, EQUIPPING, OR ACQUIRING BUILDINGS OR OTHER PERMANENT IMPROVEMENTS FOR THE UNIVERSITY OF TEXAS SYSTEM, to the extent and in the manner provided by law.

3. That the Bonds shall be dated JULY 1, 1980, shall be in the denomination of \$5,000 EACH, shall be numbered consecutively from 1 THROUGH 5200, and shall mature serially on JULY 1 in each of the years, and in the amounts, respectively, as set forth in the following schedule:

<u>YEARS</u>	<u>AMOUNTS</u>	<u>YEARS</u>	<u>AMOUNTS</u>
1981	\$1,040,000	1991	\$1,300,000
1982	1,040,000	1992	1,300,000
1983	1,040,000	1993	1,430,000
1984	1,040,000	1994	1,430,000
1985	1,170,000	1995	1,430,000
1986	1,170,000	1996	1,430,000
1987	1,170,000	1997	1,560,000
1988	1,170,000	1998	1,560,000
1989	1,300,000	1999	1,560,000
1990	1,300,000	2000	1,560,000

Said Bonds may be redeemed prior to their scheduled maturities, at the option of said Board, on the dates stated, for the prices, and in the manner provided, in the FORM OF BOND set forth in this Resolution; and further, said Bonds shall be registrable as to principal only, at the option of the owner, in the manner provided in said FORM OF BOND.

4. That the Bonds scheduled to mature during the years, respectively, set forth below shall bear interest from their date, until maturity or redemption, at the following rates per annum:

maturities 1981 through 1989, 7.00%
 maturities 1990 through 1994, 6.50%

maturities 1995 through 1996, 6.70%
 maturities 1997 through 1998, 7.00%
 maturities 1999 through 2000, 6.00%

Said interest shall be evidenced by interest coupons which shall appertain to said Bonds, and which shall be payable on the dates stated in the FORM OF BOND set forth in this Resolution.

5. That said Bonds and interest coupons shall be payable, shall have the characteristics, and shall be signed and executed (and said Bonds shall be sealed), all as provided, and in the manner indicated, in the FORM OF BOND set forth in this Resolution.

6. That the form of said Bonds, including the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be printed and endorsed on each of said Bonds, the form of the aforesaid interest coupons which shall appertain and be attached initially to each of said Bonds, and the form of endorsement for registration as to principal, shall be, respectively, substantially as follows:

FORM OF BOND

NO. _____

\$5,000

UNITED STATES OF AMERICA
 STATE OF TEXAS
 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM
 PERMANENT UNIVERSITY FUND BOND
 NEW SERIES 1980

ON JULY 1, _____, the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM promises to pay to bearer, or if this bond be registered as to principal, then to the registered owner hereof, the principal amount of

FIVE THOUSAND DOLLARS

and to pay interest thereon, from the date hereof, at the rate of _____ % per annum, evidenced by interest coupons payable JANUARY 1, 1981, and semiannually thereafter on each JULY 1 and JANUARY 1 while this Bond is outstanding. The principal of this Bond and the interest coupons appertaining hereto shall be payable to bearer, in lawful money of the United States of America, without exchange or collection charges to the bearer, upon presentation and surrender of this Bond or proper interest coupon at

American National Bank, Austin, Texas
 New York Co-paying Agent - Irving Bank and Trust
 Chicago Co-paying Agent - Harris Bank and Trust

which places shall be the paying agents for this Series of Bonds.

THIS BOND is one of a Series of negotiable coupon bonds dated JULY 1, 1980, issued in the principal amount of \$26,000,000 FOR THE PURPOSE OF CONSTRUCTING, EQUIPPING, OR ACQUIRING BUILDINGS OR OTHER PERMANENT IMPROVEMENTS FOR THE UNIVERSITY OF TEXAS SYSTEM, to the extent and in the manner provided by law, in accordance with the provisions of the Amendments to Section 18, Article VII of the Texas Constitution, adopted by a vote of the people of Texas on November 6, 1956, and on November 8, 1966.

ONE JULY 1, 1990, OR ON ANY INTEREST PAYMENT DATE THEREAFTER, the outstanding Bonds of this Series may be redeemed prior to their scheduled maturities, at the option of said Board, IN WHOLE, OR IN PART, for the price of par and accrued interest to the date fixed for redemption, plus

a premium of 1% of the par value if redeemed on or after JULY 1, 1990, but prior to JULY 1, 1991, with such premium to be reduced by 1/4 of 1% on JULY 1, 1991, and each JULY 1 thereafter to par on JULY 1, 1994. At least thirty days before the date fixed for any such redemption the Board shall cause a written notice of such redemption to be published at least once in a financial publication published in The City of New York, New York. By the date fixed for any such redemption, due provision shall be made with the paying agents for the payment of par and accrued interest to the date fixed for redemption of the Bonds to be redeemed, plus any required premium. If the written notice of redemption is published, and if due provision for such payment is made, all as provided above, the Bonds, which are to be so redeemed, thereby automatically shall be redeemed prior to maturity, and they shall not bear interest after the date fixed for redemption, and shall not be regarded as being outstanding except for the purpose of being paid by the paying agents with the funds so provided for such payment.

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly issued and delivered; that all acts, conditions, and things required or proper to be performed, exists, and be done precedent to or in the issuance and delivery of this Bond have been performed, existed, and been done in accordance with law; and that the interest on and principal of this Bond, and the Series of which it is a part, together with other New Series Outstanding Bonds, are equally and ratably secured by and payable from a lien on and pledge of the Interest of The University of Texas System in the income from the Permanent University Fund, as such Interest is apportioned by Chapter 42 of the Acts of the Regular Session of the 42nd Legislature of Texas, subject only and subordinate to the first lien on and pledge of said Interest heretofore created in connection with the Old Series Outstanding Bonds (as such terms are defined in the Resolution authorizing this Series of Bonds).

SAID BOARD has reserved the right, subject to the restrictions referred to in the Resolution authorizing this Series of Bonds, to issue additional parity bonds and notes which also may be secured by and made payable from a lien on and pledge of the aforesaid Interest of The University of Texas System in the income from the Permanent University Fund, in the same manner and to the same extent as this Series of Bonds.

THIS BOND, at the option of the owner hereof, is registrable as to principal only on the books of the Registrar. For such purpose the Comptroller of The University of Texas System shall be the Registrar. If registered, the fact of registration shall be noted on the back hereof and thereafter no transfer of this Bond shall be valid unless made on the books of the Registrar at the instance of the registered owner and similarly noted hereon. Registration as to principal may be discharged by transfer to bearer, after which this Bond again may be registered as before. The registration of this Bond as to principal shall not affect or impair the negotiability of the interest coupons appertaining hereto, which shall continue to be negotiable by delivery merely. Subject to said provisions for the registration of this Bond as to principal only, nothing contained herein shall affect or impair the negotiability of this Bond, and this Bond shall constitute a negotiable instrument within the meaning of the laws of the State of Texas.

IN WITNESS WHEREOF, this Bond and the interest coupons appertaining hereto have been signed with the facsimile signature of the Chairman of said Board and countersigned with the facsimile signature of the Secretary of said Board,

and the official seal of said Board has been duly impressed, or placed in facsimile, on this Bond.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

XXXXXXXXXXXXXXXXXXXXXXXXXXXXX
Secretary

XXXXXXXXXXXXXXXXXXXXXXXXXXXXX
Chairman

FORM OF REGISTRATION CERTIFICATE

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this

XXXXXXXXXXXXXXXXXXXXXXXXXXXXX
Comptroller of Public Accounts of
the State of Texas.

FORM OF INTEREST COUPON:

NO. _____ \$ _____

ON _____ 1, _____, THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM promises to pay to bearer the amount shown on this interest coupon, in lawful money of the United State* of America, without exchange or collection charges to the bearer, unless due provision has been made for the redemption prior to maturity of the Bond to which this interest coupon appertains, upon presentation and surrender of this interest coupon, at

American National Bank, Austin, Texas, or, at the option of the bearer, at Irving Bank and Trust, New York, or Harris Bank and Trust, Chicago

said amount being interest due that day on the Bond, bearing the number hereinafter designated, of that issue of BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1980, DATED JULY 1, 1980, BOND NO. _____

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

XXXXXXXXXXXXXXXXXXXXXXXXXXXXX
Secretary

XXXXXXXXXXXXXXXXXXXXXXXXXXXXX
Chairman

FORM OF ENDORSEMENT FOR REGISTRATION AS TO PRINCIPAL:

ENDORSEMENT FOR REGISTRATION AS TO PRINCIPAL

(NO WRITING TO BE MADE HEREON EXCEPT BY THE REGISTRAR DESIGNATED FOR THIS ISSUE OF BONDS)

It is hereby certified that, at the request of the owner of the within Bond, I have this day registered it as to principal in the name of such owner, as indicated in the registration blank below, on the books kept by me for such purpose. The principal of this Bond shall be payable only to the registered owner hereof named in the registration blank below, or his legal representatives, and this Bond shall be transferable only on the books of the Registrar and by an appropriate notation in such registration blank. If the last transfer recorded on the books of the Registrar and in the registration blank below shall be to bearer, the principal of this Bond shall be payable to bearer and it

*Sic

shall be in all respects negotiable. In no case shall negotiability of the interest coupons appertaining hereto be affected or impaired by any registration as to principal.

NAME OF REGISTERED OWNER	DATE OF REGISTRATION	SIGNATURE OF REGISTRAR
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

7. (a) It is hereby certified and recited that the Bonds authorized in this Resolution are Additional Parity Bonds permitted to be issued under Section 11 of the resolution of the Board adopted on June 16, 1967, authorizing the issuance of Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1967, dated July 1, 1967, and that all conditions and requirements of said Section 11 have been or will be met prior to the delivery of the Bonds herein authorized. The Bonds and the New Series Outstanding Bonds are and shall be on a parity and in all respects of equal dignity.

(b) Pursuant to the provisions of the Amendments to Section 18 of Article VII of the Texas Constitution, approved by a vote of the people of Texas on November 6, 1956, and on November 8, 1966, the Bonds, the New Series Outstanding Bonds, and any other New Series Additional Parity Bonds and Notes hereafter issued, and the interest thereon, shall be and are hereby equally and ratably secured by and payable from a lien on and pledge of the Interest of The University of Texas System in the income from the Permanent University Fund, as such Interest is defined in Section 1 of this Resolution, subject only and subordinate to the first lien on and pledge of said Interest heretofore created in connection with the Old Series Outstanding Bonds.

8. (a) The aforesaid Resolution adopted June 16, 1967, authorizing the issuance of the Permanent University Fund Bonds, New Series 1967, has provided that the Comptroller of Public Accounts of the State of Texas shall establish in the State Treasury a fund to be known as "Board of Regents of The University of Texas System New Series Permanent University Fund Interest and Sinking Fund" (hereinafter called the "Interest and Sinking Fund"). In addition to the moneys required to be transferred to the credit of the Interest and Sinking Fund in connection with the New Series Outstanding Bonds, the Comptroller of Public Accounts of the State of Texas shall, for the benefit of the Bonds, transfer to the Interest and Sinking Fund, out of The University of Texas System Available University Fund (the fund in the State Treasury to which is deposited the Interest of The University of Texas System), on or before November 15, 1980, and semiannually thereafter on or before May 15 and November 15 of each year while the Bonds or interest coupons appertaining thereto are outstanding and unpaid, the amount of interest or principal and interest which will become due on the Bonds on the January 1 or July 1 next following. It is hereby recognized that the amounts necessary for the payment of principal and interest on the Old Series Outstanding Bonds will have been transferred on or before May 1 and November 1 of each year from the aforesaid Available University Fund to the interest and sinking fund heretofore created for the benefit of the Old Series Outstanding Bonds.

(b) To the end that money will be available at the paying agents in ample time to pay the principal of and interest on the Bonds as such as principal and interest respectively mature, on or before November 15, 1980, and semiannually thereafter on or before May 15 and November 15 of each year while any of the Bonds, or interest thereon, are outstanding and unpaid, the Comptroller of The University of Texas System, or such officer as may hereafter be designated by the Board to perform the duties now vested in such officer, shall perform the following duties:

(1) Prepare and file with the Comptroller of Public Accounts of the State of Texas (hereinafter called the "Comptroller of Public Accounts") a voucher based on which the Comptroller of Public Accounts shall draw a warrant against the Interest and Sinking Fund in the amount of the interest or principal and interest (when both are scheduled to accrue and mature) which will become due on the January 1 or July 1 next following.

(2) In the event the Bonds shall have been called for redemption on January 1 or July 1 next following of any year, prepare and file with the Comptroller of Public Accounts a voucher based on which the Comptroller of Public Accounts shall draw a warrant against funds of The University of Texas System legally available for such purpose in an amount sufficient to redeem the Bonds thus called.

(c) Whenever a voucher is so filed with the Comptroller of Public Accounts, he shall make the warrant based thereon payable to the order of the paying agent situated in the State of Texas, specified in Section 6 hereof, and shall deliver such warrant to such paying agent on or before the December 1 or June 1 next following.

(d) The paying agent situated in the State of Texas, designated in Section 6 hereof, shall, out of moneys remitted to it under the provisions of this Section 8 hereof, and not otherwise, make available to the other paying agents specified in Section 6 hereof, funds sufficient to pay such of the Bonds (whether payable to the bearer or payable to the registered owner thereof) and such of the coupons as are presented for payment, and said paying agent situated in the State of Texas by accepting designation as such paying agent agrees and is obligated to perform such service.

(e) The paying agents shall totally destroy all paid Bonds and coupons, and shall furnish the Board with an appropriate certificate of destruction covering the Bonds and coupons thus destroyed.

(f) The Board shall make provision with the paying agents for the rendition of a statement to The University of Texas System for any sums due such paying agents for services rendered in connection with the payment of the Bonds and coupons by such paying agents, and the amount of such charges shall be paid by the Board from funds available for such purpose.

9. That all of the language, terms, provisions, covenants, and agreements of Sections 7 through 13, both inclusive, of the aforesaid resolution adopted June 16, 1967, authorizing the issuance of the Permanent University Fund Bonds, New Series 1967, are hereby referred to, adopted, and made applicable to the Bonds authorized by this Resolution, for all purposes.

10. That after said Bonds shall have been executed, it shall be the duty of the Chairman of the Board or some

officer of the Board acting under his authority, to deliver said Bonds and all necessary records and proceedings to the Attorney General of Texas, for examination and approval by the Attorney General. After said Bonds shall have been approved by the Attorney General, they shall be delivered to the Comptroller of Public Accounts of the State of Texas for registration. Upon registration of said Bonds, the Comptroller of Public Accounts (or a deputy lawfully designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificate prescribed herein to be printed and endorsed on each of said Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on each of said Bonds.

11. 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 and 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.

12. That said Bonds are hereby sold and shall be delivered to a syndicate headed by

Citibank, N.A. (For the Joint Managers)

for the principal amount thereof and accrued interest to date of delivery, plus a premium of \$ -0-.

*Sic

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS AT DALLAS, UTILITY REVENUE BONDS, SERIES 1980, IN THE AMOUNT OF \$10,125,000: (1) RESOLUTION AUTHORIZING THE ISSUANCE OF BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS AT DALLAS, UTILITY REVENUE BONDS, SERIES 1980, IN THE AMOUNT OF \$10,125,000 AND AWARDING THE SALE OF THE BONDS TO ROTAN MOSLE, INC., AND ASSOCIATES; (2) DESIGNATION OF NATIONAL BANK OF COMMERCE, DALLAS, TEXAS, PAYING AGENT WITH BANKERS TRUST COMPANY, NEW YORK, NEW YORK, CO-PAYING AGENT; AND (3) AWARD OF CONTRACT TO PRINT THE BONDS TO HART GRAPHICS, INC., AUSTIN, TEXAS. -- The following written Resolution (Pages 13-27) was duly introduced for the consideration of the Board and read in full. It was then duly moved by Regent Powell, seconded by Regent Sterling, 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:

FILE NO. 1580
DOCUMENT 7
DEPARTMENT

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 Dallas, Utility Revenue Bonds, Series 1980, in the amount of \$10,125,000 and awarded the sale of the bonds to Rotan Mosle, Inc., and Associates, at the price of par and accrued interest to date of delivery (Page 27) at rates of interest reflected on Page 13 . The effective interest rate is 7.602562%.

Upon motion of Regent Sterling, seconded by Regent Richards, the bid of National Bank of Commerce, Dallas, Texas, to serve as Paying Agent with Bankers Trust Company, New York, New York, Co-Paying Agent for Board of Regents of The University of Texas System, The University of Texas at Dallas, Utility Revenue Bonds, Series 1980, in the amount of \$10,125,000 was unanimously accepted (Pages 14 , 16). The bank will pay the Board of Regents \$650 to serve as paying agent.

The contract for printing the Board of Regents of The University of Texas System, The University of Texas at Dallas, Utility Revenue Bonds, Series 1980, in the amount of \$10,125,000, was unanimously awarded to Hart Graphics, Inc., Austin, Texas, upon motion of Regent (Mrs.) Blumberg, seconded by Regent Sterling. These bonds are to be printed according to specifications with lithographed borders for the sum of \$1,431, there being six interest rates.

RESOLUTION AUTHORIZING THE ISSUANCE OF BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS AT DALLAS, UTILITY REVENUE BONDS, SERIES 1980, \$10,125,000

WHEREAS, the Board of Regents of The University of Texas System is authorized to issue the Bonds 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. That said Board's negotiable, serial, coupon Bonds to be designated "BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS AT DALLAS, UTILITY REVENUE BONDS, SERIES 1980" (the "Bonds") are hereby authorized to be issued, sold, and delivered in the principal amount of \$10,125,000, FOR THE PURPOSE OF PROVIDING FUNDS TO PURCHASE AN EXISTING UTILITY SYSTEM CONSISTING OF A CENTRAL PLANT WHICH WILL PRODUCE AND SUPPLY CHILLED WATER AND STEAM TO THE BUILDINGS AND FACILITIES OF THE UNIVERSITY OF TEXAS AT DALLAS.

Section 2. That the Bonds shall be dated AUGUST 1, 1980, shall be numbered consecutively from 1 upward, shall be in the denomination of \$5,000 EACH, and shall mature and become due and payable serially on AUGUST 1 in each of the years, and in the amounts, respectively, as set forth in the following schedule:

<u>YEARS</u>	<u>AMOUNTS</u>	<u>YEARS</u>	<u>AMOUNTS</u>
1981	\$235,000	1991	\$480,000
1982	250,000	1992	520,000
1983	270,000	1993	555,000
1984	290,000	1994	600,000
1985	310,000	1995	645,000
1986	335,000	1996	690,000
1987	360,000	1997	745,000
1988	390,000	1998	800,000
1989	415,000	1999	860,000
1990	450,000	2000	925,000

The Bonds may be redeemed prior to their scheduled maturities, at the option of said Board, on the dates stated, and in the manner provided, in the FORM OF BOND set forth in this Resolution.

Section 3. That the Bonds scheduled to mature during the years, respectively, set forth below shall bear interest from their date to maturity or redemption at the following rates per annum:

maturities 1981, <u>8.25</u> %	maturities 1991, <u>8.25</u> %
maturities 1982, <u>8.25</u> %	maturities 1992, <u>8.25</u> %
maturities 1983, <u>8.25</u> %	maturities 1993, <u>8.25</u> %
maturities 1984, <u>8.25</u> %	maturities 1994, <u>7.40</u> %
maturities 1985, <u>8.25</u> %	maturities 1995, <u>7.40</u> %
maturities 1986, <u>8.25</u> %	maturities 1996, <u>7.60</u> %
maturities 1987, <u>8.25</u> %	maturities 1997, <u>7.80</u> %
maturities 1988, <u>8.25</u> %	maturities 1998, <u>8.00</u> %
maturities 1989, <u>8.25</u> %	maturities 1999, <u>6.75</u> %
maturities 1990, <u>8.25</u> %	maturities 2000, <u>6.75</u> %

Said interest shall be evidenced by interest coupons which shall appertain to the Bonds, and which shall be payable on the dates stated in the FORM OF BOND set forth in this Resolution.

Section 4. That the Bonds, and the interest coupons appertaining thereto, shall be payable, shall have the characteristics, may be redeemed prior to their scheduled maturities, and shall be signed and executed (and the Bonds shall be sealed), all as provided, and in the manner indicated, in the FORM OF BOND set forth in this Resolution.

Section 5. That the form of the Bonds, including the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be printed and endorsed on each of the Bonds, and the form of the aforesaid interest coupons which shall appertain and be attached initially to each of the Bonds, shall be, respectively, substantially as follows:

FORM OF 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 DALLAS,
UTILITY REVENUE BOND,
SERIES 1980

ON AUGUST 1, _____, the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM (the "Board") promises to pay to bearer the principal amount of

FIVE THOUSAND DOLLARS

and to pay interest thereon, from the date hereof, at the rate of _____% per annum, evidenced by interest coupons payable FEBRUARY 1, 1981, and semiannually thereafter on each AUGUST 1 and FEBRUARY 1 while this Bond is outstanding.

THE PRINCIPAL of this Bond and the interest coupons appertaining hereto shall be payable to bearer, in lawful money of the United States of America, without exchange or collection charges to the bearer, upon presentation and surrender of this Bond or proper interest coupon, at the following, which shall constitute and be defined as the "Paying Agent" for this Series of Bonds:

National Bank of Commerce, Dallas, Texas
Co-paying Agent - Bankers Trust Company, New York

THIS BOND is one of a Series of negotiable, serial, coupon Bonds, dated AUGUST 1, 1980, issued in the principal amount of \$10,125,000 FOR THE PURPOSE OF PROVIDING FUNDS TO PURCHASE AN EXISTING UTILITY SYSTEM CONSISTING OF A CENTRAL PLANT WHICH WILL PRODUCE AND SUPPLY CHILLED WATER AND STEAM TO THE BUILDINGS AND FACILITIES OF THE UNIVERSITY OF TEXAS AT DALLAS.

ON AUGUST 1, 1990, OR ON ANY INTEREST PAYMENT DATE THEREAFTER, the outstanding Bonds of this Series may be redeemed prior to their scheduled maturities, at the option of the Board, IN WHOLE, OR IN PART, for the principal amount thereof and accrued interest thereon to the date fixed for redemption, plus a premium on the principal amount of each such Bond as follows:

1%	if redeemed August 1, 1990 through February 1, 1992
3/4 of 1%	if redeemed August 1, 1992 through February 1, 1993
1/2 of 1%	if redeemed August 1, 1993 through February 1, 1994
1/4 of 1%	if redeemed August 1, 1994 through February 1, 1995
0%	if redeemed August 1, 1995 or thereafter.

AT LEAST thirty days prior to the date fixed for any such redemption the Board shall cause a written notice of such redemption to be published at least once in a financial publication published in The City of New York, New York, or in the City of Austin, Texas. By the date fixed for any such redemption due provision shall be made with the "Paying Agent" for the payment of the required redemption price. If such written notice of redemption is published and if due provision for such payment is made, all as provided above, the Bonds which are to be so redeemed thereby automatically shall be redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the purpose of being paid by the "Paying Agent" with the funds so provided for such payment.

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly issued and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the issuance and delivery of this Bond have been performed, existed, and been done in accordance with law; and that the interest on and principal of this Bond and the Series of which it is a part, are secured by and payable from an irrevocable first lien on and pledge of the "Pledged Revenues", which include (1) the "Gross Revenues of the Central Utility Plant" and (2) the gross collections of the "Student Fee", as such terms are defined and described in the Resolution authorizing this Series of Bonds (the "Bond Resolution").

THE BOARD has reserved the right, subject to the restrictions stated in the Bond Resolution, to issue additional parity revenue bonds which also may be secured by and made payable from an irrevocable first lien on and pledge of the aforesaid Pledged Revenues.

THE BEARER HEREOF shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation, or from any source other than the aforesaid Pledged Revenues.

IN WITNESS WHEREOF, this Bond and the interest coupons appertaining hereto have been signed with the facsimile signature of the Chairman of the Board, and countersigned with the facsimile signature of the Secretary of the Board, and the official seal of the Board has been duly impressed, or placed in facsimile, on this Bond.

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

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

FORM OF REGISTRATION CERTIFICATE:

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this

XXXXXXXXXX
Comptroller of Public Accounts of
the State of Texas.

FORM OF INTEREST COUPON:

NO. _____ \$ _____
 ON _____ 1, _____,

THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM promises to pay to bearer the amount shown on this interest coupon, in lawful money of the United States of America, without exchange or collection charges to the bearer, unless due provision has been made for the redemption prior to maturity of the Bond to which this interest coupon appertains, upon presentation and surrender of this interest coupon, at the

National Bank of Commerce, Dallas, Texas, or, at the option of the bearer, at the Bankers Trust Company, New York, New York.

said amount being interest due that day on the Bond, bearing the number hereinafter designated, of that issue of BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS AT DALLAS, UTILITY REVENUE BONDS, SERIES 1980, DATED AUGUST 1, 1980. The bearer hereof shall never have the right to demand payment of this obligation out of any funds raised by taxation, or from any source other than the "Pledged Revenues" as defined and described in the resolution authorizing the aforesaid Bonds. Bond No. _____.

XXXXXXXXXX
 Secretary, Board of Regents

XXXXXXXXXX
 Chairman, Board of Regents

Section 6. That as used in this Resolution the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

The term "Board" shall mean the Board of Regents of The University of Texas System.

The term "University" shall mean The University of Texas at Dallas, Dallas, Texas.

The term "Bonds" shall mean and refer to the Board of Regents of The University of Texas System, The University of Texas at Dallas, Utility Revenue Bonds, Series 1980, authorized by this Resolution.

The term "Additional Bonds" shall mean the additional parity revenue bonds permitted to be authorized in this Resolution.

The term "Central Utility Plant" shall mean and include the existing central plant located on the campus of the University which will produce and supply chilled water and steam to the buildings and facilities of the University, together with all equipment, distribution lines, and other facilities appurtenant thereto, all improvements and additions thereto, and all extensions and replacements thereof.

The term "Current Expenses" shall mean all necessary operating and maintenance expenses of the Central Utility Plant, including all expenses of reasonable upkeep and repair, the properly allocated share of insurance, and all other expenses incident to the operation and maintenance thereof, but shall exclude depreciation and all general administrative expenses of the University.

The term "Gross Revenues" shall mean all revenues, income, receipts, rentals, rates, charges, and fees (other than Student

Fees) derived by the Board and/or the University from any sources due to, on account of, and from the operation and ownership of, the Central Utility Plant, including all Legislative appropriations and utility revolving fund payments and reimbursements authorized in connection with the Central Utility Plant, together with all interest income derived from the deposit or investment of money credited to any Fund maintained pursuant to this Resolution.

The term "Net Revenues", shall mean all Gross Revenues derived from the Central Utility Plant after deduction of the Current Expenses thereof.

The term "Student Fee" shall mean the student fee, which shall be fixed, charged, and collected from all students (excepting any category of students now exempt by law) regularly enrolled at the University, for the general use and availability of the Central Utility Plant, in the manner and to the extent provided in this Resolution, and pledged to the payment of the Bonds and any Additional Bonds, as authorized by Chapter 55 of the Texas Education Code.

The term "Pledged Revenues" shall mean collectively (1) the Gross Revenues of the Central Utility Plant, (2) the gross collections of the Student Fee, and (3) any additional revenues, income, receipts, rentals, rates, charges, fees, or other resources which may hereafter, at the option of the Board, be pledged to the payment of the Bonds and Additional Bonds.

The terms "bondholder" and "holder" shall mean any person or persons who is the bearer of one or more of the Bonds or Additional Bonds.

Section 7. 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 Pledged Revenues, and such Pledged Revenues are further pledged to the establishment and maintenance of the Funds created by this Resolution.

Section 8. That there are hereby created and established the following Funds:

(a) The "Central Utility Plant Revenue Fund" (herein called 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 except as otherwise provided herein with respect to interest income from the deposit or investment of other Funds created by this Resolution.

(b) The "Utility 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).

(c) The "Utility 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).

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.

Section 9. 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 and any premium received from the sale and delivery of the Bonds, to the credit of the Interest and Sinking Fund.

(b) That the Board shall transfer or cause to be transferred from the Gross 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 the last day of January, 1981, and semiannually on or before the last day of each July and January 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 the last day of January, 1981, and semiannually on or before the last day of each July and January thereafter, such amounts, in approximately equal semiannual installments, 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 August 1.

Section 12. That immediately after the delivery of the Bonds the Board shall deposit, from the proceeds received from the sale and delivery of the Bonds, to the credit of the Reserve Fund an amount equal to the average annual principal and interest requirements of the Bonds. 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 need 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 Gross Revenues in the Revenue Fund and deposit, or cause to be deposited, to the credit of the Reserve Fund semiannually, on or before the last days of each January and July thereafter, a sum at least equal to 1/10th 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. So long as the Reserve Fund contains said required amount, any surplus in the Reserve Fund over said required amount shall be transferred and deposited into the Interest and Sinking Fund.

Section 13. (a) That if on any occasion there are not sufficient Pledged 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 Pledged Revenues, or from any other sources available for such purpose.

(b) Any Gross Revenues in excess of those required to make the deposits required by Sections 11 and 12, above, shall first be used to pay the Current Expenses of the Central Utility Plant; and after such deposits and payments have been made, any surplus Gross Revenues and any other surplus Pledged Revenues may be used for any lawful purpose.

Section 14. That if, for any reason whatsoever, on the last day of any January or any July of any year hereafter the deposits required by Section 11(b) and Section 12 to be made to the credit of the Interest and Sinking Fund and the Reserve Fund, respectively, have not been made, or if for any other reason whatsoever there are, or appear to be, insufficient Gross Revenues or other Pledged Revenues available to pay the principal of and interest on the Bonds as the same mature and come due, then the Board shall fix, levy, charge, and collect the Student Fee, as provided in Section 15, effective at the next succeeding regular semester or summer term, in amounts sufficient, together with any available Gross Revenues or other Pledged Revenues, to provide and make the deposits required by Section 11(b) and Section 12.

Section 15. (a) That the Board covenants and agrees to fix, levy, charge, and collect the Student Fee on a uniformly applied basis from each student (excepting any student in a category now exempt from paying fees by Chapter 54, Texas Education Code) enrolled in the University at each regular fall and spring semester and at each term of each summer session, for the use and availability of the Central Utility Plant, in such amounts, without any limitation whatsoever, as will be at least sufficient at all times to provide, together with other Pledged Revenues, the money for making when due all deposits required to be made to the credit of the Interest and Sinking Fund and the Reserve Fund in

connection with the Bonds and any Additional Bonds, and to pay the principal of and interest on the Bonds and any Additional Bonds as the same mature and come due, and the Student Fee shall be fixed, levied, charged, and collected in the full amounts required by this Resolution without regard to the actual use, availability, or existence of the Central Utility Plant; but it is specifically recognized that the Student Fee is to be fixed, levied, charged, and collected only if and when permitted or required and provided in this Resolution.

(b) That the Student Fee shall be fixed, levied, charged, and collected pursuant to resolution of the Board if and when permitted or required by this Resolution, and shall be increased if and when permitted or required by this Resolution, and may be decreased or abrogated, so long as all Pledged Revenues are sufficient to provide the money for making when due all deposits specified or required to be made to the credit of the Interest and Sinking Fund and the Reserve Fund in connection with the Bonds and any Additional Bonds. All changes in the Student Fee shall be made by resolution of the Board, but such procedure shall not constitute or be regarded as an amendment of this Resolution, but merely the carrying out of the provisions and requirements hereof.

(c) It is specifically found and determined by the Board that the Bonds are issued pursuant to applicable Sections of the Texas Education Code, including specifically Section 55.17 thereof, to be secured by a pledge of an unlimited use fee (the Student Fee), and that (1) the estimated maximum amount per semester hour of the pledged Student Fee (based on current enrollment and conditions) during any future semester necessary to provide for the payment of the principal of and interest on the Bonds when due, together with (2) the aggregate amount of all use fees which were levied on a semester hour basis for the current semester to pay the principal of and interest on all previously issued bonds, do not exceed \$6.00 per semester hour. In arriving at the foregoing conclusion the Board estimates that it never will be necessary to levy any part of the Student Fee in connection with the Bonds because the Gross Revenues of the Central Utility Plant will be more than sufficient to make all deposits required by Sections 11(b) and 12 with respect to the Interest and Sinking Fund and the Reserve Fund, and also to pay all Current Expenses of the Central Utility Plant. It is further found and determined by the Board that since the opening of the University the Legislature has appropriated adequate funds to pay for all utility services and facilities at the University, including the services of the Central Utility Plant, and that the Board expects and estimates that the Legislature will continue in the future to appropriate funds in such manner that they will be lawfully available as Gross Revenues sufficient to make all payments and deposits in connection with the Bonds and to pay all Current Expenses; and that such appropriated funds have been made so available by the 1979 General Appropriations Act for the biennium commencing September 1, 1979, which appropriates sufficient funds for utilities and which, in "Sec. 18. Utility Revolving Fund", provides for the use of such appropriated funds to make payments of debt service and other payments in connection with utility plant revenue bonds and utility plant operation and maintenance expenses, and/or to reimburse the University's Revolving Fund for utility services.

Section 16. On or before August 1, 1981, and on or before each February 1 and August 1 thereafter while any of the Bonds or Additional Bonds, or coupons appertaining thereto, is outstanding and unpaid, there shall be made available to the Paying Agents, 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 each such August 1 and February 1. Each Paying Agent shall totally destroy all paid Bonds and Additional Bonds, and the coupons appertaining thereto, and shall furnish the Board with an appropriate certificate of destruction.

Section 17. 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 Paying Agent sufficient for such redemption.

Section 18. That the Bonds and any Additional Bonds, and the interest coupons appertaining thereto, will constitute special obligations of the Board payable solely from the Pledged 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 19. (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 Pledged 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 Pledged Revenues 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 Pledged Revenues, of said required additional amount (or any balance of said required additional amount not deposited in cash as permitted above) in semiannual installments, made on or before the last day of each January and July following the adoption of the resolution authorizing the issuance of the then proposed Additional Bonds, of not less than 1/10th of said required additional amount (or 1/10th 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 all Additional Bonds must be scheduled to be paid or mature on August 1 of the years in which such principal is scheduled to be paid or mature; and all interest thereon must be payable on February 1 and August 1.

(d) Any improvements and/or additions to the Central Utility Plant acquired or constructed through the issuance of Additional Bonds shall be made a part of the Central Utility Plant, and their revenues or fees charged for the use thereof shall be made Gross Revenues pledged as additional security for all Bonds and Additional Bonds.

Section 20. 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 fiscal year of The University of Texas System, 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 Central Utility Plant 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 Central Utility Plant, 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 fiscal year of The University of Texas System, 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 Central Utility Plant 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.

Section 21. That it is hereby covenanted and agreed by the Board that while any Bonds or Additional Bonds or interest coupons appertaining thereto are 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 Pledged 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 Pledged 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 Central Utility Plant is located and it has a good and indefeasible estate in such land in fee simple; that it will promptly purchase the Central Utility Plant with the proceeds from the sale of the bonds; it warrants that it has, and will defend, the title to the said land and every part thereof and improvements thereon, including the Central Utility Plant, for the benefit of the holders and owners of the Bonds and Additional Bonds against the claims and demands of all persons whomsoever; it is lawfully qualified to pledge the Pledged 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 Central Utility Plant, 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, laborer's, materialman'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 that 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 Central Utility Plant might or could be impaired, and that it will at all times maintain, preserve, and keep the real and tangible property of the Central Utility Plant and every part thereof in good condition, repair, and working order and operate, maintain, preserve, and keep all buildings, structures, and equipment pertaining thereto and every

part and parcel thereof in good condition, repair, and working order. The Board covenants and agrees that all Current Expenses of the Central Utility Plant shall be paid from the surplus Gross Revenues in the Revenue Fund, as required by this Resolution, to the extent such Gross Revenues are available, or paid from the general funds of the University in the same manner as the expenses of operation and maintenance of educational or general facilities at the University, or paid from any other sources or funds lawfully available to the University or the Board for such purpose.

(f) While the Bonds or Additional Bonds are outstanding and unpaid, it will not sell, convey, mortgage, or in any manner transfer title to, or lease, or otherwise dispose of any property constituting part of the Central Utility Plant, except that whenever the Board deems it necessary to dispose of any fixtures or equipment of such facilities, it may sell or otherwise dispose of such fixtures or equipment when it has made arrangements to replace the same or provide substitutes therefor, unless the Board finds that such replacement or substitution is unnecessary.

(g) It will establish and maintain rates and charges for services, use, and availability of the Central Utility Plant that will produce Gross Revenues sufficient to pay the Current Expenses of the Central Utility Plant and pay the interest on and principal of the Bonds and any Additional Bonds, and maintain the Reserve Fund, all as required by this Resolution. It will fix, charge, and collect the Student Fee, if necessary, in amounts which, together with other Pledged Revenues, will be sufficient to pay the interest on and principal of the Bonds and Additional Bonds and maintain the Reserve Fund.

(h) It shall, so long as the Bonds or Additional Bonds remain outstanding, cause to be procured and maintained boiler explosion insurance on all boilers servicing the Central Utility Plant in an amount not less than \$50,000 against loss suffered by reason of a boiler explosion, and it shall further cause to be procured and maintained fire and extended coverage insurance on such of the plants, structures, buildings, stations, machinery, equipment, apparatus, and pipelines of the Central Utility Plant as are usually insured by corporations operating like properties. The foregoing boiler explosion and fire and extended coverage insurance shall be maintained so long as Bonds or Additional Bonds are outstanding and such fire and extended coverage insurance shall be in amounts at least sufficient to provide for full recovery to the extent that the damage does not exceed 80% of full insurable value. Such insurance shall be carried with a reliable insurance company or companies. In lieu of providing for fire and extended coverage insurance as required above, the Board may, at its option, provide for 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. Upon the happening of any loss or damage covered by such insurance from one or more of said causes, 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 Central Utility Plant 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.

(i) That, at all times when the aggregate amount of funds and/or investments in the Reserve Fund are not at least equal to the average annual principal and interest requirements on the Bonds and Additional Bonds the Board will cause to be procured and maintained use and occupancy insurance on the Central Utility Plant 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.

(j) That while any Bonds or Additional Bonds are outstanding and unpaid, the Board shall not additionally encumber the Pledged Revenues in any manner, except as permitted by this Resolution in connection with the Additional Bonds, unless said encumbrance is made junior and subordinate in all respects to the liens, pledges, covenants, and agreements of this Resolution.

(k) Proper books of record and account will be kept in which full, true, and correct entries will be made of all dealings, activities, and transactions relating to the Central Utility Plant and the Pledged Revenues, and each year while any of the Bonds is outstanding, the University will prepare from such books of record and account a preliminary financial report containing statements of (i) Gross Revenues, Current Expenses, and Net Revenues, (ii) year end balances in funds maintained pursuant to the Resolution and changes in such fund balances from the previous fiscal year, and (iii) a schedule of insurance policies, based on the fiscal year of the University beginning on September 1 of each year and ending on August 31 of the following year. Such preliminary reports shall be furnished to the original purchasers of the Bonds, the Municipal Advisory Council of Texas, the principal municipal bond rating agencies, and any holder of the Bonds who shall request same.

(l) That each year while any of the Bonds or Additional Bonds is outstanding, an audit will be made of its books and accounts relating to the Central Utility Plant and the Pledged Revenues by the State Auditor of the State of Texas, or a certified public accountant, such audit to be based on the fiscal year of the University beginning on September 1 of each year and ending on August 31 of the following year. As soon as practicable after the close of each such fiscal year, and when said audit has been completed and made available to the Board, a copy of such audit for the preceding fiscal year shall be mailed to the original purchasers of the Bonds, and to all other bondholders who shall so request. Such annual audit reports shall be open to the inspection of the bondholders and their agents and representatives at all reasonable times.

(m) 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 Central Utility Plant and all records, accounts, and data of the Board relating thereto.

(n) 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 and 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. (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 Pledged 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.

(c) That for the purpose of this Section, the term "Government Obligations" shall mean direct obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, which may or may not be in book-entry form.

Section 23. 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 24. That the Bonds are hereby sold and shall be delivered to Rotan Mosle, Inc. and Associates, for cash for the par value thereof and accrued interest thereon to date of delivery, plus a premium of \$ -0-. It is hereby officially found, determined and declared that said Bonds have been sold at public sale to the bidder offering the lowest interest cost, after receiving sealed bids pursuant to an Official Notice of Sale and Official Statement dated June 10, 1980, prepared and distributed in connection with the sale of said Bonds. Said Official Notice of Sale and Official Statement have been and are hereby approved by the Board. It is further officially found, determined, and declared that the statements and representations contained in said Official Notice of Sale and Official Statement are true and correct in all material respects, to the best knowledge and belief of the Board.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS AT SAN ANTONIO, UTILITY REVENUE BONDS, SERIES 1980, IN THE AMOUNT OF \$9,775,000: (1) RESOLUTION AUTHORIZING THE ISSUANCE OF BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS AT SAN ANTONIO, UTILITY REVENUE BONDS, SERIES 1980, IN THE AMOUNT OF \$9,775,000 AND AWARDING THE SALE OF THE BONDS TO ROTAN MOSLE, INC., AND ASSOCIATES; (2) DESIGNATION OF NATIONAL BANK OF COMMERCE, DALLAS, TEXAS, PAYING AGENT WITH BANKERS TRUST COMPANY, NEW YORK, NEW YORK, CO-PAYING AGENT; AND (3) AWARD OF CONTRACT TO HART GRAPHICS, INC., AUSTIN, TEXAS, TO PRINT THE BONDS. --The following written Resolution (Pages 29-43) was duly introduced for the consideration of the Board and read in full. It was then duly moved by Regent Newton seconded by Regent Fly 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:

FILE NO. 1000
 COMMITMENT
 REMARKS

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 San Antonio, Utility Revenue Bonds, Series 1980, in the amount of \$9,775,000 and awarded the sale of the bonds to Rotan Mosle, Inc., and Associates, at the price of par and accrued interest to date of delivery (Page 43) at rates of interest reflected on Page 29 . The effective interest rate is 7.603246%.

Upon motion of Regent Sterling seconded by Regent Richards, the bid of National Bank of Commerce, Dallas, Texas, to serve as Paying Agent with Bankers Trust Company New York, New York, Co-Paying Agent for Board of Regents of The University of Texas System, The University of Texas at San Antonio, Utility Revenue Bonds, Series 1980, in the amount of \$9,775,000 was unanimously accepted (Pages 30 , 32). The bank will pay the Board of Regents \$600 to serve as paying agent.

The contract for printing the Board of Regents of The University of Texas System, The University of Texas at San Antonio, Utility Revenue Bonds, Series 1980, in the amount of \$9,775,000, was awarded unanimously to Hart Graphics, Inc., Austin, Texas, upon motion of Regent Richards seconded by Regent Newton. These bonds are to be printed according to specifications with lithographed borders for the sum of \$1,399, there being six interest rates.

RESOLUTION AUTHORIZING THE ISSUANCE OF BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS AT SAN ANTONIO, UTILITY REVENUE BONDS, SERIES 1980, \$9,775,000

WHEREAS, the Board of Regents of The University of Texas System is authorized to issue the Bonds 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. That said Board's negotiable, serial, coupon Bonds to be designated "BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS AT SAN ANTONIO, UTILITY REVENUE BONDS, SERIES 1980" (the "Bonds") are hereby authorized to be issued, sold, and delivered in the principal amount of \$9,775,000, FOR THE PURPOSE OF PROVIDING FUNDS TO PURCHASE AN EXISTING UTILITY SYSTEM CONSISTING OF A CENTRAL PLANT WHICH WILL PRODUCE AND SUPPLY CHILLED WATER AND STEAM TO THE BUILDINGS AND FACILITIES OF THE UNIVERSITY OF TEXAS AT SAN ANTONIO.

Section 2. That the Bonds shall be dated AUGUST 1, 1980, shall be numbered consecutively from 1 upward, shall be in the denomination of \$5,000 EACH, and shall mature and become due and payable serially on AUGUST 1 in each of the years, and in the amounts, respectively, as set forth in the following schedule:

<u>YEARS</u>	<u>AMOUNTS</u>	<u>YEARS</u>	<u>AMOUNTS</u>
1981	\$225,000	1991	\$465,000
1982	240,000	1992	500,000
1983	260,000	1993	540,000
1984	280,000	1994	580,000
1985	300,000	1995	620,000
1986	325,000	1996	670,000
1987	350,000	1997	720,000
1988	375,000	1998	770,000
1989	400,000	1999	830,000
1990	435,000	2000	890,000

The Bonds may be redeemed prior to their scheduled maturities, at the option of said Board, on the dates stated, and in the manner provided, in the FORM OF BOND set forth in this Resolution.

Section 3. That the Bonds scheduled to mature during the years, respectively, set forth below shall bear interest from their date to maturity or redemption at the following rates per annum:

maturities 1981, <u>8.25</u> %	maturities 1991, <u>8.25</u> %
maturities 1982, <u>8.25</u> %	maturities 1992, <u>8.25</u> %
maturities 1983, <u>8.25</u> %	maturities 1993, <u>8.25</u> %
maturities 1984, <u>8.25</u> %	maturities 1994, <u>7.40</u> %
maturities 1985, <u>8.25</u> %	maturities 1995, <u>7.40</u> %
maturities 1986, <u>8.25</u> %	maturities 1996, <u>7.60</u> %
maturities 1987, <u>8.25</u> %	maturities 1997, <u>7.80</u> %
maturities 1988, <u>8.25</u> %	maturities 1998, <u>8.00</u> %
maturities 1989, <u>8.25</u> %	maturities 1999, <u>6.75</u> %
maturities 1990, <u>8.25</u> %	maturities 2000, <u>6.75</u> %

Said interest shall be evidenced by interest coupons which shall appertain to the Bonds, and which shall be payable on the dates stated in the FORM OF BOND set forth in this Resolution.

Section 4. That the Bonds, and the interest coupons appertaining thereto, shall be payable, shall have the characteristics, may be redeemed prior to their scheduled maturities, and shall be signed and executed (and the Bonds shall be sealed), all as provided, and in the manner indicated, in the FORM OF BOND set forth in this Resolution.

Section 5. That the form of the Bonds, including the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be printed and endorsed on each of the Bonds, and the form of the aforesaid interest coupons which shall appertain and be attached initially to each of the Bonds, shall be, respectively, substantially as follows:

FORM OF 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 SAN ANTONIO,
UTILITY REVENUE BOND,
SERIES 1980

ON AUGUST 1, _____, the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM (the "Board") promises to pay to bearer the principal amount of

FIVE THOUSAND DOLLARS

and to pay interest thereon, from the date hereof, at the rate of _____% per annum, evidenced by interest coupons payable FEBRUARY 1, 1981, and semiannually thereafter on each AUGUST 1 and FEBRUARY 1 while this Bond is outstanding.

THE PRINCIPAL of this Bond and the interest coupons appertaining hereto shall be payable to bearer, in lawful money of the United States of America, without exchange or collection charges to the bearer, upon presentation and surrender of this Bond or proper interest coupon, at the following, which shall constitute and be defined as the "Paying Agent" for this Series of Bonds:

National Bank of Commerce, Dallas, Texas
Co-paying Agent - Bankers Trust Company, New York

THIS BOND is one of a Series of negotiable, serial, coupon Bonds, dated AUGUST 1, 1980, issued in the principal amount of \$9,775,000 FOR THE PURPOSE OF PROVIDING FUNDS TO PURCHASE AN EXISTING UTILITY SYSTEM CONSISTING OF A CENTRAL PLANT WHICH WILL PRODUCE AND SUPPLY CHILLED WATER AND STEAM TO THE BUILDINGS AND FACILITIES OF THE UNIVERSITY OF TEXAS AT SAN ANTONIO.

ON AUGUST 1, 1990, OR ON ANY INTEREST PAYMENT DATE THEREAFTER, the outstanding Bonds of this Series may be redeemed prior to their scheduled maturities, at the option of the Board, IN WHOLE, OR IN PART, for the principal amount thereof and accrued interest thereon to the date fixed for redemption, plus a premium on the principal amount of each such Bond as follows:

1%	if redeemed August 1, 1990 through February 1, 1992
3/4 of 1%	if redeemed August 1, 1992 through February 1, 1993
1/2 of 1%	if redeemed August 1, 1993 through February 1, 1994
1/4 of 1%	if redeemed August 1, 1994 through February 1, 1995
0%	if redeemed August 1, 1995 or thereafter.

AT LEAST thirty days prior to the date fixed for any such redemption the Board shall cause a written notice of such redemption to be published at least once in a financial publication published in The City of New York, New York, or in the City of Austin, Texas. By the date fixed for any such redemption due provision shall be made with the "Paying Agent" for the payment of the required redemption price. If such written notice of redemption is published and if due provision for such payment is made, all as provided above, the Bonds which are to be so redeemed thereby automatically shall be redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the purpose of being paid by the "Paying Agent" with the funds so provided for such payment.

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly issued and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the issuance and delivery of this Bond have been performed, existed, and been done in accordance with law; and that the interest on and principal of this Bond and the Series of which it is a part, are secured by and payable from an irrevocable first lien on and pledge of the "Pledged Revenues", which include (1) the "Gross Revenues of the Central Utility Plant" and (2) the gross collections of the "Student Fee", as such terms are defined and described in the Resolution authorizing this Series of Bonds (the "Bond Resolution").

THE BOARD has reserved the right, subject to the restrictions stated in the Bond Resolution, to issue additional parity revenue bonds which also may be secured by and made payable from an irrevocable first lien on and pledge of the aforesaid Pledged Revenues.

THE BEARER HEREOF shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation, or from any source other than the aforesaid Pledged Revenues.

IN WITNESS WHEREOF, this Bond and the interest coupons appertaining hereto have been signed with the facsimile signature of the Chairman of the Board, and countersigned with the facsimile signature of the Secretary of the Board, and the official seal of the Board has been duly impressed, or placed in facsimile, on this Bond.

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

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

FORM OF REGISTRATION CERTIFICATE:

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO:

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this

XXXXXXXXXX
Comptroller of Public Accounts of
the State of Texas.

FORM OF INTEREST COUPON:

NO. _____ \$ _____
ON _____ 1, _____

THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM promises to pay to bearer the amount shown on this interest coupon, in lawful money of the United States of America, without exchange or collection charges to the bearer, unless due provision has been made for the redemption prior to maturity of the Bond to which this interest coupon appertains, upon presentation and surrender of this interest coupon, at the

National Bank of Commerce, Dallas, Texas, or, at the option of the bearer, Bankers Trust Company, New York, New York

said amount being interest due that day on the Bond, bearing the number hereinafter designated, of that issue of BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS AT SAN ANTONIO, UTILITY REVENUE BONDS, SERIES 1980, DATED AUGUST 1, 1980. The bearer hereof shall never have the right to demand payment of this obligation out of any funds raised by taxation, or from any source other than the "Pledged Revenues" as defined and described in the resolution authorizing the aforesaid Bonds. Bond No. _____.

XXXXXXXXXX
Secretary, Board of Regents Chairman, Board of Regents

Section 6. That as used in this Resolution the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

The term "Board" shall mean the Board of Regents of The University of Texas System.

The term "University" shall mean The University of Texas at San Antonio, San Antonio, Texas.

The term "Bonds" shall mean and refer to the Board of Regents of The University of Texas System, The University of Texas at San Antonio, Utility Revenue Bonds, Series 1980, authorized by this Resolution.

The term "Additional Bonds" shall mean the additional parity revenue bonds permitted to be authorized in this Resolution.

The term "Central Utility Plant" shall mean and include the existing central plant located on the campus of the University which will produce and supply chilled water and steam to the buildings and facilities of the University, together with all equipment, distribution lines, and other facilities appurtenant thereto, all improvements and additions thereto, and all extensions and replacements thereof.

The term "Current Expenses" shall mean all necessary operating and maintenance expenses of the Central Utility Plant, including all expenses of reasonable upkeep and repair, the properly allocated share of insurance, and all other expenses incident to the operation and maintenance thereof, but shall exclude depreciation and all general administrative expenses of the University.

The term "Gross Revenues" shall mean all revenues, income, receipts, rentals, rates, charges, and fees (other than Student

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Fees) derived by the Board and/or the University from any sources due to, on account of, and from the operation and ownership of, the Central Utility Plant, including all Legislative appropriations and utility revolving fund payments and reimbursements authorized in connection with the Central Utility Plant, together with all interest income derived from the deposit or investment of money credited to any Fund maintained pursuant to this Resolution.

The term "Net Revenues", shall mean all Gross Revenues derived from the Central Utility Plant after deduction of the Current Expenses thereof.

The term "Student Fee" shall mean the student fee, which shall be fixed, charged, and collected from all students (excepting any category of students now exempt by law) regularly enrolled at the University, for the general use and availability of the Central Utility Plant, in the manner and to the extent provided in this Resolution, and pledged to the payment of the Bonds and any Additional Bonds, as authorized by Chapter 55 of the Texas Education Code.

The term "Pledged Revenues" shall mean collectively (1) the Gross Revenues of the Central Utility Plant, (2) the gross collections of the Student Fee, and (3) any additional revenues, income, receipts, rentals, rates, charges, fees, or other resources which may hereafter, at the option of the Board, be pledged to the payment of the Bonds and Additional Bonds.

The terms "bondholder" and "holder" shall mean any person or persons who is the bearer of one or more of the Bonds or Additional Bonds.

Section 7. 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 Pledged Revenues, and such Pledged Revenues are further pledged to the establishment and maintenance of the Funds created by this Resolution.

Section 8. That there are hereby created and established the following Funds:

(a) The "Central Utility Plant Revenue Fund" (herein called 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 except as otherwise provided herein with respect to interest income from the deposit or investment of other Funds created by this Resolution.

(b) The "Utility 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).

(c) The "Utility 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).

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.

Section 9. 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 and any premium received from the sale and delivery of the Bonds, to the credit of the Interest and Sinking Fund.

(b) That the Board shall transfer or cause to be transferred from the Gross 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 the last day of January, 1981, and semiannually on or before the last day of each July and January 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 the last day of January, 1981, and semiannually on or before the last day of each July and January thereafter, such amounts, in approximately equal semiannual installments, 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 August 1.

Section 12. That immediately after the delivery of the Bonds the Board shall deposit, from the proceeds received from the sale and delivery of the Bonds, to the credit of the Reserve Fund an amount equal to the average annual principal and interest requirements of the Bonds. 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 need 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 Gross Revenues in the Revenue Fund and deposit, or cause to be deposited, to the credit of the Reserve Fund semiannually, on or before the last days of each January and July thereafter, a sum at least equal to 1/10th 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. So long as the Reserve Fund contains said required amount, any surplus in the Reserve Fund over said required amount shall be transferred and deposited into the Interest and Sinking Fund.

Section 13. (a) That if on any occasion there are not sufficient Pledged 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 Pledged Revenues, or from any other sources available for such purpose.

(b) Any Gross Revenues in excess of those required to make the deposits required by Sections 11 and 12, above, shall first be used to pay the Current Expenses of the Central Utility Plant; and after such deposits and payments have been made, any surplus Gross Revenues and any other surplus Pledged Revenues may be used for any lawful purpose.

Section 14. That if, for any reason whatsoever, on the last day of any January or any July of any year hereafter the deposits required by Section 11(b) and Section 12 to be made to the credit of the Interest and Sinking Fund and the Reserve Fund, respectively, have not been made, or if for any other reason whatsoever there are, or appear to be, insufficient Gross Revenues or other Pledged Revenues available to pay the principal of and interest on the Bonds as the same mature and come due, then the Board shall fix, levy, charge, and collect the Student Fee, as provided in Section 15, effective at the next succeeding regular semester or summer term, in amounts sufficient, together with any available Gross Revenues or other Pledged Revenues, to provide and make the deposits required by Section 11(b) and Section 12.

Section 15. (a) That the Board covenants and agrees to fix, levy, charge, and collect the Student Fee on a uniformly applied basis from each student (excepting any student in a category now exempt from paying fees by Chapter 54, Texas Education Code) enrolled in the University at each regular fall and spring semester and at each term of each summer session, for the use and availability of the Central Utility Plant, in such amounts, without any limitation whatsoever, as will be at least sufficient at all times to provide, together with other Pledged Revenues, the money for making when due all deposits required to be made to the credit of the Interest and Sinking Fund and the Reserve Fund in

connection with the Bonds and any Additional Bonds, and to pay the principal of and interest on the Bonds and any Additional Bonds as the same mature and come due, and the Student Fee shall be fixed, levied, charged, and collected in the full amounts required by this Resolution without regard to the actual use, availability, or existence of the Central Utility Plant; but it is specifically recognized that the Student Fee is to be fixed, levied, charged, and collected only if and when permitted or required and provided in this Resolution.

(b) That the Student Fee shall be fixed, levied, charged, and collected pursuant to resolution of the Board if and when permitted or required by this Resolution, and shall be increased if and when permitted or required by this Resolution, and may be decreased or abrogated, so long as all Pledged Revenues are sufficient to provide the money for making when due all deposits specified or required to be made to the credit of the Interest and Sinking Fund and the Reserve Fund in connection with the Bonds and any Additional Bonds. All changes in the Student Fee shall be made by resolution of the Board, but such procedure shall not constitute or be regarded as an amendment of this Resolution, but merely the carrying out of the provisions and requirements hereof.

(c) It is specifically found and determined by the Board that the Bonds are issued pursuant to applicable Sections of the Texas Education Code, including specifically Section 55.17 thereof, to be secured by a pledge of an unlimited use fee (the Student Fee), and that (1) the estimated maximum amount per semester hour of the pledged Student Fee (based on current enrollment and conditions) during any future semester necessary to provide for the payment of the principal of and interest on the Bonds when due, together with (2) the aggregate amount of all use fees which were levied on a semester hour basis for the current semester to pay the principal of and interest on all previously issued bonds, do not exceed \$6.00 per semester hour. In arriving at the foregoing conclusion the Board estimates that it never will be necessary to levy any part of the Student Fee in connection with the Bonds because the Gross Revenues of the Central Utility Plant will be more than sufficient to make all deposits required by Sections 11(b) and 12 with respect to the Interest and Sinking Fund and the Reserve Fund, and also to pay all Current Expenses of the Central Utility Plant. It is further found and determined by the Board that since the opening of the University the Legislature has appropriated adequate funds to pay for all utility services and facilities at the University, including the services of the Central Utility Plant, and that the Board expects and estimates that the Legislature will continue in the future to appropriate funds in such manner that they will be lawfully available as Gross Revenues sufficient to make all payments and deposits in connection with the Bonds and to pay all Current Expenses; and that such appropriated funds have been made so available by the 1979 General Appropriations Act for the biennium commencing September 1, 1979, which appropriates sufficient funds for utilities and which, in "Sec. 18. Utility Revolving Fund", provides for the use of such appropriated funds to make payments of debt service and other payments in connection with utility plant revenue bonds and utility plant operation and maintenance expenses, and/or to reimburse the University's Revolving Fund for utility services.

Section 16. On or before August 1, 1981, and on or before each February 1 and August 1 thereafter while any of the Bonds or Additional Bonds, or coupons appertaining thereto, is outstanding and unpaid, there shall be made available to the Paying Agents, 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 each such August 1 and February 1. Each Paying Agent shall totally destroy all paid Bonds and Additional Bonds, and the coupons appertaining thereto, and shall furnish the Board with an appropriate certificate of destruction.

Section 17. 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 Paying Agent sufficient for such redemption.

Section 18. That the Bonds and any Additional Bonds, and the interest coupons appertaining thereto, will constitute special obligations of the Board payable solely from the Pledged 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 19. (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 Pledged 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 Pledged Revenues 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 Pledged Revenues, of said required additional amount (or any balance of said required additional amount not deposited in cash as permitted above) in semiannual installments, made on or before the last day of each January and July following the adoption of the resolution authorizing the issuance of the then proposed Additional Bonds, of not less than 1/10th of said required additional amount (or 1/10th 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 all Additional Bonds must be scheduled to be paid or mature on August 1 of the years in which such principal is scheduled to be paid or mature; and all interest thereon must be payable on February 1 and August 1.

(d) Any improvements and/or additions to the Central Utility Plant acquired or constructed through the issuance of Additional Bonds shall be made a part of the Central Utility Plant, and their revenues or fees charged for the use thereof shall be made Gross Revenues pledged as additional security for all Bonds and Additional Bonds.

Section 20. 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 fiscal year of The University of Texas System, or 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 Central Utility Plant 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 Central Utility Plant, 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 fiscal year of The University of Texas System, 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 Central Utility Plant 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.

Section 21. That it is hereby covenanted and agreed by the Board that while any Bonds or Additional Bonds or interest coupons appertaining thereto are 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 Pledged 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 Pledged 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 Central Utility Plant is located and it has a good and indefeasible estate in such land in fee simple; that it will promptly purchase the Central Utility Plant with the proceeds from the sale of the bonds; it warrants that it has, and will defend, the title to the said land and every part thereof and improvements thereon, including the Central Utility Plant, for the benefit of the holders and owners of the Bonds and Additional Bonds against the claims and demands of all persons whomsoever; it is lawfully qualified to pledge the Pledged 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 Central Utility Plant, 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, laborer's, materialman'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 that 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 Central Utility Plant might or could be impaired, and that it will at all times maintain, preserve, and keep the real and tangible property of the Central Utility Plant and every part thereof in good condition, repair, and working order and operate, maintain, preserve, and keep all buildings, structures, and equipment pertaining thereto and every

part and parcel thereof in good condition, repair, and working order. The Board covenants and agrees that all Current Expenses of the Central Utility Plant shall be paid from the surplus Gross Revenues in the Revenue Fund, as required by this Resolution, to the extent such Gross Revenues are available, or paid from the general funds of the University in the same manner as the expenses of operation and maintenance of educational or general facilities at the University, or paid from any other sources or funds lawfully available to the University or the Board for such purpose.

(f) While the Bonds or Additional Bonds are outstanding and unpaid, it will not sell, convey, mortgage, or in any manner transfer title to, or lease, or otherwise dispose of any property constituting part of the Central Utility Plant, except that whenever the Board deems it necessary to dispose of any fixtures or equipment of such facilities, it may sell or otherwise dispose of such fixtures or equipment when it has made arrangements to replace the same or provide substitutes therefor, unless the Board finds that such replacement or substitution is unnecessary.

(g) It will establish and maintain rates and charges for services, use, and availability of the Central Utility Plant that will produce Gross Revenues sufficient to pay the Current Expenses of the Central Utility Plant and pay the interest on and principal of the Bonds and any Additional Bonds, and maintain the Reserve Fund, all as required by this Resolution. It will fix, charge, and collect the Student Fee, if necessary, in amounts which, together with other Pledged Revenues, will be sufficient to pay the interest on and principal of the Bonds and Additional Bonds and maintain the Reserve Fund.

(h) It shall, so long as the Bonds or Additional Bonds remain outstanding, cause to be procured and maintained boiler explosion insurance on all boilers servicing the Central Utility Plant in an amount not less than \$50,000 against loss suffered by reason of a boiler explosion, and it shall further cause to be procured and maintained fire and extended coverage insurance on such of the plants, structures, buildings, stations, machinery, equipment, apparatus, and pipelines of the Central Utility Plant as are usually insured by corporations operating like properties. The foregoing boiler explosion and fire and extended coverage insurance shall be maintained so long as Bonds or Additional Bonds are outstanding and such fire and extended coverage insurance shall be in amounts at least sufficient to provide for full recovery to the extent that the damage does not exceed 80% of full insurable value. Such insurance shall be carried with a reliable insurance company or companies. In lieu of providing for fire and extended coverage insurance as required above, the Board may, at its option, provide for 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. Upon the happening of any loss or damage covered by such insurance from one or more of said causes, 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 Central Utility Plant 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.

(i) That, at all times when the aggregate amount of funds and/or investments in the Reserve Fund are not at least equal to the average annual principal and interest requirements on the Bonds and Additional Bonds the Board will cause to be procured and maintained use and occupancy insurance on the Central Utility Plant 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.

(j) That while any Bonds or Additional Bonds are outstanding and unpaid, the Board shall not additionally encumber the Pledged Revenues in any manner, except as permitted by this Resolution in connection with the Additional Bonds, unless said encumbrance is made junior and subordinate in all respects to the liens, pledges, covenants, and agreements of this Resolution.

(k) Proper books of record and account will be kept in which full, true, and correct entries will be made of all dealings, activities, and transactions relating to the Central Utility Plant and the Pledged Revenues, and each year while any of the Bonds is outstanding, the University will prepare from such books of record and account a preliminary financial report containing statements of (i) Gross Revenues, Current Expenses, and Net Revenues, (ii) year end balances in funds maintained pursuant to the Resolution and changes in such fund balances from the previous fiscal year, and (iii) a schedule of insurance policies, based on the fiscal year of the University beginning on September 1 of each year and ending on August 31 of the following year. Such preliminary reports shall be furnished to the original purchasers of the Bonds, the Municipal Advisory Council of Texas, the principal municipal bond rating agencies, and any holder of the Bonds who shall request same.

(l) That each year while any of the Bonds or Additional Bonds is outstanding, an audit will be made of its books and accounts relating to the Central Utility Plant and the Pledged Revenues by the State Auditor of the State of Texas, or a certified public accountant, such audit to be based on the fiscal year of the University beginning on September 1 of each year and ending on August 31 of the following year. As soon as practicable after the close of each such fiscal year, and when said audit has been completed and made available to the Board, a copy of such audit for the preceding fiscal year shall be mailed to the original purchasers of the Bonds, and to all other bondholders who shall so request. Such annual audit reports shall be open to the inspection of the bondholders and their agents and representatives at all reasonable times.

(m) 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 Central Utility Plant and all records, accounts, and data of the Board relating thereto.

(n) 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 and 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. (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 Pledged 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.

(c) That for the purpose of this Section, the term "Government Obligations" shall mean direct obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, which may or may not be in book-entry form.

Section 23. 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 24. That the Bonds are hereby sold and shall be delivered to Rotan Mosle, Inc. and Associates, for cash for the par value thereof and accrued interest thereon to date of delivery, plus a premium of \$ -0-. It is hereby officially found, determined and declared that said Bonds have been sold at public sale to the bidder offering the lowest interest cost, after receiving sealed bids pursuant to an Official Notice of Sale and Official Statement dated June 10, 1980, prepared and distributed in connection with the sale of said Bonds. Said Official Notice of Sale and Official Statement have been and are hereby approved by the Board. It is further officially found, determined, and declared that the statements and representations contained in said Official Notice of Sale and Official Statement are true and correct in all material respects, to the best knowledge and belief of the Board.

RECESS FOR COMMITTEE MEETINGS (BUILDINGS AND GROUNDS COMMITTEE AND COMMITTEE OF THE WHOLE IN EXECUTIVE SESSION). -- Chairman Williams announced that the Board would recess for the meeting of the Buildings and Grounds Committee (Pages 59-104) and, if time permitted following this meeting, the Board would resolve into Executive Session of the Committee of the Whole (Pages 194-198) pursuant to Article 6252-17, Sections 2(e), (f) and (g) to discuss:

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1. Pending and/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)
3. Personnel Matters [Section 2(g)] Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees
 - a. U. T. El Paso: Proposed Amendment to 1979-80 Operating Budget
 - b. U. T. System: Personnel in 1980-81 Operating Budget

The Buildings and Grounds Committee completed its business at 4:50 p. m. Immediately following this meeting, the Committee of the Whole met in Executive Session. Thereafter, the Board recessed to reconvene as a Board at 9:00 a. m. on Friday, July 11, 1980.

Friday, July 11, 1980

Attendance

At 9:00 a. m., the Board reassembled in the second floor hallway of the Main Building at the Marine Science Institute in Port Aransas with the following attendance:

Present
 Chairman Williams presiding
 Vice-Chairman Law
 Regent (Mrs.) Blumberg
 Regent Ely
 Regent Hay
 Regent Newton
 Regent Powell
 Regent Richards
 Regent Sterling

Absent _____

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Chancellor Walker

Secretary Thedford

Augmentation

Medical Service Plan
Research Develop

16, 17, 18, 19
20, 22, 0

BOARD OF REGENTS: CORRECTION AND APPROVAL OF MINUTES OF REGENTS' MEETING HELD MAY 29-30, 1980 (POLICY ON MEDICAL FACULTY COMPENSATION). -- Upon the recommendation of Vice-Chairman Law the Minutes of the meeting of the Board of Regents of The University of Texas System held in Galveston, Texas, on May 29-30, 1980 as distributed by Secretary Thedford were corrected on Page 130 by changing Subparagraphs 2 and 3 under the Minute Order entitled "Dallas Health Science Center, Galveston Medical Branch, Houston Health Science Center, San Antonio Health Science Center, University Cancer Center and Tyler Health Center: Policy on Medical Faculty

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Compensation" so that the complete corrected Minute Order reads as set out below:

"DALLAS HEALTH SCIENCE CENTER, 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.

"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 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 adjust appropriately each year for inflation; and
3. Permit augmentation up to 25% of salary."

Thereafter, upon motion of ~~Vice-Chairman Law~~ seconded by Regent ~~Sterling~~ the Minutes of the regular meeting of the Board of Regents of The University of Texas System held on May 29-30, 1980 were approved as corrected. The official copy of these Minutes is recorded in the Permanent Minutes, Volume XXVII, Pages 3235-3922.

INTRODUCTION OF FACULTY AND STUDENT REPRESENTATIVES. -- FILE NO. Atk
~~Chairman Williams~~ called on the chief administrative officers of the component institutions to introduce their respective faculty and student representatives. DOCUMENT Atk
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U. T. Arlington

President Nedderman introduced:

Faculty Representative: Dr. Thomas Kindel, Outgoing
 Chairman, Faculty Senate

Student Representatives: Mr. Greg Miller, President
 Student Congress
 Mr. Rickie Windle, Editor
 Student Publications

U. T. Austin

President Flawn introduced:

Faculty Representative: Dr. L. O. Morgan, Chairman
 Graduate Assembly

Student Representative: Mr. Mark Cassidy, President
 Senior Cabinet

U. T. Dallas

President Jordan introduced:

Faculty Representative: Dr. Dennis Kratz, Speaker of the Faculty and Professor of Classics

Student Representatives: Mr. Mike Ringley, President Student Congress
Mr. Mark Moring, Vice President Student Congress

U. T. San Antonio

President Wagener introduced:

Faculty Representative: Dr. William G. Mitchell, Secretary to the University Assembly and General Faculty

Student Representative: Mr. Ronald K. Garcia, President Student Representative Assembly

Galveston Medical Branch

President Levin introduced:

Faculty Representative: Dr. Donald Barnett, Associate Professor, Human Biological Chemistry and Genetics

Student Representative: Ms. Heather Ogilvie, Graduate Student, Preventive Medicine and Community Health

Houston Health Science Center

President Bulger introduced:

Faculty Representative: Dr. Robert J. Hardy, Professor of Biometry, School of Public Health

Student Representative: Barbara Bukowski, Dr. P.H. Community Health Practice, School of Public Health

University Cancer Center

President LeMaistre introduced:

Faculty Representative: Hollis E. Bivens, M.D., Associate Professor of Anesthesiology

Student Representative: Mr. Jeffrey Mikolojek, Nurse Anesthetist Student

Following the introductions, Chairman Williams welcomed the guests to the meeting and expressed the hope that the meeting would be informative and helpful.

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

At 11:45 a. m. when the Committee of the Whole completed its Open Session, Chairman Williams announced that the Board would retire to Room 303 on the third floor of the Main Building to continue with the business of the Committee of the Whole in Executive Session which had not been completed at the Thursday afternoon (July 10) session of the committee (Page 44).

RECONVENE. --Following the committee meetings (2:15 p. m.), the Board reconvened.

Chairman Williams called for reports of the committees.

REPORTS OF STANDING COMMITTEES

REPORT OF SYSTEM ADMINISTRATION COMMITTEE (Pages 47-50). -- 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.

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Report

The System Administration Committee in open session this morning approved after discussion but without objection the following recommendations of the administration and submits them in this report to the Board of Regents for formal approval:

U. T. Austin, U. T. Dallas, Dallas Health Science Center (Dallas Southwestern Medical School), Houston Health Science Center and University Cancer Center: Amendments to 1979-80 Budget (10-B-80). --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 Austin, Page 48
- The University of Texas at Dallas, Page 48
- The University of Texas Health Science Center at Dallas (Dallas Southwestern Medical School), Page 49
- The University of Texas Health Science Center at Houston, Pages 49-50
- The University of Texas System Cancer Center, Page 50

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

THE UNIVERSITY OF TEXAS AT AUSTIN

1979-80 BUDGET

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
151.	William R. Kaiser Bureau of Economic Geology Salary Rate Source of Funds: Departmental Salaries and Interagency Contract Funds	Research Scientist \$ 27,400	Research Scientist \$ 32,000	5-1-80

- 48 -

THE UNIVERSITY OF TEXAS AT DALLAS

1979-80 BUDGET

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
4.	Callier Center - Educational Program Transfer of Funds Amount of Transfer	From: Unappropriated Balance - Callier Center Income \$ 3,090	To: Callier Center - Administrative and Professional Salaries \$ 3,090	5-1-80

3370

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	
36.	Dallas Southwestern Medical School J. Donald Capra (Tenure) Microbiology and Internal Medicine Professor Source of Funds: MSRDP	\$ 56,600	\$ 3,400	\$ 60,000	\$ 56,600	\$ 18,400	\$ 75,000	5-1-80

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON

1979-80 BUDGET

Item No.	Explanation	Present Status			Proposed Status			Effective Dates
		Salary Rate	Augmentation	Total Compensation	Salary Rate	Augmentation	Total Compensation	
13.	Christine M. Whitehead University Health Care Center Staff Physician Source of Funds: MSRDP	\$ 34,000 (One-half time Status)	\$ ---	\$ 34,000	\$ 34,000 (Full-time Status)	\$ 3,000	\$ 37,000	5-1-80

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

1979-80 BUDGET

Budget No.	Explanation	Present Status	Proposed Status	Effective Dates
14.	Plant Funds - Special Projects Transfer of Funds	From: Special Projects Unallocated	To: Special Projects and Equipment - Positron Diagnostic Center	
	Amount of Transfer	\$2,000,000	\$2,000,000	5-1-80

THE UNIVERSITY OF TEXAS SYSTEM CANCER CENTER

1979-80 BUDGET

Budget No.	Explanation	Present Status	Proposed Status	Effective Dates
19.	Plant Funds - Physical Plant Building Transfer of Funds	From: Unappropriated Balance - General Funds	To: Plant Funds - Physical Plant Building	
	Amount of Transfer	\$3,715,000	\$3,715,000	5-1-80

3072

REPORT OF ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE (Pages 51-58). --Committee Chairman (Mrs.) Blumberg stated that all matters of the Academic and Developmental Affairs Committee were considered in open session and the recommendations had been approved without objection unless otherwise indicated. She filed the following report. There being no objection, the report was adopted:

FILE NO.
DOCUMENT
REMARKS

1. U. T. System: Docket No. 11 of the Chancellor of the System (Attachment No. 1)(Catalog Change). --Committee Chairman Blumberg reported that no exception had been received to Docket No. 11 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 198 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. Arlington: Authorization to Seek Permission from Coordinating Board to Establish a Doctor of Science Degree in Applied Chemistry (Catalog Change)(Previous Request for Tri-Institutional Doctor of Philosophy Degree in Applied Chemistry Withdrawn). -- Upon the recommendation of President Nedderman and Chancellor Walker and without objection, approval was given to seek permission from the Coordinating Board, Texas College and University System to establish a Doctor of Science Degree in Applied Chemistry at The University of Texas at Arlington. Although the present chemistry faculty is adequate for this program, additional faculty may be required in later years if projected growth is realized and such faculty would be supported by formula generated funds. It was noted that facilities and library resources are sufficient to support the program and that the program would be self-supporting after three years.

FILE NO. A-19
DOCUMENT
REMARKS

System Administration reminded the Board of Regents that there is currently pending before the Coordinating Board a tri-institutional proposal for a Doctor of Philosophy Degree in Applied Chemistry. That proposal, which includes The University of Texas Health Science Center at Dallas, The University of Texas at Arlington, and The University of Texas at Dallas, will be withdrawn but cooperation among the institutions in graduate chemistry programs will continue to be encouraged. It was pointed out that the Dallas Health Science Center has a Ph.D. in Biochemistry in operation. See Page 53 for authorization for U. T. Dallas to seek Coordinating Board approval for the Doctor of Chemistry Degree.

If this request is approved by the Coordinating Board, the next appropriate catalog published at U. T. Arlington will be so amended.

3. U. T. Austin: Appointment of (a) Dr. Walt W. Rostow to the Rex G. Baker, Jr., Professorship of Political Economy in the Department of Economics; (b) Dr. William R. Muehlberger to the Fred M. Bullard Professorship in Geological Sciences; (c) Dr. Seth L. Wolitz to the L. D., Marie and Edwin Gale Professorship in Judaic Studies; and (d) Dr. Clifton M. Grubbs to the Sue Killam Professorship in the Foundations of Economics in the Department of Economics (Effective September 1, 1980). -- By separate motions and without objection, approval was given to appoint the following at The University of Texas at Austin effective September 1, 1980:

FILE NO. 1000
DOCUMENT
REMARKS

- a. Dr. Walt W. Rostow, Professor of Economics and History, the first holder of the Rex G. Baker, Jr., Professorship of Political Economy in the Department of Economics. Dr. Rostow's salary will be supplemented with a \$7,000 stipend from the endowment's income for the 1980-81 academic year.
- b. Dr. William R. Muehlberger, Professor of Geological Sciences, to the Fred M. Bullard Professorship in Geological Sciences to succeed Dr. Stephen E. Clabaugh who relinquished the professorship upon his retirement at the end of the 1979-80 academic year. It was reported that Dr. Muehlberger's salary would be supplemented with a \$3,000 stipend from the endowment's income.
- c. Dr. Seth L. Wolitz, who will hold a joint faculty appointment as Professor in the Department of French and Italian and the Department of Slavic Languages, the first permanent holder of the L. D., Marie and Edwin Gale Professorship in Judaic Studies. Since 1975 there has not been an individual qualified to fill this position. Dr. Eisig Silberschlag served as the Visiting Gale Professor in Judaic Studies from 1973-75.
- d. Dr. Clifton M. Grubbs, Professor of Economics, the first holder of the Sue Killam Professorship in the Foundations of Economics in the Department of Economics. Dr. Grubbs' salary will be accompanied by a \$7,000 supplement from the endowment's income for the 1980-81 academic year.

U. T. Austin - Performing Arts Center (Special Use Facility): Schedule of Facility Use Charges for Non-University Events (Regents' Rules and Regulations, Part One, Chapter VI, Section 6.6). -- In view of the fact that the Performing Arts Center at The University of Texas at Austin has been designated a Special Use Facility by President Flawn in accordance with the Regents' Rules and Regulations, Part One, Chapter VI, Section 6.6, President Flawn and Chancellor Walker recommended that the following schedule of facility use charges for non-University events in the Performing Arts Center at U. T. Austin be approved:

FILE NO. 11
DOCUMENT
REMARKS

Facility Use Charges for Non-University Events

Non-University events are designated as those events sponsored by non-University individuals, groups, associations, or corporations, including registered University of Texas at Austin student, faculty, and staff organizations.

<u>Basic Facility Use Fees:</u>	6 AM - 12 Noon	12 Noon - 6 PM	6 PM - 12 Midnight
<u>Facility</u>			
Concert Hall (3,000 seats)	\$ 400	\$ 400	\$ 600
Recital Hall (New Music Building, 700 seats)	200	200	300
B. Iden Payne Theatre (Drama Building, 500 seats)	240	240	360
Opera Lab Theatre (400 seats)	160	160	240
Organ Studio (New Music Building, 50 seats)	40	40	60
Lecture Room (Fine Arts Admin- istration Building, 50 seats)	20	20	30
Concert Hall Rehearsal Room (200 seats)	65	65	100

It was noted that no charges would be made for official University events sponsored by U. T. Austin academic departments, schools, colleges, agencies or departments.

Without objection, the Academic and Developmental Affairs Committee approved the recommendation.

5. U. T. Dallas: Authorization to Seek Permission from Coordinating Board to Establish a Doctor of Chemistry Degree (Catalog Change).

Unanimous approval was granted to seek permission from the Coordinating Board, Texas College and University System to establish a Doctor of Chemistry Degree at The University of Texas at Dallas. (See Page 51 .) The program, which is an outgrowth of the current Master's program in chemistry, is intended to provide professional level training for applied chemists who will seek jobs almost exclusively in industry. Only two new faculty positions will be needed to meet the needs for expanded graduate offerings dictated by the additional program and these new positions will be funded under existing appropriations. Because of the small start-up costs, it is anticipated that the program will be essentially self-supporting throughout its early development.

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

*Catalog
change*

If this program is approved by the Coordinating Board, the next appropriate catalog published at U. T. Dallas will be amended to reflect this new program.

6. U. T. El Paso: Affiliation Agreements with (a) KPAS Radio, El Paso, Texas; (b) KHEY, Incorporated, El Paso, Texas; and (c) KDBC-TV Portal Communications of Texas, Incorporated, El Paso, Texas.

Approval was given without objection to affiliation agreements by and between The University of Texas at El Paso and the following facilities for the purpose of providing educational experiences in broadcast journalism for students in the mass communications program at U. T. El Paso. 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"/> KPAS Radio El Paso, Texas	April 21, 1980

✓ KHEY, Incorporated
El Paso, Texas

May 14, 1980

✓ KDBC-TV Portal Communica-
tions of Texas, Incorporated
El Paso, Texas

April 23, 1980

Though no format has been established for this type of agreement, these do follow the format approved by the Board of Regents on December 16, 1977 for health care educational experiences.

7. U. T. San Antonio: Memorandum of Agreement with St. Mary's University, San Antonio, Texas (Extension of Army ROTC Program). --

FILE NO. 400
DOCUMENT
REMARKS

Without objection, approval was given to the Memorandum of Agreement set out on Pages 54-57 by and between The University of Texas at San Antonio and St. Mary's University, San Antonio, Texas, for the purpose of establishing an extension of St. Mary's Army ROTC program on the U. T. San Antonio campus. This agreement, which had been executed by the appropriate officials to be effective upon approval by the Board of Regents, replaces the Memorandum of Understanding executed on May 20, 1975, whereby U. T. San Antonio received Army ROTC instruction at St. Mary's University.

MEMORANDUM OF AGREEMENT

WHEREAS St. Mary's University, San Antonio, Texas, is the Department of Army Reserve Officers' Training Corps host institution and conducts a voluntary course of Reserve Officers' Training Corps instruction for interested students, and

WHEREAS The University of Texas at San Antonio (UTSA) has agreed to the establishment of an Army ROTC Extension Center and to offer a complete four-year program of Reserve Officers' Training Corps (ROTC) instruction for qualified students in its curriculum, and

WHEREAS the Department of Army requires a mutually satisfactory agreement with regard to certain administrative procedures, be it known that officials of both institutions, St. Mary's University and The University of Texas at San Antonio (UTSA), mutually agree to the following provisions:

1. Academic credit for the Reserve Officers' Training Corps instruction will be granted to UTSA students by UTSA.
2. Students at The University of Texas at San Antonio will pay tuition and fees as set forth in the fee schedule prescribed by the Board of Regents of The University of Texas System.

3. Adequate support (office space, office furniture and appliances, supply room, military vehicle parking, instructional facilities, telephone service, annual office supplies, and printing budgeted on par with other on-campus faculty instructors with similar responsibilities) will be provided by UTSA for three (3) ROTC personnel stationed at UTSA.

4. UTSA will provide adequate secretarial support to the Associate Professor of Military Science (APMS) stationed at UTSA.

5. The ROTC Program at UTSA will be administered by the Professor of Military Science (PMS), St. Mary's University, who will be awarded the rank of Adjunct Professor of Military Science on the UTSA campus. The senior officer permanently stationed at UTSA will be awarded the rank of Adjunct Associate Professor of Military Science. Other Army officers connected with the program will be awarded the rank of Adjunct Assistant Professor and noncommissioned officers will be awarded the rank of Lecturer. These academic ranks shall not confer tenure or other special privileges described in the UTSA Faculty Handbook.

6. Each UTSA student enrolled in the Reserve Officers' Training Corps Program will meet eligibility requirements for admission to the Reserve Officers' Training Corps Program as stipulated in current Department of Army regulations.

7. Department of Army procedures for administration of records, reporting, and training will be the same for UTSA ROTC students as for St. Mary's ROTC students.

8. Military Science textbooks, weapons, military-type equipment, uniforms, and military training aids will be provided by the United States Army through St. Mary's University at no cost to the students or to UTSA.

9. UTSA will assist in recruiting students for the program by affording ROTC instructor personnel the opportunity to address the student body and faculty in assembly when appropriate and to correspond directly with individual students and faculty members in connection with Army ROTC and ROTC recruiting. UTSA also agrees to provide directory information

on enrolled students, upon request, in accordance with the Family Educational Rights and Privacy Act of 1974, 20 U.S.C. §1232h (1976). UTSA also agrees to encourage equal representation during recruiting, enrollment, counseling, course scheduling, financial assistance, and other student-oriented actions by the administration and faculty.

10. Funds received for reimbursement and subsistence to students who are enrolled in UTSA will be dispersed from the Department of Army through the St. Mary's University Army ROTC detachment.

11. UTSA ROTC students will have equal opportunity to compete with St. Mary's University students for one-, two-, and three-year scholarships. Four-year scholarship cadets will be enrolled in accordance with pertinent Department of Army regulations.

12. This agreement shall commence on the date of its execution and shall continue from year-to-year unless sooner terminated by either party upon one academic semester's written notice.

13. It is understood by all concerned parties that:

a. The ROTC Program at UTSA will be administered by the PMS at St. Mary's University under the guidance of the President, UTSA, through the Dean of the College of Multidisciplinary Studies at UTSA and the Department of the Army.

b. Military Science courses may be offered during the summer semesters dependent upon Army personnel commitment for ROTC Advanced Camp.

c. PMS, St. Mary's, will coordinate scheduling and other instructional matters with the Dean of the College of Multidisciplinary Studies through the APMS stationed at UTSA.

d. Army ROTC Instructors teaching UTSA cadets will respond to guidance and requests made by appropriate officials of UTSA unless a conflict arises with Department of Army policies, in which case these matters will be resolved between the PMS, St. Mary's University, and the Dean, College of Multidisciplinary Studies at UTSA.

e. Military Science achievements awards and honors will be available to cadets at UTSA in accordance with pertinent Department of Army regulations. The St. Mary's University Army ROTC Department will monitor the program.

14. This agreement replaces the Memorandum of Understanding executed on May 20, 1975.

ATTEST

THE UNIVERSITY OF TEXAS AT SAN ANTONIO

(Title)

By James A. Wagner
President

ATTEST

ST. MARY'S UNIVERSITY
SAN ANTONIO, TEXAS

(Title)

By Harold A. Young, M.D.
(Title)

FORM APPROVED:

CONTENT APPROVED:

By Francis A. Frederick General Counsel of the System
James A. Wagner Vice Chancellor for Academic Affairs

Arthur L. Baker
Chancellor

Chairman, Board of Regents

CERTIFICATE OF APPROVAL

I hereby certify that the foregoing Agreement was approved by the Board of Regents of The University of Texas System on the _____ day of _____, 19____.

Secretary, Board of Regents
The University of Texas System

RESOLUTION OF COMMENDATION TO DR. ARLEIGH B. TEMPLETON
PRESIDENT, U. T. EL PASO. --At the conclusion of the meeting of the
 Academic and Developmental Affairs Committee, Committee Chairman
Blumberg read and presented the following resolution to Dr. Arleigh B.
 Templeton, President of The University of Texas at El Paso:

4-3
 13
 FILE NO.
 DOCUMENT
 REMARKS

RESOLUTION

WHEREAS, Dr. Arleigh B. Templeton will retire on August 31, 1980, after thirty-eight years of service to education in the State of Texas, with the last ten years in The University of Texas System; and

WHEREAS, he is closing out his illustrious career at The University of Texas at El Paso; and

WHEREAS, Dr. Templeton helped transform The University of Texas at El Paso into a major center of educational excellence in the Southwest; and

WHEREAS, Dr. Templeton's enthusiasm and irrepressible personality helped to create a new spirit of optimism and cooperation, both on campus and in the community of El Paso; now, therefore, be it

RESOLVED, that the Board of Regents of The University of Texas System does hereby recognize Dr. Templeton's outstanding performance and commend him most highly for his contribution to academic excellence. We salute him and wish him well.

Board of Regents
 of
 The University of Texas System

/s/ Dan C. Williams
 Dan C. Williams, Chairman

/s/ Thos. H. Law
 Thos. H. Law, Vice-Chairman

/s/ Jane Weinert Blumberg
 Jane Weinert Blumberg, Member

/s/ James L. Powell
 James L. Powell, Member

/s/ Sterling H. Fly, Jr., M.D.
 Sterling H. Fly, Jr., M.D., Member

/s/ Howard N. Richards
 Howard N. Richards, Member

/s/ Jess Hay
 Jess Hay, Member

/s/ Walter G. Sterling
 Walter G. Sterling, Member

/s/ Jon P. Newton
 Jon P. Newton, Member

/s/ Betty Anne Thedford
 Betty Anne Thedford, Secretary

This resolution was adopted by unanimous vote.

President Templeton graciously accepted this accolade and expressed his sincere appreciation to the Board of Regents for the opportunity to serve The University of Texas System.

REPORT OF BUILDINGS AND GROUNDS COMMITTEE (Pages 59-104). --
 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 on
 Thursday afternoon, July 10, 1980. The following actions were approved
 without objection unless otherwise indicated:

FILE NO. 200
 DOCUMENT V
 REMARKS

1. U. T. Arlington - Renovation of Science Building: Award of
 Contract to Hallman & Keele, Inc., Garland, Texas, and
 Additional Appropriation Therefor; Inscription for Plaque. --
 Following a review of the tabulation of bids submitted by
 System Administration, the Buildings and Grounds Committee
 without objection:

- a. Awarded the construction contract for the Renova-
 tion of the Science Building at The University of
 Texas at Arlington to the lowest responsible bidder,
 Hallman & Keele, Inc., Garland, Texas, as set out
 below:

Base Bid	\$ 2,570,000
Alternates	
No. 1 Equipping Designated Rooms	221,000
No. 2 Equipping Designated Rooms	160,400
No. 3 Equipping Designated Rooms	128,600
No. 4 Construction of Hazardous Reaction Lab	44,500
No. 5 Refinishing Existing Doors	12,000
No. 6 Ground Fault Interrupters	12,000
No. 7 Best Lock System	13,000
Total Contract Award	<u>\$ 3,161,500</u>

- b. Authorized a revised total project cost of \$3,500,000
 to cover the construction contract award, equipment,
 air balancing, fees and related project expenses
 (previously estimated \$3,377,484)
- c. Appropriated additional funds in the amount of \$122,516
 from Unappropriated Balances to provide for the total
 project cost (This is in addition to the \$3,377,484 pre-
 viously allocated from the funds appropriated by the
 66th Legislature toward the renovation of this building.)
- d. Approved the inscription set out below for the Renovation
 of the Science Building at U. T. Arlington (This inscription

follows the standard pattern approved by the Board on June 1, 1979.):

RENOVATION OF SCIENCE BUILDING

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

Albert S. Komatsu & Associates
 Project Architect
 Hallman & Keele, Inc.
 Contractor

2. U. T. Austin - Balcones Research Center: (a) Endorsement in Principle of Development; (b) Authorization for Feasibility Study; (c) Appointment of The White Budd VanNess Partnership, Houston and Beaumont, Texas, Consulting Architect; and (d) Appropriation Therefor. --With respect to a proposal for development of the Balcones Research Center at The University of Texas at Austin, Committee Chairman Law presented the recommendations of President Flawn and Chancellor Walker. These recommendations included a request to endorse in principle the development concept proposed by the U. T. Austin Administration as summarized below in a letter from President Flawn to Chancellor Walker:

FILE NO. 200
 DOCUMENT
 REMARKS

"...The development concept is intended to serve as the basis for the design of a plan to establish the Balcones Research Center as an integral part of the University's preeminent energy-related research and educational programs.

"...The University proposes to develop a highly visible, identifiable research community at the Balcones Research Center site. The initial phase of the proposed development program would include the construction of a prominent and functional public entrance to the Center site and buildings to house several major energy-related research units operated by the University for the education of students and for service to the State of Texas."

Following discussion, the Buildings and Grounds Committee without objection:

- a. Endorsed in principle the development concept proposed by U. T. Austin Administration for the creation of a research community at the Balcones Research Center site for student education/research and for service to the State of Texas

- b. Authorized a feasibility study for the proposed development of the Balcones Research Center with improvements to the site and research and support facilities
- c. Appropriated \$50,000 from Available University Fund for the feasibility study including fees and related expenses

Further, the Buildings and Grounds Committee upon motion of Regent Williams, seconded by Regent Sterling, appointed the firm of The White Budd VanNess Partnership, Houston and Beaumont, Texas, 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.

3. U. T. Austin - Burleson Bells (Removal from Storage): (a) Designation of Site (Northwest Corner of Red River and 23rd Streets Adjacent to Entry Plaza of Concert Hall - College of Fine Arts and Performing Arts Center); (b) Approval of Preliminary Plans; (c) Authorization to Prepare Final Plans and Advertise for Bids; and (d) Appropriation Therefor. --Mr. Pat Spillman, representing the firm of Fisher and Spillman Architects, Inc., Dallas, Texas, the Project Architect for the Burleson Bells (Removal from Storage) project at The University of Texas at Austin, presented architectural drawings and sketches for the installation of the Bells on a proposed site at the northwest corner of Red River and 23rd streets. Mr. Spillman also described the technical operation of the Bells.

FILE NO. 200
DOCUMENT 1
REMARKS

Following discussion, the Buildings and Grounds Committee without objection:

- a. Approved the preliminary plans for the installation of the Burleson Bells (Removal from Storage) at U. T. Austin on a site at the northwest corner of Red River and 23rd streets adjacent to the entry plaza of Concert Hall of the College of Fine Arts and Performing Arts Center at an estimated total project cost of \$370,000
- b. Authorized the Project Architect, Fisher and Spillman Architects, Inc., to prepare final plans and specifications in preparation for bidding the project at the earliest practical date
- c. Authorized the Office of Facilities Planning and Construction to review and approve the final plans based on the preliminary design approved by the Board and, subject to completion of the final review, to initiate advertisement for bids to be presented to the Board of Regents for consideration at a future meeting
- d. Appropriated \$21,000 from pooled interest on bond proceeds and other construction funds (formerly in some instances referred to as interest on proceeds)

O.N.

4. U. T. Austin - Lyndon Baines Johnson Library: Authorization to Construct Modifications and Furnishings, Appointment of Graeber, Simmons & Cowan in Association with R. Max Brooks Project Architect; Approval of Inscription for Plaque; and Appropriation Therefor. --System Administration reported that with growing collections and exhibits in recent years, the operation of the Lyndon Baines Johnson Library by the General Services Administration and the use by The University of Texas had indicated the need for certain additions and modifications to improve and expand particular areas of the facility. The Lyndon Baines Johnson Foundation, at its expense, had employed R. Max Brooks (who was one of the two original architects of the Library building) and his presently associated firm of Graeber, Simmons and Cowan, Inc., Austin, Texas, approximately six months ago to prepare a feasibility study and cost estimate of the modifications that could and needed to be made to the existing Library building in order to provide more usable and effective facilities for the Library. The results of the feasibility study indicate a total project cost of \$2,365,751 to provide the necessary modifications and furnishings.

 FILE NO. 20
 DOCUMENT 1
 REMARKS —

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

- a. Authorized the construction of modifications and furnishings to the Lyndon Baines Johnson Library as follows:
- (1) East Storage Room and Miscellaneous Items:
This portion of the work primarily involves converting unfinished (i. e., dirt floor) space under the Sid Richardson Building into dry storage space.
 - (2) Food Service Facilities:
This portion of the work primarily involves converting the Press Room and other space on the Service Level of the Library into a complete Caterers' Kitchen, relocating the Press Room, and acquiring food preparation and service equipment.
 - (3) Eighth Floor Expansion:
This portion of the work primarily involves converting an existing open courtyard on the Eighth Floor of the Library into enclosed air-conditioned space, adding a mechanical room and toilets, and converting a storage area into a Caterers' Work Area.
 - (4) Orientation Theater:
This portion of the work primarily involves converting a display area on the Plaza Level into an Orientation Theater.

- (5) Exhibit Systems:
 This portion of the work primarily involves constructing new display cases and modifying existing cases on the Plaza Level and Second Level of the Library, thereby more than doubling the capacity of the display systems.
- b. Appointed the architectural firm of Graeber, Simmons & Cowan in Association with R. Max Brooks Project Architect. Both Mr. Brooks and Mr. Graeber were members of the architectural firm of Brooks, Barr, Graeber & White who operated in association with Skidmore, Owings and Merrill in the design of the original building.
- c. Appropriated \$30,000 from Interest on Permanent University Fund Bond proceeds for fees and related project expenses through completion of preliminary plans.
- d. Approved a cornerstone-type plaque to be installed on a wall in the Great Hall of the Library building immediately below the original cornerstone-type plaque as set out below:

LYNDON BAINES JOHNSON LIBRARY
 Major Modifications - 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
 Peter T. Flawn, President
 The University of Texas at Austin

Graeber, Simmons & Cowan in
 Association with R. Max Brooks
 Project Architect

General Contractor

Betty Anne Thedford, Secretary

5. U. T. Austin - Renovation of Outdoor Sports Facilities (Clark Field Segment and Whitaker Field East Segment): Approval of Final Plans and Authorization to Advertise for Bids. --Without objection and upon the recommendation of President Flawn and Chancellor Walker, the Buildings and Grounds Committee:

FILE NO. 200
 DOCUMENT
 REMARKS

- a. Approved the final plans and specifications for Renovation of Outdoor Sports Facilities (Clark Field Segment and Whitaker Field East Segment) at The University of Texas at Austin at a revised estimated total project cost of \$4,675,000 (previously estimated at \$4,295,000)
- 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

It was noted that this project will be bid in one or more packages to permit contract awards to match the funds available.

Brackenridge / Deep Eddy Apts

6. U. T. Austin - Student Family Housing, Phase 1A - Demolition: Report of Contract Award to Clarence Cullen Company, Buda, Texas, and Additional Appropriation Therefor. -- President Flawn and Chancellor Walker reported that a contract in the amount of \$63,495 had been awarded to the lowest responsible bidder, Clarence Cullen Company, Buda, Texas, for Student Family Housing, Phase 1A - Demolition at The University of Texas at Austin and asked for an appropriation therefor.

(2) 200
FILE NO. _____
DOCUMENT _____
REMARKS _____

Whereupon, the Buildings and Grounds Committee without objection:

Appropriated \$84,000 from Auxiliary Enterprises Administrative Unallocated Account to cover the contract award for the Demolition - Phase 1A of the Student Family Housing at U. T. Austin, fees and miscellaneous expenses

7. U. T. Austin - Student Family Housing - Phase 1A: Approval of Preliminary Plans and Specifications and Additional Appropriation Therefor. -- The preliminary plans and specifications for Student Family Housing - Phase 1A at the Brackenridge site of The University of Texas at Austin were presented by Mr. Bill Martin, representing the Project Architect, Wilson-Stoeltje-Martin, Inc., Austin, Texas. This initial construction, Phase 1A, will provide 228 units replacing 189 existing units. The project includes 56 one-bedroom apartments, 140 two-bedroom apartments, 32 three-bedroom apartments and three structures for support functions for a laundry room, mail room and shuttle bus shelter. It was noted that two types of construction had been considered: conventional brick veneer and pre-fabricated concrete modular. Mr. Martin pointed out that although the use of the concrete modular construction would add approximately \$300,000 to the cost of the project, this added cost would be absorbed by the fact that it would take four to six months longer to complete the buildings using the conventional method, and that the maintenance on the modular construction would be considerably lower.

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In response to questions from members of the Board, Mr. Martin stressed that every effort was being made to save most of the trees on the site, and that the Project Architect had been and would continue to work with and receive input from the student committee on this project. In this connection, Ms. Catherine Baris and Mr. Scott Spradlin, representing the student committee, were recognized by Committee Chairman Law. The students confirmed that they had had input into the project and that they had no complaints about the plans at this time. They expressed the hope that the student committee would continue to have input into the other phases of the project, and said their only real concern at this time was that the projected rents on the apartments be kept as low as possible.

Committee Chairman Law assured the students that the Administration and the Board were very much aware of the cost factor and would continue their efforts to obtain low-cost interest rates and hoped that the completed project would provide low-cost housing in comparison to other available housing in the area. Further, Committee Chairman Law assured the students that the Architect and the Administration would continue to make this a cooperative effort and would be open to input from the student committee as the project progressed to Phases 2 and 3.

Regent (Mrs.) Blumberg asked if consideration had been given to save and reuse the cypress from the old buildings. Mr. Martin said that he would investigate that possibility.

It was the consensus of the Board to proceed with the concrete modular construction of the buildings even though it would add an additional \$300,000 to the estimated project cost of \$8,900,000.

Whereupon, the Buildings and Grounds Committee without objection:

- a. Approved the preliminary plans and specifications for the Student Family Housing - Phase 1A at the Brackenridge site of The University of Texas at Austin at an estimated total project cost of \$9,200,000
- b. Authorized the Project Architect, Wilson-Stoeltje-Martin, Inc., Austin, Texas, to prepare final plans and specifications using the pre-fabricated concrete modular construction for consideration of the Board of Regents at a future meeting
- c. Appropriated additional funds in the amount of \$240,000 from pooled interest on bond proceeds and other construction funds (formerly in some instances referred to as interest on proceeds) for fees and related project expenses through completion of final plans and specifications, \$119,000 having been previously appropriated from this same pooled account and Auxiliary Enterprises Unallocated Funds

O.N.

8. U. T. Austin - Townes Hall (Law School Building) - Alterations and Additions - Remodeling Phase: Award of Contract to Faulkner Construction Company, Austin, Texas, and Additional Appropriation Therefor; Inscription for Plaque. -- Upon the recommendation of President Flawn and Chancellor Walker, the Buildings and Grounds Committee without objection:

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- a. Awarded a construction contract for the Remodeling Phase of the Alterations and Additions to Townes Hall (Law School Building) at The University of Texas at Austin to the lowest responsible bidder, Faulkner Construction Company, Austin, Texas, in the amount of the base bid of \$6,475,000

(This remodeling phase includes improving the mechanical systems, provisions for the handicapped, additional faculty and administrative offices, classrooms, seminar rooms, a new courtroom, an improved auditorium, organizational offices, a placement center and lounges.)

- b. Authorized a revised total project cost of \$8,128,041 to cover the construction contract award, movable furnishings and equipment, air balancing, landscaping, fees and related project expenses (previously estimated in November 1978 at \$6,800,000)

- c. Appropriated additional funds in the amount of \$7,356,138.76 from Permanent University Fund Bond proceeds to provide for the total project cost, \$771,902.24 having been previously appropriated
- d. Approved the following inscription for the plaque to be placed on the Remodeling Phase of the Alterations and Additions to Townes Hall (Law School Building) at U. T. Austin (This inscription follows the standard pattern approved by the Board on June 1, 1979.):

TOWNES HALL

REMODELING

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
 Peter T. Flawn
 President, The University
 of Texas at Austin

 Jessen Associates, Inc.
 Project Architect
 Faulkner Construction Company
 Contractor

9. U. T. Dallas - ~~Student Housing~~ Authorization for Feasibility Study, Appointment of Harper/Kemp/Clutts & Parker, Dallas, Texas, Consulting Architect, and Appropriation Therefor. --
 Upon the recommendation of President Jordan and Chancellor Walker, the Buildings and Grounds Committee:
- a. Authorized a feasibility study to define the project scope, estimated cost and projected funding possibilities with respect to Student Housing at The University of Texas at Dallas
- b. Appropriated \$20,000 from Student Services Fees for the study including fees and related expenses

The Committee further, upon motion of Regent Williams, duly seconded, appointed the firm of Harper/Kemp/Clutts & Parker, Dallas, Texas, Consulting Architect to work with a Committee from U. T. Dallas 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.

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Central Heating + Chilled Water (Plant)

10. U. T. Dallas and U. T. San Antonio - Thermal Energy Plants: Approval of Service Agreements and First Amendments Thereto with Win-Sam, Inc., Oklahoma City, Oklahoma, for Operation of Plants Following Acquisition by University. -- Upon the recommendation of President Jordan and President Wagener, for their respective institutions, concurred in by Chancellor Walker, the Buildings and Grounds Committee without objection approved Service Agreements and First Amendments thereto by and between Win-Sam, Inc., Oklahoma City, Oklahoma, and the Board of Regents for the operation of the Thermal Energy Plants being purchased for The University of Texas at Dallas and The University of Texas at San Antonio from Win-Sam, Inc. The anticipated purchase date and the effective date of the Service Agreements and the First Amendments is August 27, 1980. (See Pages 12, 28 for sale of bonds for purchase.) The two agreements and amendments are set out on Pages 68-78 (U. T. Dallas) and Pages 79-89 (U. T. San Antonio); the principal terms are summarized below:

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- a. The effective period is from August 27, 1980 to September 1, 1999, subject to termination in event Win-Sam, Inc., sometimes referred to as "Thermal Energy Contractor (TEC)" becomes unable to perform. After September 1, 1985, either party may terminate with six months' notice.
- b. The Board, through the Office of Facilities Planning and Construction, will cause or direct semi-annual inspections of the plants to be performed. TEC will be expected to maintain the integrity of the plants and systems, compatible with facilities served by the plants.
- c. TEC will cause chilled water and steam to be continuously available to campus facilities, compatible with building systems design, within the limits set forth in the agreements. Metering equipment will be provided and University shall have access to metering equipment and verification of metering.
- d. University shall pay TEC a fixed monthly charge, for relatively fixed costs, of \$35,379 per month at each location. This monthly charge is subject to adjustment for each one percent change in the average manufacturing employee labor cost in the respective labor markets of Dallas and San Antonio, as set forth in the agreements. Rates paid for chilled water and steam represent variable costs, dependent on method of production of chilled water and on producing and furnishing steam. The specified rates are subject to adjustment based on each one percent change in average labor cost as indicated above.
- e. The agreements provide for method of payment, renegotiation of charges in event of changes in primary fuel use, and other adjustments for the protection of both parties.

- f. TEC agrees to operate the plants in full compliance with all ordinances relating to environmental pollution. It will maintain and repair the interior of plant buildings, systems and equipment, and rebuild, replace or repair any facilities damaged or destroyed. If expansion is necessary, TEC will assist University in criteria and design for expansion.
- g. TEC will indemnify and hold Board harmless from any loss, cost, damage or expense resulting from negligent performance of its obligation under the agreements, and shall maintain in full force and effect appropriate insurance coverage as specified in the agreements, including property damage insurance on the buildings, contents and additions thereto.

SERVICE AGREEMENT

UNIVERSITY OF TEXAS AT DALLAS

This SERVICE AGREEMENT made and entered into this 27th day of August, 1980, by and between WIN-SAM, INC., Oklahoma City, Oklahoma, hereinafter sometimes referred to as "Thermal Energy Contractor (TEC)," and THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM for the use and benefit of The University of Texas at Dallas, Dallas, Texas, hereinafter sometimes referred to as "Board",

WITNESSETH:

WHEREAS, the Board is the owner of central energy plant located on the campus of the University of Texas at Dallas, Dallas, Texas and described on Exhibit A (the "Plant"); and

WHEREAS, Board desires that TEC operate and maintain the Plant and provide the chilled water and steam requirements for certain of the buildings constituting The University of Texas at Dallas, Dallas, Texas; and

WHEREAS, TEC represents to Board that it has the requisite resources, experience, skill, and personnel to properly serve the Board in the capacities specified below, and Board, in reliance on such assurances, is willing to authorize and engage TEC for the operation and maintenance of the Plant under the terms and conditions as herein provided;

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

ARTICLE I - TERMS OF AGREEMENT

A. Authority. The parties represent and warrant that each has legal power to enter into this Agreement and that each has taken all action necessary to authorize its duly authorized officers to execute this Agreement.

B. Term. This Agreement shall be effective as of August 27, 1980 and continue in effect until September 1, 1999.

C. Notices. All notices and bills hereunder shall be in writing and shall be deemed to have been delivered when deposited in the United States mail, postage prepaid, if properly addressed as follows:

If to Board: Vice President for Business Affairs
The University of Texas at Dallas, Dallas, Texas

If to TEC: Win-Sam, Inc., Suite 1260 East, First National
Center, Oklahoma City, Oklahoma 73102

Either party may, by written notice to the other, change its address for purposes of notices and bills hereunder.

D. Waiver. No failure by any party hereto to enforce any of its rights hereunder shall constitute a waiver or release of any such right or affect the validity of this Agreement. No waiver of any breach of this Agreement shall be deemed a waiver of any other or subsequent breach.

E. Partial Invalidity. If any provision of this Agreement is held to be invalid and not binding on any party hereto, such invalidity shall not affect the validity or enforceability of the remainder of this Agreement.

ARTICLE II - OWNERSHIP

Ownership of Central Plant. Ownership of the Plant is vested in the Board and TEC shall not, by virtue of this Agreement acquire any interest or right in or to the Plant, central plant building, or any other equipment installed by TEC except as otherwise provided in this Agreement.

ARTICLE III - RESPONSIBILITIES AND RIGHTS OF PARTIES

A. Right of Entry. Board agrees that TEC, its agents, representatives and workmen and all persons designated by TEC shall have free ingress and egress at all times to and from the areas within which the central plant building is located. Board shall designate specific parking areas for the sole use of TEC representatives.

TEC further agrees that its agents, representatives and workmen shall fully comply with all reasonable Board security regulations which may be in effect during the term of this Agreement. TEC shall grant to Board right of entry of its representatives at all times, including the right of observation and inspection of all records of Plant operation.

B. Inspection of Plant and Systems. Board will cause a semi-annual inspection to be made under the supervision of the Director, Office of Facilities Planning and Construction, of the Plant. TEC will be expected to maintain the integrity of the Plant and its systems to a degree compatible with that of the facilities served from the Plant.

A written report of the results of such inspection shall be given to TEC. If deficiencies are reported, TEC shall have a mutually agreed time to correct such deficiencies. Continued failure on the part of TEC to satisfactorily complete said repairs shall constitute a breach of contract on the part of TEC.

ARTICLE IV - SERVICES

A. Quantity and Quality of Services. TEC shall cause chilled water to be continuously available to the delivery points within the temperature limits of 38°F to 40°F, within pressure limits of 125 psi to 150 psi, and at circulation rates necessary for compatibility with building systems designed for 44°F supply water and 10°F to 12°F temperature

rise at full load. Chilled water system static pressure will be maintained high enough (up to 85 psig) to prevent draining of lines in highest building in event of temporary loss of pumping pressure. Chilled water return mains shall operate at pressures approximately 20 psig below supply mains. Circulation within buildings shall be the responsibility of Board or its representatives.

Steam shall be available continuously at the delivery points between the limits of 125 psig to 150 psig. Superheating will be accepted up to 100° F above saturation temperature.

Water treatment will be maintained for control of scale, corrosion and biological growth. Water treating procedures and records of results shall be available to the Director of Physical Plant for review and evaluation.

Water quality shall be strictly maintained by TEC within the prescribed ranges established by the Board in the construction document specifications which have been revealed to TEC, unless variations are agreed to by both parties and are directed in writing by the Director of Physical Plant. TEC shall take immediate action to correct unsuitable quality conditions when instructed by the Director of Physical Plant. Continued failure on the part of TEC to correct water quality shall constitute a breach of contract.

B. Return of Chilled Water and Steam Condensate. Board shall be responsible for the return to the circulation system of chilled water and condensate from the steam as follows:

Board shall endeavor to return all chilled water delivered.

Board shall endeavor to return all steam condensate.

The necessary mixing valves, control systems, pumps, and regulators in the circulation system of the buildings served have been installed by the Board at its sole expense. The design of such equipment provides for the automatic return of chilled water and steam condensate.

If Board shall fail to return chilled water or steam condensate as herein provided, it shall pay a charge of \$1.25 per thousand gallons for each thousand gallons of steam condensate or chilled water in excess of a total of thirty thousand gallons, not returned to TEC during any month.

C. Metering Equipment; Point of Delivery. Equipment for measuring and metering the chilled water, steam, and steam condensate delivered and returned shall be located in the Plant and shall be accurate within plus or minus 2% of all normal conditions of flow and temperature differential. Metering system shall maintain an hourly typed record of total thermal loads as well as supply and return flow temperature and pressure.

D. Verification of Metering. Board shall have access at all reasonable times to metering equipment and all instruments used in the measurement of the contract units of chilled water, steam, and steam condensate, but the reading, adjustment and maintenance thereof shall be performed only by representatives of TEC. Upon request of Board, TEC shall submit to Board its records and readings of such meters and measuring equipment, and a representative of Board shall be present when periodic tests or adjustments are made of such meters and measuring equipment; and TEC shall give ten days' notice of its intention to make such tests or adjustments. Board, through a representative, shall have the right at reasonable times to test the accuracy of such meters and measuring equipment, and if upon any test of the meters or measuring equipment by Board or by TEC any of such meters or measuring

equipment is found to be inaccurate by more than 2%, such meter or measuring device shall be promptly corrected, and payments based upon such inaccurate registration shall be corrected for the period during which said inaccuracy is known to have existed, but in case such period is not known or agreed upon, then for a period extending back for one-half of the elapsed time since the previous test of the accuracy of such meter or measuring equipment. Adequate Plant records will be maintained so that calculations of energy usage by Plant records may be used to verify metering or for billing purposes.

ARTICLE V - PAYMENT FOR SERVICES

A. Fixed Monthly Charge. Board shall pay TEC a fixed monthly charge which represents payment for relatively fixed costs as follows:

\$35,379 per month.

\$ 291.00 adjustment to the monthly demand charge for each full one percent change in the average cost of labor prevailing for manufacturing employees in the Dallas labor market for the month of December of each contract year from the average cost of labor prevailing for manufacturing employees in the labor market for December, 1979. The average cost of labor prevailing for manufacturing employees in the Dallas labor market shall be determined by reference to and in conformity with the index of Gross Average Hours and Earnings in the Dallas Metropolitan Area published by the Texas Employment Commission in cooperation with the United States Bureau of Labor Statistics.

B. Rate for Chilled Water. Board shall pay TEC a commodity charge which represents payment for variable costs (fuel, electricity, water, maintenance, repair, supplies, etc.) for producing, furnishing and circulating chilled water as follows:

\$0.03842 per ton for all ton hours per month produced by the 1000 ton refrigeration machine with purchased power.

\$0.04563 per ton for all ton hours per month produced by the 2000 ton refrigeration machine.

\$0.02734 per ton for all ton hours per month produced by either the 1000 or the 3000 ton refrigeration machine with on-site generated power.

Chilled water rates will be increased or, as the case may be, decreased from time to time as follows:

The maintenance and supplies adjustment shall be .0000304 per ton hour for each full one percent change in the average cost of labor prevailing for manufacturing employees in the Dallas labor market for the month of December of each contract year from the average cost of labor prevailing for manufacturing employees in the Dallas labor market for December, 1979. The average cost of labor prevailing for manufacturing employees in the Dallas labor market shall be determined by reference to and in conformity with index of Gross Average Hours and Earnings in the Dallas Metropolitan Area published by the Texas Employment Commission in cooperation with the United States Bureau of Labor Statistics.

C. Rates for Steam. Board shall pay TEC a commodity charge which represents payment for variable costs for producing and furnishing steam to the delivery point, as follows:

\$ 3.0978 per million BTU for all million BTU per month.

A credit of \$ 2.43 per 1000 pounds of steam produced by the engine generator heat recovery boiler shall be credited to the Board.

D. Notice of Adjustment. When proposing any adjustment to the rates as provided in this Article, TEC shall give written notice to Board of its computation of such adjustment not later than April 30 of that year. The adjustment shall become effective commencing with the beginning of the next succeeding fiscal year of the Board, which begins September 1.

E. Statements for Charges; Payment. Statements shall be rendered monthly by TEC to Board not later than the fifth business day of each month for the prior month's service, and shall be payable on or before thirty days thereafter.

F. Renegotiation of Rate Schedules. The above rate schedules are constructed on the premises that natural gas is the primary fuel and that fuel oil is the secondary fuel. It is agreed that secondary fuel will be used only for engine ignition, test purposes, or during valid interruptions of primary fuel. In the event that present primary and secondary fuels become unavailable or economically undesirable, the Board will redesign and convert the Plant in order to utilize an available economic fuel and renegotiate the rates for chilled water and steam.

G. Purchase and Payment of Utilities. At the option of the Board, the purchase and payment of utilities (natural gas, electricity, water and secondary fuel) shall be made as specified herein under subparagraphs (1) or (2).

(1) The Board shall purchase for the supply to TEC all primary fuel (Natural Gas), electrical energy, water and secondary fuel (No. 2 fuel oil) that is necessary and requisite for the efficient operation of the central Plant system called for by the terms for this Agreement. The Board shall inform TEC in writing within three days following the end of each month during the term of this Agreement the amount or quantity of primary fuel (MMBTU), electrical energy (KWH) and water (Gals.) utilized and consumed by TEC in the central energy Plant system. The Board shall also advise TEC in writing within five days of delivery of the quantity and BTU value of all secondary fuel purchased and delivered to the fuel oil storage tank maintained by TEC. TEC shall meter the fuel oil in order to determine the quantity of secondary fuel consumed by TEC, if any, during each month of the term of this Agreement.

TEC shall account and deduct from each monthly Statement of Charges rendered to the Board under paragraph E of this Article an amount equal to the sum of (i) \$2.00 times the amount of primary fuel (expressed in MMBTU) supplied and billed by the utility company and consumed by TEC in the central energy Plant system during the preceding month and reported by the Board to TEC pursuant to paragraph G(1) above, and (ii) \$0.035 times the amount of electrical energy (expressed in KWH) supplied and billed by the utility company and consumed by TEC in the central energy Plant system during the preceding month and reported by the Board to TEC pursuant to paragraph G(1) above, and (iii) \$0.75 times the amount of water (expressed in thousand of gallons) supplied and billed by the utility company and consumed by TEC in the central energy plant system during the preceding month and reported by the Board to TEC pursuant to paragraph G(1) above, and (iv) \$2.00 times the amount of secondary fuel (expressed in millions of BTU's) consumed by TEC in the central energy Plant system during the preceding month as revealed by TEC's meters. The conversion to increments of one million BTU shall be accomplished by using the average BTU content of the fuel oil in the storage tank.

(2) If utilities are purchased by TEC, the total monthly charges based upon the rates set forth herein will be increased or decreased, as the case may be as follows:

(a) By an amount equal to the increase or decrease in cost of electricity used in the production of steam and chilled water for Board during the electric utility billing period immediately preceding the current month, from a base amount equal to the number of kilowatt hours (KWH) used priced at \$0.035 per KWH.

(b) By an amount equal to the increase or decrease in cost of fuels used in the production of chilled water and steam for the Board during the primary fuel billing period immediately preceding the current month, from a base amount equal to the number MMBTU used priced at \$2.00 per MMBTU.

(c) By an amount equal to the increase or decrease in cost of water utilized in the production of steam and chilled water for the Board during the water utility billing period immediately preceding the current month, from a base amount equal to the number of gallons used at \$0.75 per thousand gallons.

ARTICLE VI - OPERATION, MAINTENANCE AND REPAIR

A. Pollution. TEC agrees to operate the plant in full compliance with all ordinances relating to environmental pollution. Board shall have no liability for claims arising from noncompliance by TEC.

B. Maintenance and Repairs. TEC shall maintain and repair the interior of the Plant building, systems and equipment. If any part of all such facilities shall at any time be destroyed or damaged so that the production and circulation of chilled water and steam is not adequate to maintain the standards herein contained, TEC shall proceed promptly to rebuild, replace and/or repair the same. TEC shall have the right, upon reasonable notice to the Director of Physical Plant and with the approval of the Director of Physical Plant, to interrupt the supply of chilled water and steam to Board's facilities for the purpose of making any necessary repairs; but TEC shall in each instance accomplish such work at such times and in such manner as to cause as little interruption or inconvenience to the occupants of the building as is reasonably possible and shall restore the facilities to operation as quickly as shall be reasonably possible under the circumstances.

C. Equipment Under Control of Board. TEC will not be responsible for insufficient cooling or heating with any building attributable to defects or inadequacy of air handling, heat exchange or other related equipment not under the exclusive control of TEC.

D. Force Majeure. TEC will not be responsible for an interruption of the delivery of chilled water or steam or for the performance of any of the duties assumed hereunder by TEC due to strikes, fires, or governmental authority, or acts of God, but TEC will at all times exercise the highest degree of diligence to have the central Plant system furnish an uninterrupted supply of chilled water and steam.

E. Exterior Maintenance. Board shall cause the exterior areas adjacent to Plant to be maintained by Board representatives, including landscaping, irrigation and parking areas. TEC shall agree to cause no nuisance in the form of exterior storage or other unsightly acts on property adjacent to the Plant building. Should such occur, Board reserves the right to charge the cost of correcting same to TEC.

ARTICLE VII - EXPANSION OF PLANT

A. Design of Additional Facilities. At the discretion of Board, expansion plans for additional facilities shall be prepared by Board, after consultation with TEC with respect to design criteria. Major expansion may be in increments or directly to full design capacity of the Plant. TEC agrees to supervise additional facilities in strict accordance with documents provided by Board. "Additional facilities," as used above include not only expansion of Plant capacity but also Plant conversion caused by changing from present fuels or caused by drastic changes in government regulations such as environmental protection laws. Board shall be responsible for and pay all costs of the "additional facilities" including payment to TEC of a construction supervision fee which shall be negotiated in good faith between TEC and the Board.

B. Payment of Expanded Services. When expanded services cause TEC increased costs, the payment for services shall be adjusted as agreed upon by Board and TEC.

ARTICLE VIII - INDEMNIFICATION AND INSURANCE

A. Indemnification and Insurance. TEC will indemnify and hold Board harmless from any loss, cost, damage or expense resulting from the negligent performance by it of its obligations hereunder or from its violation of the covenants made by it hereunder TEC shall be promptly notified in writing of any claim or demand for payment made on account of which Board claims that it is entitled to indemnification under this Agreement; and TEC shall have a reasonable opportunity and the right to contest, at its own expense, any such claim or demand asserted against Board.

At all times during the term of this Agreement, TEC shall maintain in full force and effect the following insurance coverage naming the Board as coinsured and furnish Board continuing evidence of such coverage.

1. Public Liability insurance in an amount not less than \$100,000 per person and \$500,000 for each occurrence.
2. Workmen's Compensation in accordance with applicable laws.
3. Property Damage Liability insurance, in an amount not less than \$100,000/\$500,000.
4. Property Damage upon the building, contents and additions thereto to the extent of the highest insurable value thereof, including coverage against damage by fire, lightning, windstorm, hurricane, hail, explosive, riot, civil commotion, smoke, aircraft, and land vehicles. Coverage shall be based on an annual revaluation and provide for full replacement or repair without regard to depreciation.

ARTICLE IX - ENCUMBRANCES AND INDEBTEDNESS

A. Removal of Property. TEC agrees not to remove any property without approval of Board.

B. No Indebtedness Created. This agreement shall not be construed as creating an indebtedness against the State of Texas, and all obligations of the Board hereunder are subject to the availability of appropriations by the Legislature of the State of Texas; provided, however, that the failure by Board to make payments to TEC as contemplated by this Agreement shall relieve TEC of the obligation to perform services hereunder until such failure is corrected, but such failure shall not otherwise terminate the obligations of the parties hereunder.

C) Operation, Maintenance and Repair Costs. TEC shall pay, prior to delinquency, all valid charges related to operation, maintenance and repair of Plant.

ARTICLE X - TERMINATION OF CONTRACT

A. Inability to Perform. In the event TEC becomes unable to continue the performance of services as herein provided because of bankruptcy, insolvency, or for any reasons other than those outlined in Article VI E of this Agreement, this Agreement will terminate.

In the event that the Board shall allege that TEC has defaulted or is suffering a default to exist in its obligations hereunder, Board shall, by Certified or Registered Mail, serve a 10-day notice upon TEC specifying the default or defaults it has alleged to have occurred.

If such default or defaults are cured within the period of said notice, such notice of default shall be of no further force and effect. If such default or defaults are unable, by their nature to be cured with said 10-day period, the notice of default shall likewise be of no further force or effect if TEC commences to cure such default or defaults within the 10-day notice period and continues with the curing of such default or defaults, with due diligence.

B. After September 1, 1985, either party may terminate this contract by notifying, in writing, the other party six months before the date of termination.

ARTICLE XI - SUCCESSOR AND ASSIGNS

Successor and Assigns. This Agreement shall be binding upon the successors and assigns of the parties hereto. TEC may not sell or assign this Agreement, without prior written consent of Board, which consent shall not be unreasonably withheld.

ARTICLE XII - AMENDMENTS

Amendments. This written Agreement constitutes the whole agreement between the parties hereto, and all prior or contemporaneous commitments or understandings are merged herein.

This Agreement may be modified or amended only by an agreement in writing by each of the parties hereto.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the date and year first above written.

(Corporate Seal)

WIN-SAM, INC.
(Thermal Energy Contractor)

ATTEST:

By [Signature]
President

[Signature]
Asst. Secretary

ATTEST:

BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

[Signature]

By [Signature]

APPROVED AS TO LEGAL FORM:

APPROVED AT TO CONTENT:

[Signature]
University Attorney

[Signature]
Vice Chancellor for Business Affairs

APPROVED AS TO TECHNICAL FORM:

[Signature]
Director, Office of Facilities
Planning and Construction

FIRST AMENDMENT TO SERVICE AGREEMENT

THE UNIVERSITY OF TEXAS AT DALLAS

WHEREAS, WIN-SAM, INC., Oklahoma City, Oklahoma, herein called Thermal Energy Contractor ("TEC"), and the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, for the use and benefit of The University of Texas at Dallas ("Board"), have heretofore entered into a certain SERVICE AGREEMENT to become effective the 27th day of August, 1980; and

WHEREAS, the parties agree that certain modifications and changes should be made in such Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual promises, obligations and covenants therein and hereinafter set forth, the parties agree that such SERVICE AGREEMENT shall be modified by making the following changes therein:

I.

The first paragraph of Article V, paragraph G, page 6 is hereby amended to read as follows:

"The Board may designate either of these alternatives at any time, and from time to time, as often as it may deem necessary."

The remainder of such paragraph is unchanged.

II.

The first sentence of Article VI, paragraph B, page 8 is amended to read as follows:

"TEC shall, at its expense, maintain and repair the interior of the plant building, systems and equipment."

The remainder of such paragraph is unchanged.

III.

Article X, paragraph A, page 10 is hereby amended to read as follows:

A. Inability to Perform. In the event TEC becomes unable to continue the performance of services as herein provided because of bankruptcy, insolvency, or for any reasons other than those outlined in Article VI D of this Agreement, this Agreement will terminate.

In the event the Board shall allege that TEC has defaulted or is suffering a default to exist in its obligations hereunder, Board shall, by Certified or Registered Mail, serve notice upon TEC specifying the default or defaults it has alleged to have occurred. TEC shall have 10 days from receipt of said notice to cure, or begin to cure, such default as below specified.

If such default or defaults are cured within the period specified, such notice of default shall be of no further force and effect. If such default or defaults are unable, by their nature, to be cured within said 10-day period, the notice of default shall likewise be of no further force and effect if TEC commences to cure such default or defaults within the 10-day period and continues with the curing of such default or defaults with due diligence.

If TEC fails to cure such default or defaults in one of the manners set out above, or if a good-faith dispute arises as to the existence of the alleged default or defaults, the matter shall be submitted to arbitration. Board and TEC shall each designate one member of an arbitration committee, and those two members shall jointly select a third member of said committee. Should they be unable to agree upon a third member, such designation shall be made by the then presiding district judge of Travis County, Texas.

The three-member arbitration committee shall promptly hear all relevant facts and evidence bearing upon such alleged default or defaults and shall make findings thereon without delay. Their majority decision shall be final and binding upon Board and TEC.

Should that committee determine that no default exists, or that it has been cured, or that it is being cured diligently, then the original notice of default shall be of no further force and effect. Should the committee find that a default exists, it shall so notify both parties, and TEC shall have 10 days after such notice to cure the default or defaults, unless they are of such nature as to be incapable of being cured within such period. In that event, TEC shall begin to cure them within said 10 day period and continue to pursue such cure with due diligence. If TEC pursues either such avenue, then such notice shall be of no further force and effect. If it pursues neither avenue of cure, this Agreement shall terminate on the 30th day after notice to TEC from the arbitration committee as above set forth.

The remainder of Article X shall remain unchanged.

IN WITNESS WHEREOF, the parties have caused this First Amendment to Service Agreement to be executed and delivered as of the date and year first above written.

(Corporate Seal)

WIN-SAM, INC.
(Thermal Energy Contractor)

ATTEST:

By: James W. [Signature]
President

[Signature]
Asst. Secretary

BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

ATTEST:

By: _____

Approved as to Content:

[Signature]
Chancellor

Approved as to Legal Form:

[Signature]
University Attorney

Approved as to Technical Form:

[Signature]
Director, Office of Facilities
Planning and Construction

SERVICE AGREEMENTUNIVERSITY OF TEXAS AT SAN ANTONIO

This SERVICE AGREEMENT made and entered into this 27th day of August, 1980, by and between WIN-SAM, INC., Oklahoma City, Oklahoma, hereinafter sometimes referred to as "Thermal Energy Contractor (TEC)," and THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM for the use and benefit of the University of Texas at San Antonio, San Antonio, Texas, hereinafter sometimes referred to as "Board",

WITNESSETH:

WHEREAS, The Board is the owner of central energy plant located on the campus of the University of Texas at San Antonio, San Antonio, Texas and described on Exhibit A (the "Plant"); and

WHEREAS, Board desires that TEC operate and maintain the Plant and provide the chilled water and steam requirements for certain of the buildings constituting the University of Texas at San Antonio, San Antonio, Texas; and

WHEREAS, TEC represents to Board that it has the requisite resources, experience, skill, and personnel to properly serve the Board in the capacities specified below, and Board, in reliance on such assurances, is willing to authorize and engage TEC for the operation and maintenance of the Plant under the terms and conditions as herein provided;

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

ARTICLE I - TERMS OF AGREEMENT

A. Authority. The parties represent and warrant that each has legal power to enter into this Agreement and that each has taken all action necessary to authorize its duly authorized officers to execute this Agreement.

B. Term. This Agreement shall be effective as of August 27, 1980 and continue in effect until September 1, 1999.

C. Notices. All notices and bills hereunder shall be in writing and shall be deemed to have been delivered when deposited in the United States mail, postage prepaid, if properly addressed as follows:

If to Board: Vice President for Business Affairs
The University of Texas at San Antonio, San Antonio, Texas

If to TEC: Win-Sam, Inc., Suite 1260 East, First National Center, Oklahoma City, Oklahoma 73102

Either party may, by written notice to the other, change its address for purposes of notices and bills hereunder.

D. Waiver. No failure by any party hereto to enforce any of its rights hereunder shall constitute a waiver or release of any such right or affect the validity of this Agreement. No waiver of any breach of this Agreement shall be deemed a waiver of any other or subsequent breach.

E. Partial Invalidity. If any provision of this Agreement is held to be invalid and not binding on any party hereto, such invalidity shall not affect the validity or enforceability of the remainder of this Agreement.

ARTICLE II - OWNERSHIP

Ownership of Central Plant. Ownership of the Plant is vested in the Board and TEC shall not, by virtue of this Agreement acquire any interest or right in or to the Plant, central plant building, or any other equipment installed by TEC except as otherwise provided in this Agreement.

ARTICLE III - RESPONSIBILITIES AND RIGHTS OF PARTIES

A. Right of Entry. Board agrees that TEC, its agents, representatives and workmen and all persons designated by TEC shall have free ingress and egress at all times to and from the areas within which the central plant building is located. Board shall designate specific parking areas for the sole use of TEC representatives.

TEC further agrees that its agents, representatives and workmen shall fully comply with all reasonable Board security regulations which may be in effect during the term of this Agreement. TEC shall grant to Board right of entry of its representatives at all times, including the right of observation and inspection of all records of Plant operation.

B. Inspection of Plant and Systems. Board will cause a semi-annual inspection to be made under the supervision of the Director, Office of Facilities Planning and Construction, of the Plant. TEC will be expected to maintain the integrity of the Plant and its systems to a degree compatible with that of the facilities served from the Plant.

A written report of the results of such inspection shall be given to TEC. If deficiencies are reported, TEC shall have a mutually agreed time to correct such deficiencies. Continued failure on the part of TEC to satisfactorily complete said repairs shall constitute a breach of contract on the part of TEC.

ARTICLE IV - SERVICES

A. Quantity and Quality of Services. TEC shall cause chilled water to be continuously available to the delivery points within the temperature limits of 38°F to 40°F, within pressure limits of 125 psi to 150 psi, and at circulation rates necessary for compatibility with building systems designed for 44°F supply water and 10°F to 12°F temperature rise at full load. Chilled water system static pressure will be maintained high enough (up to 85 psig) to prevent draining of lines in highest building in event of temporary loss of pumping pressure. Chilled water return mains shall operate at pressures approximately 20 psig below supply mains. Circulation within buildings shall be the responsibility of Board or its representatives.

Steam shall be available continuously at the delivery points between the limits of 125 psig to 150 psig. Superheating will be accepted up to 100°F above saturation temperature.

Water treatment will be maintained for control of scale, corrosion and biological growth. Water treating procedures and records of results shall be available to the Director of Physical Plant for review and evaluation.

Water quality shall be strictly maintained by TEC within the prescribed ranges established by the Board in the construction document specifications which have been revealed to TEC, unless variations are agreed to by both parties and are directed in writing by the Director of Physical Plant. TEC shall take immediate action to correct unsuitable quality

conditions when instructed by the Director of Physical Plant. Continued failure on the part of TEC to correct water quality shall constitute a breach of contract.

B. Return of Chilled Water and Steam Condensate. Board shall be responsible for the return to the circulation system of chilled water and condensate from the steam as follows:

Board shall endeavor to return all chilled water delivered.

Board shall endeavor to return all steam condensate.

The necessary mixing valves, control systems, pumps, and regulators in the circulation system of the buildings served have been installed by the Board at its sole expense. The design of such equipment provides for the automatic return of chilled water and steam condensate.

If Board shall fail to return chilled water or steam condensate as herein provided, it shall pay a charge of \$1.25 per thousand gallons for each thousand gallons of steam condensate or chilled water in excess of a total of thirty thousand gallons, not returned to TEC during any month.

C. Metering Equipment; Point of Delivery. Equipment for measuring and metering the chilled water, steam, and steam condensate delivered and returned shall be located in the Plant and shall be accurate within plus or minus 2% of all normal conditions of flow and temperature differential. Metering system shall maintain an hourly typed record of total thermal loads as well as supply and return flow temperature and pressure.

D. Verification of Metering. Board shall have access at all reasonable times to metering equipment and all instruments used in the measurement of the contract units of chilled water, steam, and steam condensate, but the reading, adjustment and maintenance thereof shall be performed only by representatives of TEC. Upon request of Board, TEC shall submit to Board its records and readings of such meters and measuring equipment, and a representative of Board shall be present when periodic tests or adjustments are made of such meters and measuring equipment; and TEC shall give ten days' notice of its intention to make such tests or adjustments. Board, through a representative, shall have the right at reasonable times to test the accuracy of such meters and measuring equipment, and if upon any test of the meters or measuring equipment by Board or by TEC any of such meters or measuring equipment is found to be inaccurate by more than 2%, such meter or measuring device shall be promptly corrected, and payments based upon such inaccurate registration shall be corrected for the period during which said inaccuracy is known to have existed, but in case such period is not known or agreed upon, then for a period extending back for one-half of the elapsed time since the previous test of the accuracy of such meter or measuring equipment. Adequate Plant records will be maintained so that calculations of energy usage by Plant records may be used to verify metering or for billing purposes.

ARTICLE V - PAYMENT FOR SERVICES

A. Fixed Monthly Charge. Board shall pay TEC a fixed monthly charge which represents payment for relatively fixed costs as follows:

\$ 35,379 per month.

\$ 291.00 adjustment to the monthly demand charge for each full one percent change in the average cost of labor prevailing for manufacturing employees in the San Antonio labor market for the month of December of each contract year from the average cost of labor prevailing for manufacturing employees in the labor market for December,

1979. The average cost of labor prevailing for manufacturing employees in the San Antonio labor market shall be determined by reference to and in conformity with the index of Gross Average Hours and Earnings in the San Antonio Metropolitan Area published by the Texas Employment Commission in cooperation with the United States Bureau of Labor Statistics.

B. Rate for Chilled Water. Board shall pay TEC a commodity charge which represents payment for variable costs (fuel, electricity, water, maintenance, repair, supplies, etc.) for producing, furnishing and circulating chilled water as follows:

\$0.03882 per ton for all ton hours per month produced by the 1000 ton refrigeration machine with purchased power.

\$0.04563 per ton for all ton hours per month produced by the 2000 ton refrigeration machine.

\$0.02734 per ton for all ton hours per month produced by either the 1000 or the 3000 ton refrigeration machine with on-site generated power.

Chilled water rates will be increased or, as the case may be, decreased from time to time as follows:

The maintenance and supplies adjustment shall be .0000304 per ton hour for each full one percent change in the average cost of labor prevailing for manufacturing employees in the San Antonio labor market for the month of December of each contract year from the average cost of labor prevailing for manufacturing employees in the San Antonio labor market for December, 1979. The average cost of labor prevailing for manufacturing employees in the San Antonio labor market shall be determined by reference to and in conformity with the index of Gross Average Hours and Earnings in the San Antonio Metropolitan Area published by the Texas Employment Commission in cooperation with the United States Bureau of Labor Statistics.

C. Rates for Steam. Board shall pay TEC a commodity charge which represents payment for variable costs for producing and furnishing steam to the delivery point, as follows:

\$ 3.1785 per million BTU for all million BTU per month.

A credit of \$ 2.43 per 1000 pounds of steam produced by the engine generator heat recovery boiler shall be credited to the Board.

D. Notice of Adjustment. When proposing any adjustment to the rates as provided in this Article, TEC shall give written notice to Board of its computation of such adjustment not later than April 30 of that year. The adjustment shall become effective commencing with the beginning of the next succeeding fiscal year of the Board, which begins September 1.

E. Statements for Charges; Payment. Statements shall be rendered monthly by TEC to Board not later than the fifth business day of each month for the prior month's service, and shall be payable on or before thirty days thereafter.

F. Renegotiation of Rate Schedules. The above rate schedules are constructed on the premises that natural gas is the primary fuel and that fuel oil is the secondary fuel. It is agreed that secondary fuel will be used only for engine ignition, test purposes, or during valid interruptions of primary fuel. In the event that present primary and secondary fuels become unavailable or economically undesirable, the Board will redesign and convert the Plant in order to utilize an available economic fuel and renegotiate the rates for chilled water and steam.

G. Purchase and Payment of Utilities. At the option of the Board, the purchase and payment of utilities (natural gas, electricity, water and secondary fuel) shall be made as specified herein under subparagraphs (1) or (2).

(1) The Board shall purchase for and supply to TEC all primary fuel (Natural Gas), electrical energy, water and secondary fuel (No. 2 fuel oil) that is necessary and requisite for the efficient operation of the central Plant system called for by the terms for this Agreement. The Board shall inform TEC in writing within three days following the end of each month during the term of this Agreement the amount or quantity of primary fuel (MMBTU), electrical energy (KWH) and water (Gals.) utilized and consumed by TEC in the central energy Plant system. The Board shall also advise TEC in writing within five days of delivery of the quantity and BTU value of all secondary fuel purchased and delivered to the fuel oil storage tank maintained by TEC. TEC shall meter the fuel oil in order to determine the quantity of secondary fuel consumed by TEC, if any, during each month of the term of this Agreement.

TEC shall account and deduct from each monthly Statement of Charges rendered to the Board under paragraph E of this Article an amount equal to the sum of (i) \$2.00 times the amount of primary fuel (expressed in MMBTU) supplied and billed by the utility company and consumed by TEC in the central energy Plant system during the preceding month and reported by the Board to TEC pursuant to paragraph G(1) above, and (ii) \$0.035 times the amount of electrical energy (expressed in KWH) supplied and billed by the utility company and consumed by TEC in the central energy Plant system during the preceding month and reported by the Board to TEC pursuant to paragraph G(1) above, and (iii) \$0.75 times the amount of water (expressed in thousand of gallons) supplied and billed by the utility company and consumed by TEC in the central energy plant system during the preceding month and reported by the Board to TEC pursuant to paragraph G(1) above, and (iv) \$2.00 times the amount of secondary fuel (expressed in millions of BTU's) consumed by TEC in the central energy Plant system during the preceding month as revealed by TEC's meters. The conversion to increments of one million BTU shall be accomplished by using the average BTU content of the fuel oil in the storage tank.

(2) If utilities are purchased by TEC, the total monthly charges based upon the rates set forth herein will be increased or decreased, as the case may be as follows:

(a) By an amount equal to the increase or decrease in cost of electricity used in the production of steam and chilled water for Board during the electric utility billing period immediately preceding the current month, from a base amount equal to the number of kilowatt hours (KWH) used priced at \$0.035 per KWH.

(b) By an amount equal to the increase or decrease in cost of fuels used in the production of chilled water and steam for the Board during the primary fuel billing period immediately preceding the current month, from a base amount equal to the number MMBTU used priced at \$2.00 per MMBTU.

(c) By an amount equal to the increase or decrease in cost of water utilized in the production of steam and chilled water for the Board during the water utility billing period immediately preceding the current month, from a base amount equal to the number of gallons used at \$0.75 per thousand gallons.

ARTICLE VI - OPERATION, MAINTENANCE AND REPAIR

A. Pollution. TEC agrees to operate the plant in full compliance with all ordinances relating to environmental pollution. Board shall have no liability for claims arising from noncompliance by TEC.

B. Maintenance and Repairs. TEC shall maintain and repair the interior of the Plant building, systems and equipment. If any part of all such facilities shall at any time be destroyed or damaged so that the production and circulation of chilled water and steam is not adequate to maintain the standards herein contained, TEC shall proceed promptly to rebuild, replace and/or repair the same. TEC shall have the right, upon reasonable notice to the Director of Physical Plant and with the approval of the Director of Physical Plant, to interrupt the supply of chilled water and steam to Board's facilities for the purpose of making any necessary repairs; but TEC shall in each instance accomplish such work at such times and in such manner as to cause as little interruption or inconvenience to the occupants of the building as is reasonably possible and shall restore the facilities to operation as quickly as shall be reasonably possible under the circumstances.

C. Equipment Under Control of Board. TEC will not be responsible for insufficient cooling or heating within any building attributable to defects or inadequacy of air handling, heat exchange or other related equipment not under the exclusive control of TEC.

D. Force Majeure. TEC will not be responsible for an interruption of the delivery of chilled water or steam or for the performance of any of the duties assumed hereunder by TEC due to strikes, fires, or governmental authority, or acts of God, but TEC will at all times exercise the highest degree of diligence to have the central Plant system furnish an uninterrupted supply of chilled water and steam.

E. Exterior Maintenance. Board shall cause the exterior areas adjacent to Plant to be maintained by Board representatives, including landscaping, irrigation and parking areas. TEC shall agree to cause no nuisance in the form of exterior storage or other unsightly acts on property adjacent to the Plant building. Should such occur, Board reserves the right to charge the cost of correcting same to TEC.

ARTICLE VII - EXPANSION OF PLANT

A. Design of Additional Facilities. At the discretion of Board, expansion plans for additional facilities shall be prepared by Board, after consultation with TEC with respect to design criteria. Major expansion may be in increments or directly to full design capacity of the Plant. TEC agrees to supervise additional facilities in strict accordance with documents provided by Board. "Additional facilities," as used above include not only expansion of Plant capacity but also Plant conversion caused by changing from present fuels or caused by drastic changes in government regulations such as environmental protection laws. Board shall be responsible for and pay all costs of the "additional facilities" including payment to TEC of a construction supervision fee which shall be negotiated in good faith between TEC and the Board.

B. Payment of Expanded Services. When expanded services cause TEC increased costs, the payment for services shall be adjusted as agreed upon by Board and TEC.

ARTICLE VIII - INDEMNIFICATION AND INSURANCE

A. Indemnification and Insurance. TEC will indemnify and hold Board harmless from any loss, cost, damage or expense resulting from the negligent performance by it of its obligations hereunder or from its violation of the covenants made by it hereunder. TEC shall be promptly

notified in writing of any claim or demand for payment made on account of which Board claims that it is entitled to indemnification under this Agreement; and TEC shall have a reasonable opportunity and the right to contest, at its own expense, any such claim or demand asserted against Board.

At all times during the term of this Agreement, TEC shall maintain in full force and effect the following insurance coverage naming the Board as coinsured and furnish Board continuing evidence of such coverage.

1. Public Liability insurance in an amount not less than \$100,000 per person and \$500,000 for each occurrence.
2. Workmen's Compensation in accordance with applicable laws.
3. Property Damage Liability insurance, in an amount not less than \$100,000/\$500,000.
4. Property Damage upon the building, contents and additions thereto to the extent of the highest insurable value thereof, including coverage against damage by fire, lightning, windstorm, hurricane, hail, explosive, riot, civil commotion, smoke, aircraft, and land vehicles. Coverage shall be based on an annual revaluation and provide for full replacement or repair without regard to depreciation.

ARTICLE IX - ENCUMBRANCES AND INDEBTEDNESS

A. Removal of Property. TEC agrees not to remove any property without approval of Board.

B. No Indebtedness Created. This agreement shall not be construed as creating an indebtedness against the State of Texas, and all obligations of the Board hereunder are subject to the availability of appropriations by the Legislature of the State of Texas; provided, however, that the failure by Board to make payments to TEC as contemplated by this Agreement shall relieve TEC of the obligation to perform services hereunder until such failure is corrected, but such failure shall not otherwise terminate the obligations of the parties hereunder.

C. Operation, Maintenance and Repair Costs. TEC shall pay, prior to delinquency, all valid charges related to operation, maintenance and repair of Plant.

ARTICLE X - TERMINATION OF CONTRACT

A. Inability to perform. In the event TEC becomes unable to continue the performance of services as herein provided because of bankruptcy, insolvency, or for any reasons other than those outlined in Article VI E of this Agreement, this Agreement will terminate.

In the event that the Board shall allege that TEC has defaulted or is suffering a default to exist in its obligations hereunder, Board shall, by Certified or Registered Mail, serve a 10-day notice upon TEC specifying the default or defaults it has alleged to have occurred.

If such default or defaults are cured within the period of said notice, such notice of default shall be of no further force and effect. If such default or defaults are unable, by their nature to be cured with said 10-day period, the notice of default shall likewise be of no further force or effect if TEC commences to cure such default or defaults within the 10-day notice period and continues with the curing of such default or defaults, with due diligence.

B. After September 1, 1985, either party may terminate this contract by notifying, in writing, the other party six months before the date of termination.

ARTICLE XI - SUCCESSOR AND ASSIGNS

Successor and Assigns. This Agreement shall be binding upon the successors and assigns of the parties hereto. TEC may not sell or assign this Agreement, without prior written consent of Board, which consent shall not be unreasonably withheld.

ARTICLE XII - AMENDMENTS

Amendments. This written Agreement constitutes the whole agreement between the parties hereto, and all prior or contemporaneous commitments or understandings are merged herein.

This agreement may be modified or amended only by an agreement in writing by each of the parties hereto.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the date and year first above written.

(Corporate Seal)

WIN-SAM, INC.
(Thermal Energy Contractor)

ATTEST:

By [Signature]
President

Secretary

BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

ATTEST:

By _____

APPROVED AS TO LEGAL FORM:

[Signature]
University Attorney

APPROVED AT TO CONTENT:

[Signature]
Vice Chancellor for Business Affairs

APPROVED AS TO TECHNICAL FORM:

[Signature]
Director, Office of Facilities
Planning and Construction

FIRST AMENDMENT TO SERVICE AGREEMENT
THE UNIVERSITY OF TEXAS AT SAN ANTONIO

WHEREAS, WIN-SAM, INC., Oklahoma City, Oklahoma, herein called Thermal Energy Contractor ("TEC"), and the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, for the use and benefit of The University of Texas at San Antonio ("Board"), have heretofore entered into a certain SERVICE AGREEMENT to become effective the 27th day of August, 1980; and

WHEREAS, the parties agree that certain modifications and changes should be made in such Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual promises, obligations and covenants therein and herein-after set forth, the parties agree that such SERVICE AGREEMENT shall be modified by making the following changes therein:

I.

The first paragraph of Article V, paragraph G, page 6 is hereby amended to read as follows:

"The Board may designate either of these alternatives at any time, and from time to time, as often as it may deem necessary."

The remainder of such paragraph is unchanged.

II.

The first sentence of Article VI, paragraph B, page 8 is amended to read as follows:

"TEC shall, at its expense, maintain and repair the interior of the plant building, systems and equipment."

The remainder of such paragraph is unchanged.

III.

Article X, paragraph A, page 10 is hereby amended to read as follows:

A. Inability to Perform. In the event TEC becomes unable to continue the performance of services as herein provided because of bankruptcy, insolvency, or for any reasons other than those outlined in Article VI D of this Agreement, this Agreement will terminate.

In the event the Board shall allege that TEC has defaulted or is suffering a default to exist in its obligations hereunder, Board shall, by Certified or Registered Mail, serve notice upon TEC specifying the default or defaults it has alleged to have occurred. TEC shall have 10 days from receipt of said notice to cure, or begin to cure, such default as below specified.

If such default or defaults are cured within the period specified, such notice of default shall be of no further force and effect. If such default or defaults are unable, by their nature, to be cured within said 10-day period, the notice of default shall likewise be of no further force and effect if TEC commences to cure such default or defaults within the 10-day period and continues with the curing of such default or defaults with due diligence.

If TEC fails to cure such default or defaults in one of the manners set out above, or if a good-faith dispute arises as to the existence of the alleged default or defaults, the matter shall be submitted to arbitration. Board and TEC shall each designate one member of an arbitration committee, and those two members shall jointly select a third member of said committee. Should they be unable to agree upon a third member, such designation shall be made by the then presiding district judge of Travis County, Texas.

The three-member arbitration committee shall promptly hear all relevant facts and evidence bearing upon such alleged default or defaults and shall make findings thereon without delay. Their majority decision shall be final and binding upon Board and TEC.

Should that committee determine that no default exists, or that it has been cured, or that it is being cured diligently, then the original notice of default shall be of no further force and effect. Should the committee find that a default exists, it shall so notify both parties, and TEC shall have 10 days after such notice to cure the default or defaults, unless they are of such nature as to be incapable of being cured within such period. In that event, TEC shall begin to cure them within said 10 day period and continue to pursue such cure with due diligence.

If TEC pursues either such avenue, then such notice shall be of no further force and effect. If it pursues neither avenue of cure, this Agreement shall terminate on the 30th day after notice to TEC from the arbitration committee as above set forth.

The remainder of Article shall remain unchanged.

IN WITNESS WHEREOF, the parties have caused this First Amendment to Service Agreement to be executed and delivered as of the date and year first above written.

(Corporate Seal)

WIN-SAM, INC.
(Thermal Energy Contractor)

ATTEST:

By: [Signature]
President

[Signature]
Asst. Secretary

BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

ATTEST:

By: _____

Approved as to Content:

[Signature]
Chancellor

Approved as to Legal Form:

[Signature]
University Attorney

Approved as to Technical Form:

[Signature]
Director, Office of Facilities
Planning and Construction

Sun Bowl Stadium - Agreement + Easement with
Commissioners' Court

- 11. U. T. El Paso - Expansion of Sun Bowl Stadium: Request for Approval of Preliminary Plans and Specifications and Additional Appropriation - Deferred Until September 1980 Meeting. --

400
 FILE NO. 200
 DOCUMENT
 PAGES

The preliminary plans and specifications for the Expansion of the Sun Bowl Stadium at The University of Texas at El Paso were presented by Mr. Bob Garland and Mr. George DuSang, representing the Project Architect, Garland & Hilles and Carroll, DuSang & Rand, El Paso, Texas. The scope of the project includes expansion of the present seating capacity of 30,000 by adding 22,000 seats on the north and east sides, additional concessions and toilet facilities, and improved concourse circulation and electrical supply service.

Following discussion, the Buildings and Grounds Committee without objection deferred action until the September meeting so that negotiations could be satisfactorily completed on the land.

[On April 11, 1980, authorization was given to accept the fee title to approximately 52 acres of land surrounding the Sun Bowl Stadium from the Commissioners' Court of El Paso County, El Paso, Texas, in exchange for the commitment of the Board of Regents to expand the seating capacity of the Sun Bowl Stadium by approximately 20,000 seats and other related facilities as determined by The University of Texas System.]



OK

- 12. U. T. El Paso - Expansion of Union Facilities: (a) Award of Contracts for Furniture and Furnishings to (1) Abel Contract Furniture & Equipment Co., Inc., Austin, Texas; (2) M. J. Belbot, Inc., El Paso, Texas; (3) Finger Office Furniture, Houston, Texas; (4) Goetting Brothers, El Paso, Texas; (5) Imperial Furniture Company, Inc., El Paso, Texas; and (6) Stein Furniture & Fixtures, Inc., Fredericksburg, Texas; (b) Rejection of One Bid Received for Landscape and Planters; and (c) Appropriation Therefor. --

FILE NO. 200
 DOCUMENT
 REMARKS

System Administration submitted a tabulation of the bids received for the furniture and furnishings for the Expansion of Union Facilities at The University of Texas at El Paso along with the following written comments concerning bids on certain packages:

"Base Proposal 'A' (New Wood Furniture), Base Proposal 'F' (Stacking Dining Chairs), Base Proposal 'G' (Conference Tables & Accessory Items), Base Proposal 'I' (Upholstered Dining Chairs), Base Proposal 'J' (Lounge Furniture) are included in Alternate Proposal 'P', the sum of which is \$1,624.94 less than the individual proposals offered. Award of Alternate Proposal 'P' is recommended.

"Base Proposal 'C' (Wood Game Chairs). The lowest bid was non-responsive in that the bidder submitted a quotation of an unauthorized alternate, which does not meet the requirements of the specifications. Award to the responsive second low bidder is recommended.

"Base Proposal 'D' (Lounge Chairs). This package included new and remodeled furniture at an estimated cost of \$4,000.00. No bid was received. It is recommended that this work be accomplished by institutional procurement.

"Base Proposal 'E' (Landscape & Planters). Only one bid was received, which exceeded the estimated cost. It is recommended that this proposal be rejected.

"Base Proposal 'H' (Refinished Tables). Only one bid was received, primarily because of the nature of the work, which can be best performed by a local contractor. A survey of the other bidders indicated that they were unable to submit competitive quotations on the work. It is believed that rebidding would not produce improved results, therefore, this award is recommended.

"Base Proposal 'K' (New Bookstore Furniture). Only one bid was received, because of the specialty nature of this furniture. However, the bid received was substantially less than the estimated cost of \$23,000. Therefore, it is recommended that the University accept this bid.

"Base Proposal 'L' (Remodeled Bookstore Fixtures). The existing furniture is serviceable, but is in need of refurbishment, and is difficult to be matched by any currently available manufacturer. Only one bid was received from a local contractor. Because of lower local labor and transportation costs, bidders outside of El Paso could not successfully compete on this work. The bid is less than the estimated cost. Therefore, it is recommended the University accept this bid.

"Base Proposal 'M' (Post Office Millwork). Only one bid was received. A canvas of other potential bidders indicated that they could not successfully compete with the local bidder on the basis of local labor and transportation costs. The bid was less than the estimated cost of \$8,000.00. Rebidding would not produce improved results, therefore it is recommended the University accept this bid."

Following a review of the tabulation of bids and the comments from the Administration and upon the recommendation of President Templeton and Chancellor Walker, the Buildings and Grounds Committee without objection:

- a. Awarded contracts for the furniture and furnishings for the Expansion of Union Facilities at U. T. El Paso to the lowest responsible bidders as set out below:

(1) ✓	Abel Contract Furniture & Equipment Co., Inc. Austin, Texas Alternate Proposal "P" (Pkgs. "A", "F", "G", "I" & "J")	\$ 204,643.00
(2) ✓	M. J. Belbot, Inc. El Paso, Texas Base Proposal "B" (Reupholstered Furniture)	95,799.48
(3) ✓	Finger Office Furniture Houston, Texas Base Proposal "C" (Wood Game Chairs)	1,980.40

(4) ✓ Goetting Brothers		
El Paso, Texas		
Base Proposal "H" (Refinished Tables)	\$ 28,484.00	
Base Proposal "L" (Remodeled Bookstore Fixtures)	50,974.00	
Base Proposal "M" (Post Office Millwork)	<u>7,660.00</u>	
Total Contract Award to Goetting Brothers		87,118.00
(5) ✓ Imperial Furniture Company, Inc.		
El Paso, Texas		
Base Proposal "N" (Carpet)	\$ 79,349.97	
Base Proposal "O" (Draperies)	<u>21,226.60</u>	
Total Contract Award to Imperial Furniture Company, Inc.		100,576.57
(6) ✓ Stein Furniture & Fixtures, Inc.		
Fredericksburg, Texas		
Base Proposal "K" New Bookstore Fixtures)		<u>15,482.58</u>
Grand Total Contract Awards		<u>\$ 505,600.03</u>

- b. Rejected the one bid received for the Landscape and Planters (Base Proposal "E") since it exceeded the estimated cost
- c. Appropriated \$585,000 from Unexpended Proceeds of Combined Fee Revenue Bonds Series 1979 to provide the contract awards and the remaining estimated furnishings and equipment items needed for the Expansion

13. U. T. San Antonio - Greenhouse; Authorization for (a) Project; (b) Preparation of Final Plans, Bidding and Completion of Project; and (c) Appropriation Therefor. --Committee Chairman Law presented the following recommendations of President Wagener and Chancellor Walker with respect to an academic/campus Greenhouse to serve not only instructional functions of academic programs but also to provide economical capabilities to grow and maintain planting materials for campus needs at The University of Texas at San Antonio.

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REMARKS

Whereupon, the Buildings and Grounds Committee without objection:

- a. Authorized the construction of a greenhouse to be used for educational instructional programs and campus landscaping at The University of Texas at San Antonio at an estimated cost of \$98,000 (Faculty in the Division of Environmental Studies and the Division of Allied Health and Life Sciences will utilize the facility for courses in environmental science, plant ecology, plant physiology, and environmental effects of atmospheric pollutants. The Physical Plant Department will use the greenhouse to grow and maintain landscape planting materials for the campus, Lutcher Center and the President's Residence.)

- b. Authorized the U. T. San Antonio Administration and Physical Plant Department to prepare final plans, obtain necessary competitive bids and complete the project with their own forces and to award contract services in consultation with the Office of Facilities Planning and Construction to be reported to the Board of Regents at a future meeting
- c. Appropriated \$98,000 from Unexpended Plant Funds Combined Fee Revenue Bond proceeds

14. U. T. San Antonio - Humanities-Business Building - Remodeling of Two Classrooms (2nd and 3rd Levels): Authorization for (a) Project; (b) Preparation of Final Plans, Bidding and Completion of Project; and (c) Appropriation Therefor. -- Upon the recommendation of President Wagener and Chancellor Walker, the Buildings and Grounds Committee:

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REMARKS ---

- a. Authorized remodeling of two existing classrooms on the 2nd and 3rd levels of the Humanities-Business Building at The University of Texas at San Antonio to provide tiered seating, swivel chairs and fixed tables at an estimated cost of \$98,500 (These two rooms have seating capacities of 39 and 72.)
- b. Authorized the U. T. San Antonio Administration and Physical Plant Department to prepare final plans, solicit competitive bids and complete the project with their own forces and to award contract services in consultation with the Office of Facilities Planning and Construction to be reported to the Board of Regents at a future meeting
- c. Appropriated \$98,500 from Unexpended Plant Funds Combined Fee Revenue Bond proceeds

15. U. T. Tyler - Single Student Housing: Resolution Authorizing the Filing and Processing of College Housing Loan Application to U. S. Department of Housing and Urban Development and/or the U. S. Department of Education. -- System Administration reported that in July 1979, Texas Eastern University (now The University of Texas at Tyler) submitted an application to the U. S. Department of Housing and Urban Development for a loan under the College Housing Program to assist in the construction of 48 apartments to house 111 single students. The submission of that application had been approved by the Texas Eastern University Board of Regents. The application was not approved by the Department of Housing and Urban Development due to inadequate available funds. The U. T. Tyler Administration proposes to update and resubmit this application in the Federal Fiscal Year 1980.

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REMARKS ---

Whereupon, the Buildings and Grounds Committee without objection adopted the following resolution upon the recommendation of Chancellor Walker:

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 file an application for a loan not to exceed \$1,600,000 for Single Student Housing at The University of Texas at Tyler, 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 and/or the U. S. Department of Education 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.

16. Galveston Medical Branch - Ashbel Smith Building (Old Red) - Restoration: Report from Crain/Anderson, Inc., Houston, Texas, Project Architect (Project to be on Agenda for September 1980 Meeting). --Mr. Ralph A. Anderson, Jr., and Mr. Jerry G. Barner, representing the Project Architect, Crain/Anderson, Inc., Houston, Texas, for the Restoration of the Ashbel Smith Building (Old Red) at The University of Texas Medical Branch at Galveston, appeared before the Board and presented photographs and architectural plans with respect to Phase I of the restoration. The following written report had been submitted by the Project Architect:

FILE NO. 200
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REMARKS 3

Crain/Anderson, Inc.

July 10, 1980

B W Crain, FAIA
Ralph A. Anderson, Jr., FAIA
Robert J. Minchew, CSI
John K. Andersen
Jerry G. Barner, AIA
Charles E. Futh, AIA

*Rehabilitation of Ashbel Smith Building
The University of Texas Medical Branch at Galveston
Architect's Project No. CA80024*

REPORT TO THE UNIVERSITY OF TEXAS BOARD OF REGENTS

On 3 September 1974 a "Preliminary Report" was presented to the Office of Facilities Planning and Construction by Wilson/Crain/Anderson/Reynolds Architects in Houston. In early June 1980 Crain/Anderson, Inc. Architects in Houston, a successor to Wilson/Crain/Anderson/Reynolds, was asked by the Office of Facilities Planning and Construction to re-examine the Ashbel Smith Building to (a) determine if there was significant subsequent deterioration from the time of 3 September 1974 report, (b) review and revise, if necessary, the scope of the work required to perform Phase I of the project - Stabilization of Structure and Restoration of Exterior and (c) to establish a July 1980 budget for this scope of work and a tentative project schedule.

Inspections of the building were made on 17 June, 19 June, 23 June, 26 June and 2 July by various groups of the following people:

Ralph A. Anderson, Jr., FAIA	Crain/Anderson, Inc.
Jerry G. Barner, AIA	Crain/Anderson, Inc.
John C. Reynolds, AIA	John C. Reynolds, AIA
Delmar E. Libby, P.E.	Walter P. Moore & Associates, Inc. (Structural Engineers)
Talal R. Diab, P.E.	Brady Lohrman Pendleton Diab (MEP Engineers)

Greg Ceyon & Jerry L. McNutt Swain Restoration Company, Inc.
 (Restoration Contractor)
 Gary Truitt & George Cichy Western Waterproofing Company, Inc.
 (Restoration Contractor)

There has naturally been additional weathering and deterioration since 1974 but it does not appear to enlarge the scope of the work significantly. The previous scope of activities required to perform Phase I of the work has been revised as follows:

1. Remove the "dead house", fire escapes, passageways to the toilets, wooden porch on the west side of the boiler room and wood wall installed on the north side of the boiler room.
2. Remove all stored equipment, furniture, etc. from the building (we assume this will be accomplished by UTMB).
3. Remove all interior finish (including finish on interior brick bearing walls) as required to expose brickwork and structural connections.
4. Remove all roofing tiles, roofing membranes, sheet metal gutters, flashings, etc. (including roof over porch). Remove existing ceilings as required to inspect existing floor and roof framing.
5. Inspect all existing roof and floor framing members, tie rods, plates, connections, etc. to determine exact extent of work requiring replacements and/or repair and remove all deteriorated flooring and roof decking. Remove all flooring and roof decking over beams, joists and rafters requiring replacement. Make required replacements and repairs of all structural members, flooring and roof decking.
6. Restore skylights on south, east and west. Deck over skylights on north.
7. Install new roof membrane (2 ply under tiles, 3 ply at flat built-up roofs), copper flashing, copper gutters and downspouts (includes new 3 ply built-up roof over porch). Tie-in new downspout system to existing underground storm drainage system. Replace roofing tiles including new tiles as required. Restore and/or replace flooring tiles at porch.
8. Excavate to bottom of foundation walls to restore mortar in masonry and install waterproofing to prevent further deterioration.
9. Restore and repair all masonry, stucco, stone, etc. including beam seats. Fill all interior and exterior masonry cracks with epoxy and finish with mortar to match color of other mortar. Restore all stonework and stucco to a "like original" condition. Remove all decayed and loose mortar in joints of exterior and interior wythes of brick to sound material (this includes joints between stone and brick, stone and stone, etc.). Even if sound mortar exists, these joints are to be raked to a depth of at least one (1) inch. Replace missing bricks and install new mortar. Clean all exposed masonry, stone, stucco, etc. including removal of all biological growth (cleaning agents shall not be injurious to the materials). Chemically dehydrate all water from the exterior fabric.
10. Remove all existing lintels and replace with new painted galvanized steel lintels.
11. Remove all exterior vents, piping, conduits, A/C units, ladders, etc. including associated work inside as required to restore the exterior appearance of the building. Plug mechanical, electrical and plumbing services as required.
12. Restore, rebuild and/or replace all exterior doors, windows, trim, glass, etc. to an operable condition. Remove existing caulking and replace with new sealant. Paint wood surfaces.
13. Apply waterproofing/stabilization treatment to all masonry, stucco and stone.

A proposed schedule to perform this work is shown on the attached chart (Page 97) with contract award in March 1981 and completion of construction in March 1982.

In consideration of escalation since the former budget was prepared, new budget figures were assembled by consulting with three companies who have had experience in the actual restoration of comparable buildings: (1) Swain Restoration Company, Inc. (Ashton Villa and several buildings on the Strand in Galveston); (2) Western Waterproofing, Inc. (Sacred Heart Catholic Church, Galveston, and Julia Ideson Library, Houston); (3) Preservation Technology Group (successor to Universal Restoration, Inc. of Washington D.C. who worked with us on the 1974 report). [The following budget is proposed:

Construction Estimate July 1980	\$3,400,000.00
9% Escalation to March 1981 (1% per month)	\$ 306,000.00
Total Estimated Construction Cost	\$3,706,000.00
10% of Estimated Construction Cost for Fees, Normal Construction Contingency and Administrative Expenses	\$ 370,600.00
Recommended 7% of Estimated Construction Cost for Additional Contingency to Cover Unknown Conditions for a Project of this Nature	\$ 259,420.00
ESTIMATED TOTAL PROJECT COST	\$4,336,020.00]*

Following considerable discussion in which it was pointed out that this item was on the agenda for this meeting as a report only and no action could be taken, it was the consensus of the Board that (1) consideration of the Restoration of the Ashbel Smith Building should be listed on the agenda for the September 4-5, 1980 meeting of the Board of Regents and a decision as to whether or not the building should be restored should definitely be made at that time; (2) in the interim the Administration should provide the members of the Board with written information including the potential use of the building if restored; the possible source of funds, and the current status of funding available; and (3) all individuals and organizations who had previously expressed an interest in this restoration project should be notified of the Board's intent to consider this item at its September meeting and should be invited and encouraged to appear and to provide the Board with definite commitments they could make or obtain with respect to funding.

*These figures were discussed but were not available for distribution at the meeting.

PROJECT SCHEDULE

10 July 1980

REHABILITATION OF ASHBEL SMITH BUILDING

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON

Crain/Anderson, Inc. Architects

CAS0024

PHASE I	1980					1981											1982					
	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	
	Preliminary Planning	█																				
Construction Documents			█																			
Bidding & Award						█																
Construction								█														

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4019

17. Galveston Medical Branch - Texas Department of Corrections Hospital - Staff Housing: Approval of Site (2.9755 Acres Six Blocks Northeast of Campus Adjacent to Ferry Road); Authorization to Enter into Competitive Procurement of a Design-build Housing Project. -- With respect to the Texas Department of Corrections Hospital project at The University of Texas Medical Branch at Galveston, System Administration reported that the Galveston Medical Branch and the Texas Department of Corrections had mutually agreed to investigate locations for staff housing. A suitable site, acceptable to both parties, had been located, and a recommendation to purchase this site had been submitted for consideration by the Committee of the Whole at this meeting.

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REMARKS ---

Following discussion, the Buildings and Grounds Committee:

- a. Approved the proposal of the Galveston Medical Branch Administration to use the 2.9755 acre site six blocks northeast of the campus and adjacent to Ferry Road* if purchased as the site for Staff Housing for the Texas Department of Corrections Hospital at The University of Texas Medical Branch at Galveston
- b. Authorized the Office of Facilities Planning and Construction to enter into competitive procurement of a design-build housing project on the purchased land within funds previously appropriated for the Texas Department of Corrections Hospital, and to bring the lowest and best responsible proposal back to the Board of Regents for consideration at a future meeting

*(See Page 188 for authorization to acquire.)

- Central Energy Plant
18. Galveston Medical Branch - Expansion of Thermal Energy Distribution System: Approval of Preliminary Plans and Specifications and Additional Appropriation Therefor. -- Mr. Rudy A. DeLatte, representing the Project Engineer, Ray S. Burns and Associates, Houston, Texas, for the Expansion of Thermal Energy Distribution System at The University of Texas Medical Branch at Galveston, presented the preliminary plans and specifications for the project.

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REMARKS ---

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

- a. Approved the preliminary plans and specifications as prepared by the Project Engineer, Ray S. Burns and Associates, Houston, Texas, for the Expansion of the Thermal Energy Distribution System at The University of Texas Medical Branch at Galveston at an estimated total project cost of \$3,500,000
- b. Authorized the Project Engineer 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 \$130,000 from Unexpended Plant Funds for fees and related project expenses through completion of final plans and specifications

It was pointed out that this system would serve Graves Hospital, the Pharmacology Building and the new Physical Plant Building and could be further expanded to take care of future campus additions to the east.

- 19. Galveston Medical Branch (Galveston Medical School) - Libbie Moody Thompson Basic Science Building - Renovation of Second, Fifth and Sixth Floors: Report of Approval of Coordinating Board and Award of Contract to Mechanical Specialty, Inc., Houston, Texas. --With respect to the Renovation of the Second, Fifth and Sixth Floors of the Libbie Moody Thompson Basic Science Building at The University of Texas Medical Branch at Galveston (Galveston Medical School), System Administration reported the following:

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 REMARKS ---

- a. The Coordinating Board, Texas College and University System approved the project in January 1980.
- b. In accordance with authorization by the Board of Regents on October 12, 1979, the Galveston Medical Branch Administration called for bids.
- c. All five bids received were in excess of funds available, so the scope of the project was reduced to an agreed cost by negotiation with the lowest responsible bidder.
- d. A contract was awarded to the lowest responsible bidder, Mechanical Specialty, Inc., Houston, Texas, in the amount of \$582,229 following these negotiations.

- 20. Houston Health Science Center - Ambulatory Care Teaching and Research Center: Authorization for Feasibility Study; Appointment of 3D International, Houston, Texas, Consulting Architect; and Appropriation Therefor. --With respect to a proposal for a feasibility study for an Ambulatory Care Teaching and Research Center at The University of Texas Health Science Center at Houston, Committee Chairman Law presented the recommendations of System Administration along with the following excerpt from a letter to Chancellor Walker from President Bulger outlining the facility goals:

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 REMARKS ---

"The Center would be planned to provide for the clinical teaching needs of the Houston Medical School, Dental Branch, Nursing School, School of Allied Health and School of Public Health and would compliment inpatient teaching now conducted in the Hermann Hospital and other institutions. It would also provide a contemporary site for faculty to maintain clinical skills in an organized, consolidated group practice which would serve patients from referring community physicians, students, and employees. The facility would relieve current and projected shortages of ambulatory care teaching space, permit a consolidation of scattered facilities, provide for expansion in the future and create an opportunity for interdisciplinary education between the Houston Health Science Center schools in a model ambulatory care setting."

A discussion ensued, following which the Buildings and Grounds Committee without objection:

- a. Authorized a feasibility study for an Ambulatory Care Teaching and Research Center including considerations of the site at The University of Texas Health Science Center at Houston
- b. Appropriated \$150,000 from Houston Health Science Center Special Projects - Unallocated Account for the feasibility study including fees, related expenses, and all costs attendant to filing the required Certificate of Need with the Texas Health Facilities Commission

Further, the Buildings and Grounds Committee, upon motion of Regent Newton, seconded by Regent Sterling, appointed the firm of 3D International, Houston, Texas, Consulting Architect to work with a Planning Committee from the Houston Health Science Center 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.

- 21. Houston Health Science Center and University Cancer Center Remodeling of Prudential Building - Facilities Control and Monitoring System and Fire Alarm System: Award of Contracts to Foxboro/Adec, Inc., Santa Ana, California, and Mid-West Electric Company, Houston, Texas. --A tabulation of bids and recommendations for contract awards for the Facilities Control and Monitoring System and Fire Alarm System for the Remodeling of the Prudential Building at Houston were presented at the meeting.

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System Administration called attention to the following facts:

Evaluation of the responsiveness of the bids for the Facilities Control and Monitoring System by a committee consisting of the designer, his consultants, Office of Facilities Planning and Construction and Cancer Center representatives was made on technical compliance with the specifications, technical performance of the system, past company as well as system performance, flexibility and capability for system expansion, recurring maintenance costs and time for completion. It was determined by the committee that the apparent second low bid was, in fact, the lowest responsible bid because it was totally compliant, had the least recurring maintenance cost and the shortest delivery and completion time

Recommendation for the Fire Alarm System was to the lowest responsible bidder

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

- a. Awarded contracts for the Facilities Control and Monitoring System and the Fire Alarm System for the

Prudential Building (The University of Texas Health Science Center at Houston and The University of Texas System Cancer Center) as set out below:

- (1) Contract for new Energy Monitoring and Control System to:

✓ Foxboro/Adec, Inc.
Santa Ana, California

Base Bid \$ 307,425

Additive Alternates:

No. 1 (Space and Duct Temperature Sensors and Branch Circuitry)	34,769
No. 2 (Addition of Chiller Optimization)	51,773
No. 3 (Additional Software)	7,024
No. 4 (System Expansion)	<u>4,250</u>

Total Contract Award to Foxboro/Adec, Inc. \$405,241

- (2) Contract for new Fire Alarm System to:

✓ Mid-West Electric Company
Houston, Texas

Base Bid \$264,074

Total Contract Awards \$669,315

- b. Authorized a total project cost of \$823,900 for the fire alarm and energy monitoring and control systems for the Prudential Building within previously appropriated funds (Funds were appropriated by the 65th Legislature for the remodeling of this building.)

22. San Antonio Health Science Center - Expansion of Basic Science Teaching Space - Lecture Halls - Completion of Lower Level:

Authorization for Project; Appointment of Chumney, Jones & Kell, San Antonio, Texas, Project Architect; and Appropriation Therefor. --System Administration reported that the Lecture Halls contract awarded (February 1979) as a part of the phased construction of the Expansion of Basic Science Teaching Space at The University of Texas Health Science Center at San Antonio was approximately 70% complete and had a scheduled completion date of January 1981. This contract included the construction of two lecture halls together with excavation of approximately 14,250 square feet for future completion of a lower level. President Harrison and Chancellor Walker had submitted written recommendations for the completion of this lower level.

FILE NO. 22
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REMARKS ---

Whereupon, the Buildings and Grounds Committee without objection:

- a. Authorized completion of the Lower Level of the Lecture Halls (Expansion of Basic Science Teaching Space) at The University of Texas Health Science Center at San Antonio at an estimated total project cost of \$800,000

- b. Appointed Chumney, Jones & Kell, San Antonio, Texas (formerly Bartlett Cocke & Associates) Project Architect to prepare the preliminary plans and cost estimate to be presented to the Board of Regents for consideration at a future meeting
- c. Appropriated \$15,000 from San Antonio Unexpended Plant Funds for fees and related project expenses through completion of preliminary plans

It was noted that the 65th Legislature authorized Expansion of Basic Science Teaching Space at the San Antonio Health Science Center and appropriated \$9,262,500 toward the estimated total cost.

Parking Facilities

23. San Antonio Health Science Center - Additional Surface Parking
Report of Coordinating Board Approval and Award of Contract
to Toltec Construction Company, Schertz, Texas. -- System Administration reported that following Coordinating Board, Texas College and University System approval in January 1980, bids had been requested and received for the construction of Additional Surface Parking at The University of Texas Health Science Center at San Antonio, and that a contract had been awarded to the lowest responsible bidder as set out below in accordance with authorization by the Board of Regents on December 7, 1979:

FILE NO. 200
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REMARKS

Toltec Construction Company
Schertz, Texas

Base Bid	\$129,850
Alternate No. 1: Add Lighting System	13,613
Alternate No. 2: Add Additional Sidewalks	6,296
Total Contract Award	<u>\$149,759</u>

This contract award was made within previously appropriated funds.

UT HOUSTON UNITS

VCC: Central Food Service Facility: Conversion To Research Facility

24. University Cancer Center - Central Food Service Facility: Redesignated the Biomedical Resources Building; Authorization to Modify Existing Building Plaque. -- In view of the conversion of the Central Food Service Facility for clinical investigation and other programs, authorized by the Board of Regents at its April 10-11, 1980 meeting, and upon recommendation of President LeMaistre and Chancellor Walker, the Central Food Service Facility at The University of Texas System Cancer Center was redesignated the Biomedical Resources Building.

FILE NO. 200
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REMARKS

Further, the University Cancer Center was authorized to modify the existing building plaque to reflect the name change.

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25. University Cancer Center - New Research Building (Initial Phase):
Authorization for Project; Appointment of Golemon & Rolfe
Associates, Inc., Houston, Texas, Project Architect; and Appro-
priation Therefor. --In submitting a recommendation for a new
 Research Building at The University of Texas System Cancer
 Center, System Administration pointed out the dire need for
 additional laboratory space and said that the expansion of ongoing
 programs had been and would continue to be severely limited
 and the addition of new programs would continue to be curtailed
 without the construction of additional laboratory space to support
 excellence in both basic and clinical research. The Administration
 also pointed out that the Long Range Campus Development Plan
 for the University Cancer Center includes projections for additional
 laboratory space to support both basic and clinical research pro-
 grams required for expanded inpatient and outpatient care facilities.

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 REMARKS ---

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

- a. Authorized construction of a new research building
 (approximately 100,000 net square feet) at the
 University Cancer Center at an estimated total
 project cost of \$12,500,000
- b. Appropriated \$130,000 from General Funds Unappro-
 priated Balances for fees and related expenses through
 completion of preliminary plans

Further, upon motion of Regent Richards, seconded by Regent
Williams, the Committee appointed Golemon & Rolfe Associates,
 Inc., Houston, Texas, Project Architect to prepare preliminary
 plans and cost estimate to be presented to the Board of Regents
 for consideration at a future meeting.

26. University Cancer Center - Additional Outpatient Clinic Facilities:
Authorization for Feasibility Study; Appointment of Pierce Goodwin
and Alexander, Houston, Texas, Consulting Architect; and Appro-
priation Therefor. --In submitting a proposal for a feasibility study
 for Additional Outpatient Clinic Facilities at The University of
 Texas System Cancer Center, System Administration pointed out
 that the long range construction program for the University Cancer
 Center had included a high priority need for the expansion of outpatient
 clinic facilities. This need was summarized by Dr. LeMaistre as
 follows:

FILE NO. 200
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"The present clinic facilities were designed to accom-
 modate approximately 1,200 clinic visits per day.
 The present patient load approximates 1,200 clinic
 visits per day, which will increase materially when
 ninety-three additional hospital beds are activated
 during the 1980-81 fiscal year at the completion of the
 second phase of a major remodeling program. For
 this reason, a critical need will soon exist for addi-
 tional outpatient clinic facilities."

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

- a. Authorized a feasibility study for Additional Outpatient Clinic Facilities to serve the growing needs of the University Cancer Center
- b. Appropriated \$30,000 from General Funds Unappropriated Balances Account for the feasibility study including fees and related expenses

Further, the Committee, upon motion of Regent Sterling, duly seconded, appointed the firm of Pierce Goodwin and Alexander, Houston, Texas, Consulting Architect to work with a Planning Committee from the University Cancer Center and the Office of Facilities Planning and Construction in preparing a feasibility study and a cost estimate with recommendations to be presented to the Board of Regents for consideration at a future meeting.

27. Tyler Health Center - Chapel Addition: Award of Contract for Furniture and Furnishings to Rockford Business Interiors, Austin, Texas. -- Upon the recommendation of Director Hurst and Chancellor Walker, the Buildings and Grounds Committee without objection awarded a contract for furniture and furnishings for the Chapel Addition at The University of Texas Health Center at Tyler to the lowest responsible bidder as set out below:

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FILE NO. *28*
DOCUMENT *1*
REMARKS

Rockford Business Interiors
Austin, Texas

Base Proposal "A"	
(Chapel Furnishings)	\$19,692.18

The funds necessary to cover this contract award are available in the Furniture and Equipment Account.

REPORT OF HEALTH AFFAIRS COMMITTEE (Pages 105-137). -- 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:

- 1. U. T. System: Affiliation Agreement with the Texas Department of Mental Health and Mental Retardation, Austin, Texas (Nullification of Current Agreements with MHMR -- See List Below). -- Unanimous approval was given to the affiliation agreement set out on Pages 106-111 by and between The University of Texas System and the Texas Department of Mental Health and Mental Retardation, Austin, Texas, to be effective upon approval by the Board of Regents. This agreement will provide educational experiences for students in the components of the U. T. System involved in various academic and professional programs related to mental health care.

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 REMARKS
Also file for each previous agreement

It was pointed out that no additional individual affiliation agreements would be required between U. T. System components and Mental Health-Mental Retardation facilities and that the previously executed agreements between MHMR and the following System components would be nullified:

U. T. Arlington

Austin State Hospital
Wichita Falls State Hospital

U. T. Austin

The Texas Research Institute of Mental Sciences
Austin State Hospital
San Antonio State Hospital

U. T. El Paso

El Paso State Center for Human Development

U. T. San Antonio

Austin State Hospital
San Antonio State Hospital

Galveston Medical Branch

Austin-Travis County MHMR
Bexar County MHMR Center
Texas Research Institute of Mental Sciences
Gulf Coast MHMR Center

Houston Health Science Center

MHMR Authority of Harris County
Texas Research Institute of Mental Sciences

EDUCATIONAL EXPERIENCE PROGRAM
AFFILIATION AGREEMENT

THIS AGREEMENT made the ____ day of _____, 19____,
by and between The University of Texas System ("University"),
and Texas Department of Mental Health and Mental Retardation
("Department"), an agency of the State of Texas, having its
principal office at 909 West 45th Street, Austin, State of Texas.

WITNESSETH:

WHEREAS, Department now operates mental health facilities
located at various points throughout the State of Texas, and
therein provides mental health care services for persons in need
of such services; and University provides various academic and
professional programs related to mental health care; and,

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

WHEREAS, Department is committed to a goal of encouraging
persons engaged in mental health related work to become acquainted
with the delivery of mental health services, and believes that
achievement of such goal can best be accomplished by affording
students the opportunity to participate in meaningful educational
experiences through utilization of appropriate facilities and
personnel of Department; and,

WHEREAS, in order to accomplish such objectives,
University and Department 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 Department;

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 Department agree that any program agreed to by and between Department 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 Department 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, the Affiliation 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 Department 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, Department 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 Department of its obligations under this Agreement, and to certify such compliance to The 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 Department pursuant to this Agreement as are necessary for accreditation evaluation, subject to state and federal law concerning the confidentiality of client-identifying information.

(c) To appoint, after consultation with University, a person to serve for Department as liaison (Liaison) to the faculty and students engaged in the Program, and to furnish to University in writing the name of such person.

6. University hereby agrees:

(a) To furnish Department with the names of the students assigned by University to participate in the program. The participation of any student in the program is contingent upon the approval of Department.

(b) To assign for participation in the Program only those students who have satisfactorily completed those portions of its curriculum which, according to Program Agreement, are prerequisite to such participation, all as determined by University in its sole discretion.

(c) To designate, after consultation with the faculty in which the Program is to be implemented, a member of The University faculty to coordinate with Department through its Liaison the learning assignment to be assumed by each student participating in the Program, and to furnish to Department 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 the 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 Department or The University of Texas System, or any of its component institutions, 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 Department and University, and after such initial term, from year to year unless one party shall have given thirty (30) 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 thirty (30) 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. Department shall have the authority to terminate the participation in the program of any student at any time without regard to the above-noted termination periods for this Agreement.

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

UNIVERSITY

CONTENT APPROVED:

Chittilike
Chancellor of the System

Ernest A. ...
Vice Chancellor for Academic Affairs
(System)

FORM APPROVED:

Edward M. ...
Vice Chancellor for Health Affairs
(System)

Mc ...
General Counsel of the System

* DEPARTMENT

By John A. Kavanaugh MD
(Title) Commissioner

ATTEST:

N. Robertson
(Title) Chief of Legal Services

CERTIFICATE OF APPROVAL

I hereby certify that the foregoing Agreement* was approved
by the Board of Regents of The University of Texas System
on the ____ day of _____, 19 ____.

Secretary to the Board of Regents
The University of Texas System

*This agreement is between The University of Texas System and Texas
Department of Mental Health and Mental Retardation.

Based on Model

- 2. U. T. Arlington: Affiliation Agreements with Tarrant County Hospital District, Fort Worth, Texas. --An affiliation agreement by and between The University of Texas at Arlington and Tarrant County Hospital District, Fort Worth, Texas, was approved without objection. This agreement, executed by the appropriate officials of the institution and facility on May 9, 1980 to be effective upon approval by the Board of Regents, will provide health care related educational experiences for students at U. T. Arlington.

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

- 3. U. T. Austin: Affiliation Agreements with Holy Cross Hospital, Austin, Texas. --Approval was given without objection to the affiliation agreement by and between The University of Texas at Austin and Holy Cross Hospital, Austin, Texas. This agreement, executed by the appropriate officials of the institution and facility on May 7, 1980 to be effective upon approval by the Board of Regents, will provide health care related educational experiences for students at U. T. Austin.

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

- 4. U. T. San Antonio: Affiliation Agreements with (a) Hot Springs Rehabilitation Center, Hot Springs, Arkansas, and (b) Paul Bonarrigo, LPT, P.C., Bryan, 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:

FILE NO. 400
 DOCUMENT ✓
 REMARKS ---

<u>Facility</u>	<u>Agreement Executed</u>
✓ Hot Springs Rehabilitation Center Hot Springs, Arkansas	May 16, 1980
✓ Paul Bonarrigo, LPT, P.C. Bryan, Texas	May 16, 1980

These agreements follow the format approved for affiliation agreements by the Board of Regents on December 16, 1977. They will provide facilities for health care related educational experiences for students at U. T. San Antonio.

Affiliation

- 5. U. T. San Antonio: Memorandum of Agreement with Brooke Army Medical Center, San Antonio, Texas. --Without objection, approval was given to the Memorandum of Agreement set out on Pages 113-116 by and between The University of Texas at San Antonio and Brooke Army Medical Center, San Antonio, Texas. This agreement, which was executed by the appropriate officials to be effective upon approval by the Board of Regents, will provide facilities for health care related educational experiences in physical therapy for students in the Division of Allied Health and Life Sciences at U. T. San Antonio.

FILE NO. 400
 DOCUMENT ✓
 REMARKS ---

MEMORANDUM OF AGREEMENT

I. BACKGROUND

1. The administrators of The University of Texas at San Antonio have established an approved professional program of special training in preparation for physical therapy . The program requires clinical facilities where the student can obtain the clinical learning experience required in the curriculum.
2. The US Army medical facility, Brooke Army Medical Center, has the needed clinical facilities for physical therapy trainees at The University of Texas at San Antonio to obtain part of the clinical learning experience required. It is to the benefit of The University of Texas at San Antonio for physical therapy trainees to use the clinical facilities of the US Army medical facility, Brooke Army Medical Center, to obtain their clinical learning experience.
3. The US Army medical facility, Brooke Army Medical Center, and the Department of the Army will benefit from making clinical facilities available to physical therapy trainees of The University of Texas at San Antonio . The Army will obtain the trainees' clinical learning experience while contributing to the educational preparation of a future supply of physical therapists .
4. Clinical trainees, during clinical training at the Army medical facility, will be under the jurisdiction of facility officials for training purposes and will follow facility rules.
5. The affiliation is controlled by and subject to Title 5, US Code, ⁵³⁵³ Sections 5351, 5352, 5354, 5355, 5356, 8144, 8331, and 8332.

II. UNDERSTANDING

1. The US Army medical facility will--

a. Make available the clinical and related facilities needed for the clinical learning experience in physical therapy by students enrolled in the basic professional physical therapy program at The University of Texas at San Antonio and who are designated by The University of Texas at San Antonio

for such learning experience under the supervision of The University of Texas at San Antonio

b. Arrange clinical learning experience schedules that will not conflict with those of the educational institutions.

c. Designate an AMSC (PT) officer to coordinate the trainees' clinical learning experience in the Physical Therapy Section, Physical Medicine Service, Brooke Army Medical Center This will involve planning with faculty or staff members for the assignment of trainees to specific clinical cases and experiences, including their attendance at selected conferences, clinics, courses, and programs conducted under the direction of the facility.

d. Provide, whenever possible, in connection with the trainee's clinical learning experience, reasonable classroom, conference room, office, and storage space for participating trainees and their faculty or staff supervisors, if assigned, and, if feasible, dressing and locker room space.

e. Permit, on reasonable request, the inspection of clinical and related facilities for agencies charged with the responsibility for accreditation of The University of Texas at San Antonio

2. The University of Texas at San Antonio will--

a. Provide the Commanding Officer of the facility with the number of trainees to be assigned, the dates and hours they will be assigned, and the clinical service to which they will be assigned, by the beginning of each training period.

b. Where indicated and upon mutual agreement, provide faculty or staff members to assume the responsibility for instruction and supervision of the trainees' clinical learning experiences.

c. Have the faculty or staff member, if any, coordinate with designated AMSC (PT) officer, the assignment that will be assumed by the trainees while participating in their clinical learning experience, and their attendance at selected conferences, clinics, courses, and programs conducted under the direction of the facility.

d. Provide and maintain the personal records and reports necessary for conducting the trainees' clinical learning experience.

e. Enforce rules and regulations governing trainees that are mutually agreed on by the non-Federal institution and the facility.

f. Be responsible for health examinations and such other medical examinations and protective measures as the facility and non-Federal institution mutually find to be necessary.

g. Prohibit the publication by the trainees and faculty or staff members of any material relative to their clinical learning experience that has not been reviewed by the Army medical facility in order to assure that no classified information is inadvertently published, that infringement of patients' right to privacy is avoided, and that accuracy with respect to military procedures is complete. Any article written by a trainee which has been based on information acquired through his clinical learning experience must clearly reflect that DA does not endorse the article, even where a review has been made prior to publication. This is accomplished by requiring a disclaimer paragraph to appear with each such article written: "The opinion and conclusions presented herein are those of the author and do not necessarily represent the views of the Army medical facility the Department of the Army or any other governmental agency."

III. TRAINING

The training term shall be from July to July. This agreement may be terminated by either

institution or an individual trainee by written notification to all concerned. Except under unusual conditions, such information will be submitted prior to the beginning of a particular training period.

ATTEST:

(Title)

ATTEST:

(Title)

FORM APPROVED:

General Council of the System

Chairman, Board of Regents

UNIVERSITY

By

The University of Texas at San Antonio

FACILITY

By

(Title) Commander, Brooke Army Medical Center

CONTENT APPROVED

Vice Chancellor for Academic Affairs

Chancellor

CERTIFICATE OF APPROVAL

I hereby certify that the foregoing Agreement was approved by the Board of Regents of The University of Texas System on the _____ day of _____, 19_____.

Secretary, Board of Regents
The University of Texas System

- 6. Dallas Health Science Center: Affiliation Agreement with Children's Medical Center of Dallas, Dallas, Texas. -- Unanimous approval was given to the affiliation agreement set out on Pages 117-118 by and between The University of Texas Health Science Center at Dallas and Children's Medical Center of Dallas, Dallas, Texas. This agreement, executed by the appropriate officials on May 5, 1980 to be effective upon approval by the Board of Regents, will provide additional clinical facilities for students in the dietetics program of the Dallas Allied Health Sciences School.

FILE NO. 400
DOCUMENT 2
REMARKS

CLINICAL AFFILIATION AGREEMENT

This agreement is entered into this 5 day of May, 1957 by and between Children's Medical Center of Dallas, a Texas non-profit corporation, ("CMC") and The University of Texas Health Science Center at Dallas, a component of The University of Texas System, ("School").

The following recitals of fact are true and correct:

- A. CMC operates a hospital located at 1935 Amelia Street, Dallas, Texas.
- B. The School provides instruction to its students in the field of Dietetics.
- C. In order to provide a complete educational experience, the School desires that its students receive clinical experience in the Dietetics field.
- D. CMC desires that its facilities be available for use in such clinical education.

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

1. School Responsibilities:

- a. The School will plan and conduct a clinical educational program for its students in the field of Dietetics which will be conceived and developed in consultation with the appropriate department at CMC ("the Program").
- b. The School will be responsible for administrative functions concerning students in the Program including admissions, scheduling, attendance, accounting and achievement records.
- c. Prior to each school year, the parties will agree on the number of students to participate in the Program for that school year and the time period for each student's clinical assignment at CMC.
- d. The School will provide CMC, on a timely basis, such information concerning each student in the Program as CMC may require, including evidence that the students comply with the requirements outlined in Section 3.

2. CMC Responsibilities:

- a. CMC will provide quality care for its patients.
- b. CMC will cooperate with the School in order to help insure the success of the Program.
- c. CMC will provide appropriate equipment and supplies for clinical instruction at its hospital.
- d. CMC will provide, when possible, quarters for classroom, library and locker purposes, as appropriate.
- e. CMC will provide suitable clinical experience situations insofar as possible.

3. Student Requirements:

- a. Students who enter the Program will be required to meet health requirements, including immunizations, promulgated by the Infection Control Committee of CMC, as such requirements may be amended from time to time. The requirements in effect at this date are outlined in Exhibit A attached hereto and incorporated herein by reference.
- b. Students will be required to be covered by professional liability insurance in appropriate amounts if such insurance is available to students.

- c. Students will be required to abide by the rules, regulations, policies and procedures of CMC while using its facilities.
- 4. Faculty: It is contemplated that the students in the Program will, while at CMC, be supervised by the staff of CMC. Any faculty member who attends CMC to observe students or to assist in supervision of students will abide by the rules, regulations, policies and procedures of CMC and will not interfere with the staff of CMC in its delivery of health care services.

The School will replace, for purposes of observation or supervision at CMC, any such faculty member at the request of CMC.
- 5. Non-Discrimination: The parties shall not unlawfully discriminate in their prospective performance of this agreement.
- 6. Liability: School shall, to the extent authorized under the constitution and laws of the State of Texas, hold CMC harmless from liability resulting from School's acts or omissions within the terms of this Agreement, provided, however, School shall not hold CMC 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 School, its officers, agents, representatives, or employees, or any person or entity not subject to School's supervision or control.
- 7. Term: This agreement shall remain in effect, subject to annual review until terminated by either party or superceded by a subsequent agreement. This agreement may be terminated by either party by giving three (3) months notice in writing to the other party by registered mail, return receipt requested. Such termination shall not take effect, however, with regard to students engaged in a clinical rotation at CMC at the date such notice is mailed until such time as these students have completed such clinical rotation.
- 8. Previous Agreements: All previous agreements between the parties concerning the provision of clinical education for students of the School are superceded by this agreement and are hereby terminated.

THE UNIVERSITY OF TEXAS HEALTH SCIENCE
CENTER AT DALLAS

CHILDREN'S MEDICAL CENTER OF DALLAS

By: [Signature]
President

By: [Signature]
President

CONTENT APPROVED:

[Signature]
Vice Chancellor for Health Affairs
UT System

FORM APPROVED:

[Signature]
Office of General Council

[Signature]
Chancellor
UT System

ATTEST:

THE BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM:

[Signature]
Chairman, Board of Regents
UT System

Based on Model

7. Dallas Health Science Center: Affiliation Agreements with (a) Unicare Health Facilities, Dallas, Texas; (b) Nursing Associates, Dallas, Texas; (c) United Way of Metropolitan Tarrant County, Fort Worth, Texas; (d) Arlington Heights Nursing Center, Fort Worth, Texas; and (e) Y.M.C.A., Fort Worth, Texas. --Without objection, approval was given to affiliation agreements by and between The University of Texas Health Science Center at Dallas 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:

FILE NO. 400
DOCUMENT 12
REMARKS

<u>Facility</u>	<u>Agreement Executed</u>
✓ Unicare Health Facilities Dallas, Texas	May 9, 1980
✓ Nursing Associates Dallas, Texas	May 10, 1980
✓ United Way of Metropolitan Tarrant County Fort Worth, Texas	May 13, 1980
✓ Arlington Heights Nursing Center Fort Worth, Texas	May 1, 1980
✓ Y.M.C.A. Fort Worth, Texas	May 5, 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 programs.

Based on Model

8. Galveston Medical Branch: Affiliation Agreements with (a) MacGregor Medical Clinic Association, Houston, Texas, and (b) United Way of Galveston, Inc., Galveston, Texas. --The affiliation agreements by and between The University of Texas Medical Branch at Galveston and the following facilities were approved without objection to be effective upon approval by the Board of Regents:

FILE NO. 400
DOCUMENT 12
REMARKS

<u>Facility</u>
✓ MacGregor Medical Clinic Association Houston, Texas
✓ United Way of Galveston, Inc. Galveston, Texas

These agreements follow the format approved for affiliation agreements by the Board of Regents on December 16, 1977.

Fees

9. Houston Health Science Center: Increase in (a) Medical Service Fee and (b) Late Registration Fee Effective Fall Semester 1980 (Catalog Change). --In order to cover the increased operating costs of the Student Health Service and the added costs of processing late registration, President Bulger and Chancellor Walker recommended that approval be given to increase (a) the medical service fee for

FILE NO. 18
DOCUMENT
REMARKS

full-time students from \$10 per quarter to \$20 per quarter and for part-time students from \$2.50 per course per quarter to \$5 per course per quarter and (b) the late registration fee from \$5 to \$15 per student at The University of Texas Health Science Center at Houston effective with the Fall Semester 1980.

Without objection, the Health Affairs Committee approved these recommendations and ordered that the next appropriate catalog published at the Houston Health Science Center be amended to conform.

Augmentation

10. San Antonio Health Science Center (San Antonio Dental School):
Bylaws of the Dental Service, Research and Development Plan (DSRDP). -- President Harrison and Chancellor Walker presented proposed Bylaws of the Dental Service, Research and Development Plan (DSRDP) for the San Antonio Dental School, The University of Texas Health Science Center at San Antonio. It was pointed out that all full-time faculty of the San Antonio Dental School would be members of the DSRDP and would sign the participation agreement set out on Pages 134-136.* Only those members of the full-time faculty actually engaged in the treatment of patients will be considered a participating member and only participating members will be eligible for benefits therefrom.

FILE NO. 19
 DOCUMENT 19
 REMARKS 19

Upon motion of Regent Law and duly seconded, the proposed Bylaws were amended by deleting Subsection 3.1.2 of Section 3 and Subsection 4.2.2 of Section 4 and substituting the following therefor:

- 3.1.2 Every Member of the full-time faculty who is engaged in the treatment of patients and who renders a bill for such professional treatment shall be a Participating Member.
- 4.2.2 Treatment of patients in university facilities may be performed by part-time faculty at their discretion upon the recommendation of the Executive Director of the Plan and with the approval of the Dean of the Dental School and the President of The Health Science Center. Such part-time faculty shall sign a participation agreement. Such income derived from the treatment of patients will become the property of the Plan.

Without objection, both amendments were approved, and the Bylaws as finally adopted to be effective September 1, 1980, are set forth on the succeeding pages (121-136).

*This agreement has been adapted from the participation agreement for the Medical Service, Research and Development Plan approved by the Board of Regents on December 7, 1979.

BYLAWS

THE UNIVERSITY OF TEXAS DENTAL SCHOOL AT SAN ANTONIO

DENTAL SERVICE, RESEARCH, AND DEVELOPMENT PLAN

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THE UNIVERSITY OF TEXAS DENTAL SCHOOL AT SAN ANTONIO
DENTAL SERVICE, RESEARCH, AND DEVELOPMENT PLAN

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BYLAWS

THE UNIVERSITY OF TEXAS DENTAL SCHOOL AT SAN ANTONIO
DENTAL SERVICE, RESEARCH, AND DEVELOPMENT PLAN

SECTION 1

PURPOSE

In order to insure the continued growth in excellence of The University of Texas Dental School at San Antonio, a Dental Service, Research, and Development Plan (the "Plan") will be established for the purpose of managing the professional income of the faculty members. The Plan will create an Institutional Trust Fund consisting of a Dental School Business Operation Fund (Business Operation Fund), a Dental School Development Fund (Development Fund), a Dental School Fringe Benefit Fund (Fringe Benefit Fund), and a Dental School Faculty Fund (Faculty Fund). The Business Operation Fund will provide for the administration and operational expenses of the Plan. The Development Fund will be expended in support of the programs of the Dental School as a whole. The Fringe Benefit Fund will provide for fringe benefits for the Participating Members of the Plan. The Faculty Fund will be established for the disbursement of funds to the full-time faculty of the Dental School who are Participating Members of the Plan in support of faculty compensation and other functions pertaining to teaching, research, and patient care activities.

SECTION 2

DEFINITIONS

2.1 TOTAL COMPENSATION FOR FACULTY

For purposes of this Plan, "Total Compensation" shall be defined as the total remuneration comprised of salary and augmentation paid to faculty members of the School. Total Compensation shall not be construed to include fringe benefits paid by the School for faculty members.

2.2 SALARY

For purposes of this Plan, "Salary" shall be defined as that part of Total Compensation paid by the School and may be paid from multiple fund sources, including general budget funds (state appropriations), gift funds, and contract and grant funds, subject to the approval of the Board of Regents of The University of Texas System upon recommendation of the administration each year.

2.3 AUGMENTATION

2.3.1 For purposes of the Plan, "Augmentation" shall be defined as that part of Total Compensation paid to a Member by the Plan.

2.3.2 Each Member's Augmentation shall be determined annually, subject to periodic review and adjustment, upon recommendation of his or her Department Chairman and the Dean of the Dental School, with approval of the President of The Health Science Center and the Chancellor in accordance with The University of Texas System Budget Rules and Procedures.

SECTION 3

ORGANIZATION OF THE PLAN

3.1 MEMBERSHIP

3.1.1 All full-time faculty will be Members of the Plan and subject to regulation as contained in the Participation Agreement (Exhibit A).

3.1.2 Every Member of the full-time faculty who is engaged in the treatment of patients and who renders a bill for such professional treatment shall be a Participating Member.

3.1.3 All Participating Members shall be entitled to participate in the deliberations of the Plan, vote upon any business presented to the Membership by the Board, and be eligible for election to any committee of the Plan.

3.1.4 The Participating Member leaving the full-time faculty terminates his Membership in the Plan without recourse, and

all professional fees and accounts receivable for services rendered prior to termination revert to the Plan.

3.2 MEETINGS OF MEMBERSHIP

3.2.1 The Membership shall meet in general session annually in July at a place designated by the Chairman of the Board of Directors. Notice of the Annual Meeting and agenda shall be distributed to each Member at least ten (10) working days prior to the meeting.

3.2.2 Special meetings may be called by the Board, Dean, President of The Health Science Center, Executive Director of the Plan, or upon written petition of one-half (1/2) of the Participating Members. Special meetings require the same notice as regular annual meetings.

3.2.3 The Chairman of the Board of Directors, or, in his absence, the Vice-Chairman, shall preside. The Secretary of the Board of Directors shall serve as the Secretary of the Plan.

3.2.4 One-half (1/2) of the Participating Membership shall constitute a quorum.

3.2.5 Each Participating Member shall have one (1) vote.

3.2.6 Except where otherwise specified within these Bylaws, a simple majority vote of the Participating Members present shall prevail.

3.2.7 Minutes of each meeting shall be prepared by the Secretary, published and circulated to each Member of the Board of Directors and shall be available to each Member upon request.

3.2.8 The rules of order for meetings shall be the current edition of Robert's Rules of Order.

3.3 EXECUTIVE DIRECTOR

3.3.1 The Executive Director of the Plan shall be the chief administrative officer of the Plan, responsible to the Dean, President of The Health Science Center and the Executive Vice-President for Administration and Business Affairs.

3.3.2 The Executive Director of the Plan is to be appointed annually by the Dean of the Dental School on July 1 for a period of one year and serves during that year at the pleasure of the Dean.

3.3.3 The Executive Director of the Plan shall perform such duties as outlined in the Bylaws and other duties as assigned by the Dean of the Dental School.

3.4 BOARD OF DIRECTORS

3.4.1 The Board of Directors will assume its responsibilities annually on September 1.

3.4.2 The Board of Directors shall be composed as follows:

3.4.2.1 President of The Health Science Center

3.4.2.2 Executive Vice-President for Administration and Business Affairs of The Health Science Center

3.4.2.3 Dean of the Dental School

3.4.2.4 Clinic Coordinator of the Dental School

3.4.2.5 Five Participating Members, no two of whom shall be from the same clinical department, elected at large during the annual meeting by the Participating Members of the Plan

3.4.2.6 Two Members (clinical departments) elected from the Dental School Faculty Council after the five Participating Members-at-Large have been elected. The representatives from the Faculty Council cannot be from the same departments as the five Participating Members elected at large

3.4.2.7 Executive Director of the Plan

3.4.3 The Board of Directors shall be advisory to the Dean of the Dental School and the President of The Health Science Center on all matters relating to the Plan.

3.4.4 The Board of Directors shall exercise full powers of the Membership, except that the Board may not alter the distribution of funds to the Development Fund, the Fringe Benefit Fund, or the Faculty Fund except as established by these Bylaws.

- 3.4.5 The Board of Directors may create standing and ad hoc committees from the Directors or from the Participating Membership to advise upon specific matters when necessary. Appointments to these committees shall be noted in the minutes of the Board of Directors.
- 3.4.6 The Board of Directors shall report its activities to the Membership at the Annual Meeting.
- 3.4.7 The Board shall meet quarterly, or more often, on call of the Chairman, the Dean of the Dental School, the President of The Health Science Center, or on the written request of two-thirds (2/3) of the Members of the Board.
- 3.4.8 The Officers of the Board shall be a Chairman, a Vice-Chairman, and a Secretary.
- 3.4.9 The Officers shall be elected by the Board from its Membership annually at the first meeting of the Board of Directors.
- 3.4.10 The Chairman and Vice-Chairman shall not serve in the same office more than two (2) consecutive terms but are eligible for reelection after an intervening year. No two (2) elected officers shall be from the same clinical department.
- 3.4.11 The Terms of office shall be from September 1 following the Annual Meeting of the Membership to August 31 of the following year.
- 3.4.12 One-half (1/2) of the Board of Directors shall constitute a quorum.
- 3.4.13 Except where otherwise specified within these Bylaws, a simple majority of the Members present shall prevail.
- 3.4.14 If a vacancy is created on the Board of Directors, the Dean of the Dental School shall appoint a Participating Member to fill the remainder of the unexpired term.
- 3.5 BUSINESS OPERATIONS
- 3.5.1 The Executive Vice-President for Administration and Business Affairs of The Health Science Center will have ultimate responsibility for the fiscal integrity of the Plan.

- 3.5.2 A Business Office shall be maintained by the Plan for the administration of its affairs.
- 3.5.3 In accordance with appropriate procedures of The Health Science Center, administrative personnel and consultants may be employed or retained as recommended by the Board of Directors.
- 3.5.4 An annual operating budget for all income and expenditures of the Plan shall be prepared and approved in accordance with the Budget Rules and Procedures of the Board of Regents of The University of Texas System. An annual summary budget shall be submitted to the Board of Directors at the first meeting of each fiscal year.
- 3.5.5 Financial reports for the Plan shall be prepared by the Executive Director of the Plan and submitted to the Board of Directors at each regular meeting of the Board.
- 3.5.6 Professional income under the Plan will be accounted for and administered according to the policy and procedures of The University of Texas System with the approval of the Executive Vice-President for Administration and Business Affairs.
- 3.5.7 The cost of business operations and other expenses incurred in the generation of income shall be paid from the income of the Business Operation Fund.
- 3.5.8 Professional income will be billed and collected by the Business Office of the School in accordance with procedures approved by the Executive Vice-President for Administration and Business Affairs.

SECTION 4

INSTITUTIONAL TRUST FUND

4.1 COMPOSITION

- 4.1.1 An Institutional Trust Fund shall be established for the receipt and disbursement of all professional income derived from the treatment of patients under the management of the Plan.

4.1.2 The Institutional Trust Fund (See Figure 1) shall be composed of subsidiary accounts as follows:

4.1.2.1 Business Operation Fund

4.1.2.2 Development Fund

4.1.2.3 Fringe Benefit Fund

4.1.2.4 Faculty Fund

4.1.3 The Institutional Trust Fund and the component accounts shall be audited annually at the close of each fiscal year in accordance with the rules and regulations of The University of Texas System.

4.2 SOURCES OF INCOME

4.2.1 Each Member shall assign all professional fees derived from the treatment of patients to the Institutional Trust Fund.

4.2.2 Treatment of patients in university facilities may be performed by part-time faculty at their discretion upon the recommendation of the Executive Director of the Plan and with the approval of the Dean of the Dental School and the President of The Health Science Center. Such part-time faculty shall sign a participation agreement. Such income derived from the treatment of patients will become the property of the Plan.

4.3 BUSINESS OPERATION FUND

4.3.1 The Business Operation Fund shall be used to conduct the general administration and business affairs of the Plan.

4.3.2 Deposits to the Business Operation Fund shall result from a percentage of the gross income established annually and revised periodically when deemed appropriate by the Board of Directors; subject to the fiscal policies and procedures of The University of Texas System.

4.3.3 Expenditures and records of such expenditures shall be made in accordance with generally accepted accounting procedures consistent with the fiscal policies and procedures of The University of Texas System.

4.3.4 Net income is defined as the gross income deposited in the Institutional Trust Fund less amounts budgeted for the Business Operation Fund.

4.4 DEVELOPMENT FUND

4.4.1 The Development Fund shall be expended to enhance and support programs of the Dental School as a whole.

4.4.2 Deposits to the Development Fund will be 10% of net income (as defined in 4.3.4).

4.4.3 Expenditures from the Development Fund shall be at the discretion of the Dean of the Dental School and the President of the Health Science Center with the advice of the Board of Directors. Such expenditures shall be made in accordance with generally accepted accounting procedures consistent with the fiscal policies and procedures of The University of Texas System.

4.5 FRINGE BENEFIT FUND

4.5.1 The Fringe Benefit Fund shall be expended for fringe benefits, including supplemental retirement benefits, for Participating Members of the Plan.

4.5.2 Deposits to the Fringe Benefit Fund shall result from a percentage of the net income (as defined in 4.3.4) as determined annually by the Board.

4.5.3 Expenditures from the Fringe Benefit Fund shall be under the direction of the Board of Directors. Such expenditures shall be made in accordance with generally accepted accounting procedures consistent with the fiscal policies and procedures of The University of Texas System.

4.6 FACULTY FUND

4.6.1 A Faculty Fund shall be established to be expended in support of faculty compensation and functions related to teaching, research, and patient care activities.

4.6.2 The remaining balance of the net income, after the distributions to the Development Fund and the Fringe Benefit Fund, will be deposited in the Faculty Fund.

4.6.3 Expenditures from the Faculty Fund shall be in accordance with those items allowable per Section 4.6.4. Such expenditures shall be made in accordance with generally accepted accounting procedures consistent with the fiscal policies and procedures of The University of Texas System.

4.6.4 Expenditures allowable from the Faculty Fund may include the following:

- 4.6.4.1 Augmentation of Participating Members' salaries
- 4.6.4.2 Salary for faculty and/or staff
- 4.6.4.3 General maintenance, operation, and equipment for education, research, and patient care
- 4.6.4.4 Ordinary and necessary business expenses incurred by the dentist in earning the professional fees charged
- 4.6.4.5 Reasonable travel and other expenses including registration fees and tuition incident to attendance for meetings and courses authorized by the Dental School or Department
- 4.6.4.6 Travel in support of education, research, and patient care activities
- 4.6.4.7 Professional legal fees not otherwise covered, subject to the policies and procedures of The University of Texas System
- 4.6.4.8 Professional society memberships
- 4.6.4.9 Supplemental fringe benefits as approved by The University of Texas System
- 4.6.4.10 Permanent equipment and facilities
- 4.6.4.11 Expenses and consultant fees for guest speakers, including official entertainment
- 4.6.4.12 Expenses incident to faculty or staff recruitment
- 4.6.4.13 Funds for the establishment of a Lectureship, Professorship, or Chair
- 4.6.4.14 Official Entertainment

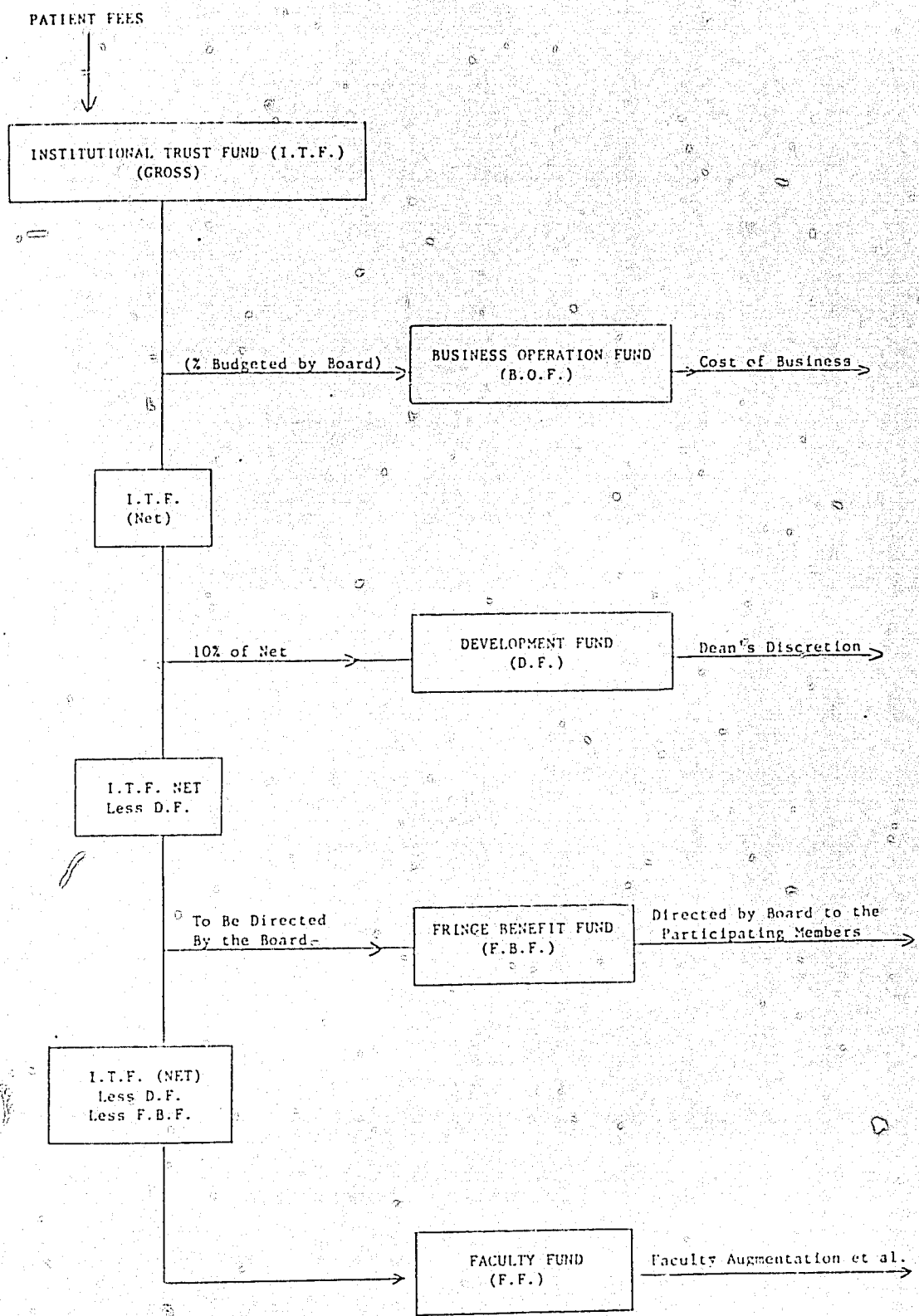


Figure 1

SECTION 5

GENERAL PROVISIONS

5.1 ETHICS

The principles of ethics of the American Dental Association are accepted as the governing code of ethics for the Plan's Membership.

5.2 AGREEMENT

A suitable agreement (Exhibit A) for Members shall be executed between each full-time Faculty Member and the Dental School.

5.3 DISSOLUTION

5.3.1 The Plan may be dissolved by the Dean of the Dental School and the President of The Health Science Center.

5.3.2 Subsequent to dissolution, all monies residual in the Institutional Trust Fund shall be utilized to discharge obligations of the Plan with the balance to be used at the discretion of the Dean of the Dental School with approval of the President of The Health Science Center.

5.4 AMENDMENT OF BYLAWS

5.4.1 These Bylaws may be altered or amended by a two-thirds (2/3) vote of the Participating Membership present at any meeting of the Plan, provided the amendment shall have been offered at a previous meeting or written notice not less than thirty (30) days prior to the meeting.

5.4.2 Neither these Bylaws nor any amendments thereto shall be effective until they have been approved by the President of The Health Science Center and by the Board of Regents of The University of Texas System.

AGREEMENT FOR PARTICIPATION IN DENTAL SERVICE,
RESEARCH, AND DEVELOPMENT PLAN, THE UNIVERSITY OF TEXAS
AND ASSIGNMENT

For and in consideration of the employment as a faculty member by

_____, ("University"), "University" and
_____ ("Faculty Member") agree as follows:

Subject to availability of Plan funds, Faculty Member may receive such salary augmentation as may be determined pursuant to the Plan prior to the beginning of each fiscal year. "Salary augmentation" means money from the Plan allocated to Faculty Member.

The Faculty Member is a member of the Dental Service, Research, and Development Plan ("Plan") and agrees that he will comply fully with the Bylaws of the Plan currently in effect and as the Bylaws may be amended from time to time and will fully cooperate with the other members of the Plan and The University in carrying out the purposes of the Plan. The Faculty Member further agrees to abide by all rules, regulations, and departmental policies of The University. Said rules, regulations, and departmental policies are specifically made a part of this Agreement by reference.

In consideration of the Faculty Member's employment by The University and participation in the Plan, the Faculty Member hereby assigns to The University all fees charged or received by him for professional services gained from the treatment of patients during the period that Faculty Member is employed by The University, provided however that the Faculty Member does not assign salary paid to Faculty Member by The University and reimbursement paid by The University to Faculty Member for allowable expenses actually incurred in the scope and course of Faculty Member's employment with The University. Allowable expenses may not be withheld from professional fees received by Faculty Member. Faculty Member's assignment is irrevocable during the period of Faculty Member's employment with The University and extends to all professional service fees derived from the treatment of patients. All such fees for professional services received by or payable to the Faculty Member are the property of The University. The Faculty Member

further agrees that all accounts receivable for professional services which are caused to be billed by the Faculty Member are hereby assigned to and are the property of The University, subject to the provision that The University shall not alter the fees charged by the Faculty Member. Title to and the right to receive and possess such fees shall pass to The University immediately upon billing for or receipt of such fees, whichever shall first occur. The Faculty Member retains the right to alter or extinguish any charge for professional services at any time prior to billing for such services, except that Faculty Member may alter or extinguish such charges after billing and prior to collection in cases where the initial charge resulted from an incorrect financial classification of patient.

The Faculty Member agrees to bill for professional services through the designated billing office of The University and will abide by all University rules and regulations regarding billing. The Faculty Member agrees that all monies for fees derived from the treatment of patients received by Faculty Member or Faculty Member's agent or billing office, whether cash, check, or other instrument, will be immediately turned over to the designated office of The University and that all checks made to the Faculty Member will be properly endorsed prior to delivery to the designated office. The Faculty Member understands that failure to immediately deliver all professional fees covered by this Agreement to the designated business office of The University may constitute an offense which subjects the Faculty Member to dismissal from employment of The University and prosecution under the Texas Penal Code and/or the United States Code.

Failure to immediately deliver fees derived from the treatment of patients received by the Faculty Member, Faculty Member's agent, or billing office, to the designated business office, the deposit of such fees into any account not authorized in writing by The University, or the retention of cash or checks received by the Faculty Member for such fees constitutes a breach of this Agreement and shall automatically render the Faculty Member ineligible to receive any benefit from the Plan.

Faculty Member understands that participation in the Plan, the terms of this Agreement and Assignment, and the Bylaws of the Plan are terms and conditions of employment with The University.

Faculty Member hereby authorizes The University and its agent or employees to examine any and all records made or kept by or under the authority of the Faculty Member, including patient ledger, billing records, and dental records for purposes of auditing the collection and disposition of professional fees, and shall make such records available upon request of The University.

As a condition of the Faculty Member's participation in the Plan, Faculty Member shall be responsible for the payment of ordinary and necessary professional expenses incurred by him to the extent that he is not reimbursed by The University for such expenses pursuant to University regulations and the Plan.

If for any reason Faculty Member's employment with The University shall terminate, this Agreement and the Faculty Member's participation in the Plan shall terminate without recourse. All professional fees and accounts receivable for services rendered prior to termination of Faculty Member's employment with The University are subject to the terms of this Agreement regardless of when such fees may be billed or received.

The term of this Agreement and Assignment shall be effective from the date of Faculty Member's employment with The University until terminated as herein above described.

DATE _____

CHAIRMAN, DEPARTMENT OF

FACULTY MEMBER

APPROVED:

DFAN

PRESIDENT

11. University Cancer Center (M. D. Anderson): Appointment of Guy R. Newell, M.D., to the Mesa Petroleum Company Professorship in Cancer Prevention Effective August 1, 1980. -- Upon the recommendation of President LeMaistre and Chancellor Walker, approval was given without objection to appoint Guy R. Newell, M.D., to the Mesa Petroleum Company Professorship in Cancer Prevention at M. D. Anderson Hospital and Tumor Institute, The University of Texas System Cancer Center, effective August 1, 1980. It was noted that Dr. Newell's present salary would be increased \$5,000 per annum to a total of \$63,500 with the source of this increase being the Mesa Petroleum Professorship Fund.

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See Page 164 for establishment of this Professorship.

OTHER MATTER

Resolutions

RESOLUTION OF COMMENDATION TO SECRETARY BETTY ANNE THEDFORD. -- Following the meeting of the Health Affairs Committee, Regent Sterling was recognized. He presented the following resolution of commendation to Secretary Betty Anne Thedford and moved approval thereof. The motion was unanimously seconded and approved:

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WHEREAS, the place at the left of Chairman Williams is vacant today; and

WHEREAS, that place is usually occupied by our very able and efficient Secretary, Betty Anne Thedford; and

WHEREAS, Miss Thedford has served as Secretary to the Board of Regents since 1954 and has seldom missed a meeting of the Board; and

WHEREAS, her absence today leaves a lonely gap at our table; now, therefore, be it

RESOLVED, by the Board of Regents of The University of Texas System on this 11th day of July, 1980, that we send her our official expression of affection and our hopes that she will be back with us at our next meeting.

At the suggestion of Chairman Williams, it was ordered that the resolution be sent immediately to Secretary Thedford in the form of a telegram.

REPORT OF LAND AND INVESTMENT COMMITTEE (Pages 138-164). --
~~Committee Chairman~~ ~~Has~~ 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 Sys-
 tem 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

1. Permanent University Fund Investment Advisory Committee:
Reappointment of Mr. Thomas B. McDade, Houston, Texas,
to Five-Year Term. --Without objection, Mr. Thomas B.
 McDade, Vice Chairman of the Board of Texas Commerce
 Bancshares, Inc., Houston, Texas, was reappointed to the
 Permanent University Fund Investment Advisory Committee
 for a five year term, September 1, 1980 through August 31, 1985.
 With this reappointment, the membership of the Investment
 Advisory Committee is as follows:

	<u>Term Expires</u>
Mr. Gene H. Bishop	8/31/81
Mr. Dee S. Osborne	8/31/82
Mr. Orson C. Clay	8/31/83
Mr. Harold W. Hartley	8/31/84
Mr. Thomas B. McDade	8/31/85

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

Permanent University Fund	April, 1980	May, 1980	Cumulative This Fiscal Year	Cumulative Preceding Fiscal Year	Per Cent Change
Royalty					
Oil	\$6,139,216.25	\$ 7,677,437.55	\$56,187,368.73	\$32,111,189.16	74.93%
Gas	2,110,841.85	3,977,338.17	26,745,498.35	21,800,931.29	22.63%
Sulphur	285,104.97	337,742.45	2,677,938.76	433,965.08	517.09%
Water	58,261.88	46,217.43	239,347.45	140,289.94	70.97%
Brine	2,786.62	5,637.58	31,253.56	24,172.83	29.29%
Rental					
Oil and Gas Leases	88,452.94	365,366.66	2,227,957.02	1,861,705.29	19.67%
Other	100.00	1,920.00	8,678.47	22,000.51	(60.95%)
Sale of Sand, Gravel, Etc.	1,068.00		21,436.61	20,622.55	3.95%
Gain or (Loss) on Sale of Securities	1,000.16	2,574.85	36,678.90	560,381.80	(93.46%)
Transfer from Special 1% Fee Fund					
Board for Lease of University Lands	-0-	-0-	-0-	100,000.00	(100.00%)
Sub-Total	<u>\$8,686,832.67</u>	<u>\$12,464,234.74</u>	<u>\$88,176,657.85</u>	<u>\$57,075,258.50</u>	54.49%
Bonuses					
Oil and Gas Lease Sales	\$ -0-	\$ -0-	\$ -0-	\$ 9,719,000.00	(100.00%)
Amendments and Extensions to Mineral Leases	-0-	157.33	252,467.75	682,486.43	(63.01%)
Total Bonuses	<u>\$ -0-</u>	<u>\$ 157.33</u>	<u>\$ 252,467.75</u>	<u>\$10,401,486.43</u>	(97.57%)
TOTAL CLEARANCES	<u>\$8,686,832.67</u>	<u>\$12,464,392.07</u>	<u>\$88,429,125.60</u>	<u>\$67,476,744.93</u>	31.05%

Oil and Gas Development - May 31, 1980
 Acreage Under Lease - 956,823

Number of Producing Acres - 417,225

Number of Producing Leases - 1,795

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B. LAND MATTERS

1. Easements and Surface Leases Nos. 5180-5201, Water Contract No. 180, Material Source Permits Nos. 588-590, Assignment of Easement No. 4878, and Flexible Grazing Leases Nos. 38-62. --Applications for Easements and Surface Leases Nos. 5180-5201, Water Contract No. 180, Material Source Permits Nos. 588-590, Assignment of Easement No. 4878, and Flexible Grazing Leases Nos. 38-62 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. 5180-5201

No.	Company	Type of Permit	County	Location (Block #)	Distance or Area	Period	Consideration
✓ 5180	Texaco Inc. (Renewal of 3980)	Surface Lease Salt Water Disposal	Ward	18	1 Acre	7/9/80* 6/8/81	\$ 1,000.00
✓ 5181	Texas Pacific Oil Co., Inc.	Surface Lease Salt Water Disposal	Crockett	5	1 Acre	5/8/80* 4/7/81	1,000.00
✓ 5182	Exxon Pipe Line Company (Renewal of 3130)	Surface Lease Microwave Station	Reagan	48	.0287 Acre	6/1/80- 5/31/90	3,000.00 (Full)
✓ 5183	West Texas Marketing Corporation	Surface Lease Unloading site	Crane	30	150' x 150'	5/1/80- 4/30/90	2,000.00 (Full)
✓ 5184	Mapco, Inc. (Renewal of 3128)	Surface Lease Tower site	Andrews	13	5 Acres	6/14/80- 6/13/90	3,000.00 (Full)
✓ 5185	El Paso Natural Gas Company (Renewal of 3089)	Pipe Line Gas line	Andrews	9	7.455 rods 4-1/2 inch	10/1/80- 9/30/90	200.60 (Min.)
✓ 5186	CRA, Inc.	Pipe Line Gas line	Schleicher	53	280.79 rods 4-1/2 inch	4/1/80- 3/31/90	982.77
✓ 5187	Exxon Corporation (Renewal of 3117)	Pipe Line Water line	Ward	16	401.20 rods 3-1/2 inch	6/1/80- 5/31/90	1,203.60

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

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No.	Company	Type of Permit	County	Location (Block #)	Distance or Area	Period	Consideration
✓5188	Northern Natural Gas Company (Renewal of 3176)	Pipe Line Gas line	Andrews	9	702.54 rods 10-3/4 inch	8/1/80- 7/31/90	\$ 2,107.62
✓5189	Texas Electric Service Company (Renewal of 3096)	Power Line Distribution	Andrews, Crane, Upton, Ward	1,4,9,12,13, 14,30,31,16	1,997.64 rods Single pole	6/1/80- 5/31/90	1,997.64
✓5190	Arco Pipe Line Company (Renewal of 3060)	Pipe Line Oil line	Andrews	1,2,13,14	5,515.00 rods 8-5/8 inch	6/1/80- 5/31/90	16,545.00
✓5191	Union Oil Company of California	Pipe Line Water line	Upton & Reagan	3	200 rods 2 inch	4/1/80- 3/31/90	700.00
✓5192	Enserch Corporation	Surface Lease Separator & Storage	Ward	18	100' x 100'	2/1/80- 1/31/90	2,000.00 (Full)
✓5193	Enserch Corporation	Surface Lease Compressor Station	Ward	17	150' x 150'	2/1/80- 1/31/90	2,000.00 (Full)
✓5194	Exxon Corporation (Renewal of 3138)	Surface Lease Water flood & Injection Station	Andrews	13	9.66 Acres	9/1/80- 8/31/90	3,864.00 (Full)
✓5195	Gulf Refining Company (Renewal of 3114)	Pipe Line Oil line	Crane	31	158.09 rods 4-1/2 inch	7/1/80- 6/30/90	474.27
✓5196	Texas Electric Service Company (Renewal of 3109)	Power Line Distribution	Crane	31	2,406.48 rods Single pole	7/1/80- 6/30/90	2,406.48
✓5197	Texas Electric Service Company (Renewal of 3110)	Power Line Distribution	Andrews	10	247.03 rods Single pole	7/1/80- 6/30/90	247.03
✓5198	Southwest Texas Electric Cooperative Inc. (Renewal of 3123)	Power Line Distribution	Crockett	29	851.60 rods Single pole	6/1/80- 5/30/90	851.60
✓5199	Enserch Corporation	Pipe Line Gas line	Ward	18 & 17	1,164.61 rods 2 & 4 inch	2/1/80- 1/31/90	4,076.14

No.	Company	Type of Permit	County	Location (Block #)	Distance or Area	Period	Consideration
✓ 5200	CRA, Inc.	Pipe Line Gas line	Schleicher	53 & 54	1,259.52 rods 4-1/2 inch	5/1/80- 4/30/90	\$ 4,403.32
✓ 5201	Amoco Production Company	Pipe Line Water line	Andrews	1	1,260.10 rods 16 inch	6/1/80- 5/31/90	10,030.80

b. Water Contract No. 180

No.	Grantee	County	Location	Period	Consideration
✓ 180	The S. D. Company	Reagan	Block 11	7/1/80- 6/30/83	\$ 100.00*

*Royalty is 15c per 1,000 gallons of water produced and used for injection into Lessee's brine production well, permitted under separate contract but located on the same premises. Lessee shall pay a royalty of 45¢ per 1,000 gallons of water or 1/8 of selling price, whichever is greater, for all water produced for purposes other than brine operations.

c. Material Source Permits Nos. 588-590

No.	Grantee	County	Location	Quantity	Consideration
✓ 588	S. L. Briley Construction Company	Crane	Block 30	566 cubic yards of dirt	\$ 283.00
✓ 589	State Department of Highways and Public Transportation	Crockett	Block 30	181,934.62 tons of flex base	16,374.12*
✓ 590	State Department of Highways and Public Transportation	Reagan	Block 11	10,350. cubic yards of caliche	2,070.00**

*An Agreement made two years ago @ \$0.09 per ton
 **An Agreement made @ \$0.20 per yard

d. Assignment of Easement No. 4878

No.	Assignor	Assignee	Type of Permit	County	Consideration
✓ 4878	Exxon Pipeline Company	Gensco, Inc.	Pipe Line easement	Reagan	\$ 200.00

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e. Flexible Grazing Leases Nos. 38-62

No.	Lessee	Location		Acreage	Period	Minimum Annual Rental		
		County	Block			Minimum Rental Per Acre	Minimum Annual Rental	Semi-Annual Rental
38	Louis Woodward (Renewal of 1064)	Pecos	18,19,20	12,365.28	7/1/80- 6/30/90	\$0.43	\$ 5,317.07	\$ 2,658.54
39	M. B. Noelke, Jr. (Renewal of 1067-1070)	Crockett & Irion	38,39,52,55	14,792.00	7/1/80- 6/30/90	.80	11,835.20	5,917.60
40	Charles Springstun (Renewal of 1065-1158)**	Reagan	8 & 9	6,182.00	7/1/80- 6/30/90	.66	4,080.12	2,040.06
41	Wayne Harris Bellows (Renewal of 1069)	Reagan, Upton Crockett	5 & 6	16,573.30	7/1/80- 6/30/90	.80	13,258.64	6,629.32
42	Ronald McMullan (Renewal of 1071)	Reagan	8,9,11	5,086.70	7/1/80- 6/30/90	.80	4,069.36	2,034.68
43	Louis Brooks (Renewal of 1073-1165** FGL # 18)	Crockett & Schleicher	39,52,54,55, 56	22,275.00	7/1/80- 6/30/90	1.25	27,843.75	13,921.88
44	H. H. Linthicum (Renewal of 1074-1140)**	Irion & Crockett	38,40,41	21,411.60	7/1/80- 6/30/90	.94	20,126.90	10,063.45
45	David Malcomb Smith Andrew Paul Smith (Renewal of 1075)	Reagan & Crockett	6 & 7	16,904.20	7/1/80- 6/30/90	.85	14,368.57	7,184.29
46	Weldon D. Lloyd Wilma L. Logan (Renewal of 1076)	Schleicher	54	1,964.60	7/1/80- 6/30/90	.80	1,571.68	785.84

**It is recommended that FGL # 18 be cancelled in order that it may be combined with FGL # 43 in the name of Louis Brooks, and lease numbers 1153-1165-1140 be cancelled in order that they may be combined with FGL #'s 40-43-44 consecutively.

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No.	Lessee	Location		Acreage	Period	Minimum Annual Rental		
		County	Block			Minimum Rental Per Acre	Minimum Annual Rental	Semi-Annual Rental
47	M. H. Woodward (Renewal of 1077)	Schleicher	54,55,56	5,459.80	7/1/80- 6/30/90	\$.80	\$ 4,367.84	\$ 2,183.92
48	Robert H. Oglesby & Grace C. Oglesby (Renewal of 1078)	Crockett & Schleicher	56	11,613.80	7/1/80- 6/30/90	.80	9,291.04	4,645.52
49	J & SM, Inc. (Renewal of 1079)	Pecos	27,28, & James Campbell Sur. 165	10,314.80	7/1/80- 6/30/90	.38	3,919.62	1,959.81
50	Lester Ratliff (Renewal of 1080-1148)**	Reagan & Upton	2,3,58	19,184.80	7/1/80- 6/30/90	.66	12,661.97	6,330.99
51	W. H. Hodge (Renewal of 1081)	Reagan	8,9,10,11	5,029.30	7/1/80- 6/30/90	.75	3,771.98	1,885.99
52	Andrew Paul Smith (Renewal of 1082)	Reagan & Upton	1,4,5,6,8	16,242.30	7/1/80- 6/30/90	.85	13,805.96	6,902.98
53	Richard E. Preston (Renewal of 1083)	Irion & Schleicher	52,53,54, & 55	28,300.50	7/1/80- 6/30/90	.81	22,923.41	11,461.71
54	Rod Richardson (Renewal of 1085)	Pecos	18	2,286.73	7/1/80- 6/30/90	.43	983.29	491.65
55	Gregg McKenzie (Renewal of 1087)	Pecos	16 & 20	7,401.79	7/1/80- 6/30/90	.43	3,182.77	1,591.39
56	Roy Neal McKenzie (Renewal of 1088)	Pecos	16	12,118.80	7/1/80- 6/30/90	.43	5,211.08	2,605.54

**It is recommended that lease number 1148 be cancelled in order that it may be combined with FGL # 50 in the name of Lester Ratliff.

No.	Lessee	Location		Acreage	Period	Minimum Annual Rental		
		County	Block			Minimum Rental Per Acre	Minimum Annual Rental	Semi-Annual Rental
✓ 57	Tom McKenzie (Renewal of 1089)	Pecos	18,19,20	16,190.90	7/1/80- 6/30/90	\$.43	\$ 6,962.09	\$ 3,481.05
✓ 58	Mrs. R. L. Walker (Renewal of 1090)	Pecos	19	1,035.00	7/1/80- 6/30/90	.43	445.05	222.53
✓ 59	Rod Richardson (Renewal of 1091)	Pecos	16 & 17	9,024.31	7/1/80- 6/30/90	.43	3,880.45	1,940.23
✓ 60	Rod Richardson (Renewal of 1092-1160)**	Pecos	16,18,20	1,934.08	7/1/80- 6/30/90	.51	986.38	493.19
✓ 61	Schneemann Brothers (Renewal of 1151-1169)**	Crockett	46,47,48, 49,50,51	21,676.70	7/1/80- 6/30/90	1.15	24,928.21	12,464.11
✓ 62	O. W. Parker, Jr. and Cheryl Parker Shipp (Renewal of 1068)	Reagan	1 & 2	14,133.10	7/1/80- 6/30/90	.70	9,893.17	4,946.59

- 145 -

**It is recommended that lease number 1160 be cancelled in order that it may be combined with FGL # 60 in the name of Rod Richardson. It is also recommended that lease numbers 1151-1169 be cancelled in order that they may be made into flexible grazing leases by the request of the Lessees.

4067

2. Permanent University Fund: Uranium (and Other Fissionable Minerals) Prospecting Permit No. 2 to William P. Castleman, Jr., et al., Midland, Texas, Covering 23,682.20 Acres Out of University Lands Block 10, Andrews County, Texas. --Without objection, approval was given to Uranium (and Other Fissionable Minerals) Prospecting Permit No. 2 between the Board of Regents and Mr. William P. Castleman, Jr., et al., of Midland, Texas, covering 23,682.20 acres out of University Lands Block 10, Andrews County, Texas. This permit follows the exact form of Uranium Prospecting Permit No. 1 approved by the Board of Regents at its May 29-30, 1980 meeting and set out in Permanent Minutes, Volume XXVII, Pages 3324-3350. The principal terms of the agreement are:

FILE NO. (100)
DOCUMENT
MARKS

- 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 23,682.20 acres out of University Lands Block 10 located in Andrews County, Texas. 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.

3. Permanent University Fund: Uranium (and other Fissionable Minerals) Prospecting Permit No. 3 to Energy Reserves Group, Inc., a Delaware Corporation, of Golden, Colorado, Covering 13,698.55 Acres Out of University Lands Blocks 5 and 6, Andrews and Gaines Counties, Texas. -- Without objection, approval was given to Uranium (and Other Fissionable Minerals) Prospecting Permit No. 3 between the Board of Regents and Energy Reserves Group, Inc., a Delaware Corporation, of Golden, Colorado, covering 13,698.55 acres out of University Lands Blocks 5 and 6, Andrews and Gaines Counties, Texas. This permit follows the exact form of Uranium Prospecting Permit No. 1 approved by the Board of Regents at its May 29-30, 1980 meeting and set out in Permanent Minutes, Volume XXVII, Pages 3324-3350. The principal terms of the agreement are:

FILE NO. 100
DOCUMENT 1
5 MARKS

- 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 13,698.55 acres out of University Lands Blocks 5 and 6, located in Andrews and Gaines Counties, Texas. 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.

[Handwritten signatures and initials]

4. Permanent University Fund: Water Contract No. 181, City of Crane, Texas, Covering Block 31, University Lands, Crane County, Texas (Replacing Water Contract No. 55). -- Upon the recommendation of Vice Chancellor Boyd and Chancellor Walker, Water Contract No. 181 (Pages 149-158) covering 2,240 acres out of Block 31, Crane County, Texas, was granted to the City of Crane, Texas. (This contract replaces Water Contract No. 55 with the City of Crane which had expired.) The principal terms of the Contract are:

The effective date of the contract shall be April 1, 1980, and the primary term shall be for a period of ten (10) years, with four subsequent options to renew for ten-year periods.

FILE NO. 1006
DOCUMENT 12
REMARKS

The royalty rate escalates at the end of each ten-year period. For the first ten-year term, the annual royalty shall be the greatest of the following:

- a. \$2.00 per acre
- b. \$0.071 per 1,000 gallons of water produced
- c. 12.5% of Lessee's commercial rate

For the second ten-year term, the annual royalty shall be the greatest of the following:

- a. \$2.25 per acre
- b. \$0.076 per 1,000 gallons of water produced
- c. 12.5% of Lessee's commercial consumer rate
- d. The original rate of \$0.071 per 1,000 gallons of water produced, adjusted for the cost of living increase or decrease since April 1980

For the third ten-year term, the annual royalty shall be the greatest of the following:

- a. \$2.25 per acre
- b. \$0.081 per 1,000 gallons of water produced
- c. 12.5% of Lessee's commercial rate
- d. The original rate of \$0.071 per 1,000 gallons of water produced, adjusted for the cost of living increase or decrease since April 1980

For the fourth ten-year term, the annual royalty shall be the greatest of the following:

- a. \$2.50 per acre
- b. \$0.086 per 1,000 gallons of water produced
- c. 12.5% of Lessee's commercial consumer rate
- d. The original rate of \$0.071 per 1,000 gallons of water produced, adjusted for the cost of living increase or decrease since April 1980.

For the fifth ten-year term, the annual royalty shall be the greatest of the following:

- a. \$2.50 per acre
- b. \$0.091 per 1,000 gallons of water produced

- c. 12.5% of Lessee's commercial consumer rate
- d. The original rate of \$0.071 per 1,000 gallons of water produced, adjusted for the cost of living increase or decrease since April 1980.

The University may execute its option to buy out Lessee's business operated under the lease at the end of any ten-year term.

WATER CONTRACT #181

University Lands

THE STATE OF TEXAS

COUNTY OF CRANE

THIS AGREEMENT made and effective as of the 1st day of April, 1980, by and between the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, hereinafter called "Lessor", and the CITY OF CRANE, hereinafter called "Lessee";

WITNESSETH:

1. SUBJECT-MATTER OF LEASE

In consideration of the royalties herein provided and the agreements of Lessee herein contained, Lessor hereby grants, leases and lets unto Lessee for the term hereinafter set out for the purposes of investigating, exploring, prospecting, drilling for, producing, storing, treating, transporting and using water for Lessee's municipal water supply purposes only, all the potable water or water capable of being made potable as located in, on and under the following described lands in Crane County, Texas:

All of Section 5; the NW/4 and E/2 of Section 8; the SW/4 and E/2 of Section 9; the E/2 of Section 15; NW/4 of Section 22; and the NW/4 of Section 23, of Block 31, University Lands, Crane County, Texas, and for the purposes of this agreement, such lands comprise a total acreage of 2,240 acres, as more specifically described on the plat marked Exhibit "A" which is attached hereto and made a part hereof,

together with the right to lay, maintain, operate, repair, remove and replace such pipe lines, pumping facilities, tanks, power stations, telephone and electric lines and other structures thereon, use existing roads, construct and maintain essential roads if existing roads are not adequate, and such other rights, if any, as may be necessary for the purpose of producing, storing, taking care of, treating, transporting and removing potable water or water capable of being made potable over, along, across and from the

lands described herein, reserving to the Lessor herein, however, and excepting herefrom

- (1) all of the oil, gas and other minerals that may be produced from the lands described herein;
- (2) such water as may be required by Lessor's surface lessees on the lands described herein for domestic and livestock purposes of the tenants concerned, but not for irrigation or other purposes;
- (3) such water as may be required by Lessor's existing or future oil, gas and mineral lessees for oil, gas and mineral development; provided, however, that such water may not be utilized for pressure maintenance or water flooding projects; and,
- (4) all water underlying the lands described other than potable water or water capable of being made potable; potable water as used in this agreement is defined as water usable for all domestic purposes.

All water produced under the rights granted herein shall be for Lessee's own ordinary municipal purposes and Lessee hereby agrees and acknowledges that it shall be prohibited for Lessee to sell, or to furnish in any manner, such water produced hereunder to any other municipality or water distributing agency. Lessee further agrees and acknowledges that it shall be prohibited for any such water to be used for waterflooding or irrigation purposes.

Except for the water rights specifically granted in this lease agreement in accordance with the terms and provisions hereof, this agreement is subject to all existing and future oil, gas, mineral and surface leases heretofore or hereafter executed by Lessor.

2. TERM

Unless sooner terminated by Lessee's release and surrender of this agreement or because of Lessee's breach, if any, of his obligations hereunder, this lease shall be and continue to remain in full force and effect for a term of ten (10) years from date hereof. Lessee shall have the option to renew this lease for each of four consecutive additional ten-year periods according to the same terms and conditions set out herein but subject to the royalty provisions contained in 3 below.

3. ROYALTY

For the first ten (10) year original term hereof Lessee shall pay annually to Lessor, as royalty, the greatest of the following:

- A. \$2.00 per acre on all land covered hereby;

- B. \$0.071 per 1,000 gallons for all water produced from the leased premises; or,
- C. 12.5% of Lessee's commercial consumer rate for all water produced from the leased premises.

If Lessee elects to exercise the first option to renew as granted above, Lessee shall pay annually to Lessor the greatest of the following:

- A. \$2.25 per acre on all land covered hereby;
- B. \$0.076 per 1,000 gallons for all water produced from the leased premises;
- C. 12.5% of Lessee's commercial consumer rate for all water produced from the leased premises; or,
- D. the original rate of \$0.071 per 1,000 gallons for all water produced, adjusted for the cost of living increase or decrease as explained below.

If Lessee elects to exercise the second option to renew as granted above, Lessee shall pay annually to Lessor the greatest of the following:

- A. \$2.25 per acre on all land covered hereby;
- B. \$0.081 per 1,000 gallons for all water produced from the leased premises;
- C. 12.5% of Lessee's commercial consumer rate for all water produced from the leased premises; or,
- D. the original rate of \$0.071 per 1,000 gallons for all water produced, adjusted for the cost of living increase or decrease as explained below.

If Lessee elects to exercise the third option to renew as granted above, Lessee shall pay annually to Lessor the greatest of the following:

- A. \$2.50 per acre on all land covered hereby;
- B. \$0.086 per 1,000 gallons for all water produced from the leased premises;
- C. 12.5% of Lessee's commercial consumer rate for all water produced from the leased premises; or,
- D. the original rate of \$0.071 per 1,000 gallons for all water produced, adjusted for the cost of living increase or decrease as explained below.

If Lessee elects to exercise the fourth option to renew as granted above, Lessee shall pay annually to Lessor the greatest of the following:

- A. \$2.50 per acre on all land covered hereby;
- B. \$0.091 per 1,000 gallons for all water produced from the leased premises;

- C. 12.5% of Lessee's commercial consumer rate for all water produced from the leased premises; or,
- D. the original rate of \$0.071 per 1,000 gallons for all water produced, adjusted for the cost of living increase or decrease as explained below.

Reference is made to The Consumer Price Index of the United States Department of Labor, Bureau of Labor Statistics, a copy of which is attached hereto as Exhibit "B". The term "price index", hereafter used, shall refer to the sub-group "Fuel and Utilities" in Table 1 (or its equivalent) of such Consumer Price Index.

The phrase used above, "adjusted for the cost of living increase or decrease as explained below" means that if the provision containing this phrase becomes applicable, the payments to Lessor shall be adjusted at the end of each 10-year period for the next succeeding 10-year period by being increased or decreased in the same proportion or percentage by which the price index has been increased or decreased since the effective date of this contract. Such increase or decrease shall be measured by comparison with such price index at its level for April, 1980. For example, if at the end of the first 10-year term of this lease such price index reflects a 10% increase over its April, 1980, level, the royalty rate for the ensuing 10-year period of the lease shall be increased from \$0.071 per 1,000 gallons to \$0.078 per 1,000 gallons. The increases or decreases shall be carried to four decimal places. If the fourth figure is four or less it shall be struck out and disregarded. If the fourth figure is five or more it shall be struck out but the third figure shall become one figure greater. The royalties provided for herein shall be computed and paid annually by check payable to THE UNIVERSITY OF TEXAS SYSTEM. This check, accompanied by the sworn statement of Lessee showing the gross amount of water produced during the prior year, together with copies of Lessee's monthly meter readings and other memoranda reflecting the amount of water produced, shall be sent to Director, University Lands Accounting Office, P.O. Box 579, Austin, Texas 78767, on or before the 20th day following the anniversary date of this lease.

Lessee is obligated to install and maintain such meters as may be required to measure in gallons the amount of water obtained from the lands described herein.

4. USE OF SURFACE

As to any of Lessor's lands not covered hereby, Lessor will grant to Lessee and Lessee will acquire from Lessor, at Lessor's standard rates then in force, such rights-of-way or easements as may be necessary or desirable in the exercise of the rights granted hereunder. As to lands covered hereby, Lessor grants to Lessee, without further costs, any rights necessary or incident to the exploration and development of the lands covered hereby for potable water or water capable of being made potable and for the production, removal and transportation of water therefrom, including without limitation the right to access over existing roads, and to construct and maintain minimum essential roads over land covered hereby for such purposes if existing roads are not adequate, the right to install, on land covered hereby, pumps, pipe lines and utility lines and such other equipment as may be necessary for drilling and producing water wells, all without any additional costs or payments except for payments for surface damages as hereinafter provided. In the exercise of such rights Lessee will not

- (1) locate his 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 lands for oil, gas and other minerals under existing or future oil, gas and mineral leases; or,
- (2) locate his wells at any location within 300 feet of any surface tenant's residence, water wells, surface tanks or other improvements now located on the premises.

Lessee will use every reasonable means to prevent damage or contamination of any fresh water-bearing strata and to prevent waste or loss of water from such strata.

5. DAMAGES

In conducting his operations on the lands involved herein, Lessee will pay surface damages to Lessor in accordance with the schedule set forth in THE UNIVERSITY OF TEXAS LANDS SCHEDULE OF DAMAGES which is currently in effect, which payment shall be mailed to University Lands, P. O. Drawer 553, Midland, Texas 79702. 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.

In the event that, during Lessee's operations hereunder, any domestic or livestock water well being operated by the surface lessee or being operated under the jurisdiction of Lessor in the vicinity of this lease ceases to be productive due to the lowering of the ground water level, Lessee hereunder does hereby agree

to provide, at the site of lost production, a permanent supply of water in an amount sufficient to compensate for that water production so lost. All water, along with necessary installation and reasonable maintenance to said site, so provided by Lessee hereunder shall be at the expense of Lessee hereunder and shall be free of any costs, charges or obligations whatsoever, present or future, to Lessor or surface lessee.

6. GEOLOGICAL INFORMATION

Lessee will furnish to Lessor by mailing or delivering to
Manager of University Lands
Oil, Gas and Mineral Interests
P. O. Drawer 553
Midland, Texas 79702

at the end of each contract year during the life of this agreement copies of all well logs and reports on production tests on all wells drilled and tested during such exploratory and development operations, together with a plat showing the location and proper designations of all such wells, so that said wells may be identified by reference to logs and test reports.

Lessee will furnish to Lessor by mailing or delivering to the Manager of University Lands--Oil, Gas and Mineral Interests, a copy of all reports submitted to the Director, University Lands Accounting Office, within five (5) days of submittal.

7. PLUGGING OF WATER WELLS AND REMOVAL OF CASING AND EQUIPMENT

Lessee shall have the right at any time during or within a reasonable time after the expiration of this lease to remove all property, equipment and fixtures, except casing placed by the Lessee on the premises involved herein; provided that, at such time as Lessee elects to abandon any water well located upon the leased premises, it shall notify Lessor in care of the Manager of University Lands -- Oil, Gas and Mineral Interests, P. O. Drawer 553, Midland, Texas 79702, of its intention to abandon the well concerned, after which said Manager shall have fifteen (15) days in which to ascertain whether said well shall be capped or plugged. The expenses of capping or plugging the wells shall be borne solely by Lessee. All wells must be plugged in whatever manner the said Manager may deem necessary. It is agreed and understood that the title to the casing in any well shall belong to Lessor, and Lessor shall not be required to pay or reimburse the Lessee for the salvage value thereof.

8. LESSOR'S ACCESS TO LESSEE'S LEASED PREMISES AND RECORDS

Lessor shall have access at all reasonable times to the leased premises and to Lessee's records for inspection by Lessor or its authorized agents and representatives.

9. RELEASE

Lessee may at any time surrender all or any part of the water rights leased hereunder and be relieved of all further obligations hereunder pertaining to these released lands provided that should Lessee be supplying water to third parties from any land so released, Lessee shall furnish to Lessor not less than sixty (60) days before any abandonment of these lands notice of his intention to surrender.

10. BREACH

Upon Lessee's failure to comply with any of the obligations imposed upon Lessee hereunder and remedy his default, if any, within thirty (30) days after notice in writing to him by Lessor of Lessee's default, Lessor may terminate this agreement without prejudice to any other legal remedy to which it may be entitled hereunder; provided, however, that if Lessee's failure to perform any of the obligations imposed upon him hereunder is occasioned directly or indirectly by any past or future acts, orders, regulations or requirements of the Government of the United States or of any State or other governmental body or any agency, officer, representative or authority of any of them, Lessor shall not be entitled to terminate this agreement for Lessee's inability to perform unless such inability continues for a period of one hundred eighty (180) days from its inception.

11. LESSOR'S BUY-OUT

Lessee hereby grants to Lessor the right and option, upon termination of the original term or at the end of any ten-year extension thereof pursuant to the options granted to Lessee hereinabove, to acquire Lessee's business operated under this lease and all property of the Lessee used in connection therewith. Lessor shall pay to Lessee the fair valuation of said property as hereinafter established. Lessor upon acquisition of all assets shall assume all obligations and liabilities connected therewith.

Lessor, if it elects to exercise this option, shall pay to the Lessee the unamortized portion (at the time of the exercise of said option) of the original cost to Lessee as follows:

- (1) Pipe lines and appurtenances, amortized over a period of fifty years;
- (2) Right-of-way costs and water wells, amortized over a period of fifty years;

- (3) Storage tanks and appurtenances, amortized over a period of thirty years; and,
- (4) Building, pumps and mechanical and electrical equipment, amortized over a period of twenty years.

Computation of the price will be based on original costs and major replacement costs and will not include the cost of any normal maintenance nor any intangible exploration costs. The total amount to be paid to Lessee, thus ascertained, shall be reduced by the amount of Lessee's obligations and liabilities assumed by Lessor.

Notice of Lessor's intention to exercise this "Buy-Out Option" must be given to Lessee in writing no later than six months prior to the expiration of the original term or of any extension period thereof.

12. ASSIGNMENT

Lessee may not assign this lease in whole or in part without the prior written consent of Lessor.

13. NOTICES

All notices required hereunder shall be deemed to have been given if the same are reduced to writing and mailed by registered 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

The City of Crane
115 West Sixth Street
Crane, Texas 79731

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

14. LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS

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

EXECUTED as of the day and year first above written.

ATTEST:



BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

BY: _____

ATTEST:

CITY OF CRANE, TEXAS

BY: _____

GLENN GRISSOM, MAYOR

Approved as to Form: 0

Approved as to Content:

Leiland L. Livers
University Attorney

Leslie F. Luce
Manager of University Lands
Oil, Gas and Mineral Interests

Attorney for City of Crane

THE STATE OF TEXAS

COUNTY OF TRAVIS

BEFORE ME, the undersigned authority, on this day personally appeared JOE E. BOYD, JR., Vice Chancellor for Business Affairs, 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 the _____ day of _____ A. D., 1980.

NOTARY PUBLIC IN AND FOR TRAVIS COUNTY,
TEXAS
(My commission expires _____)

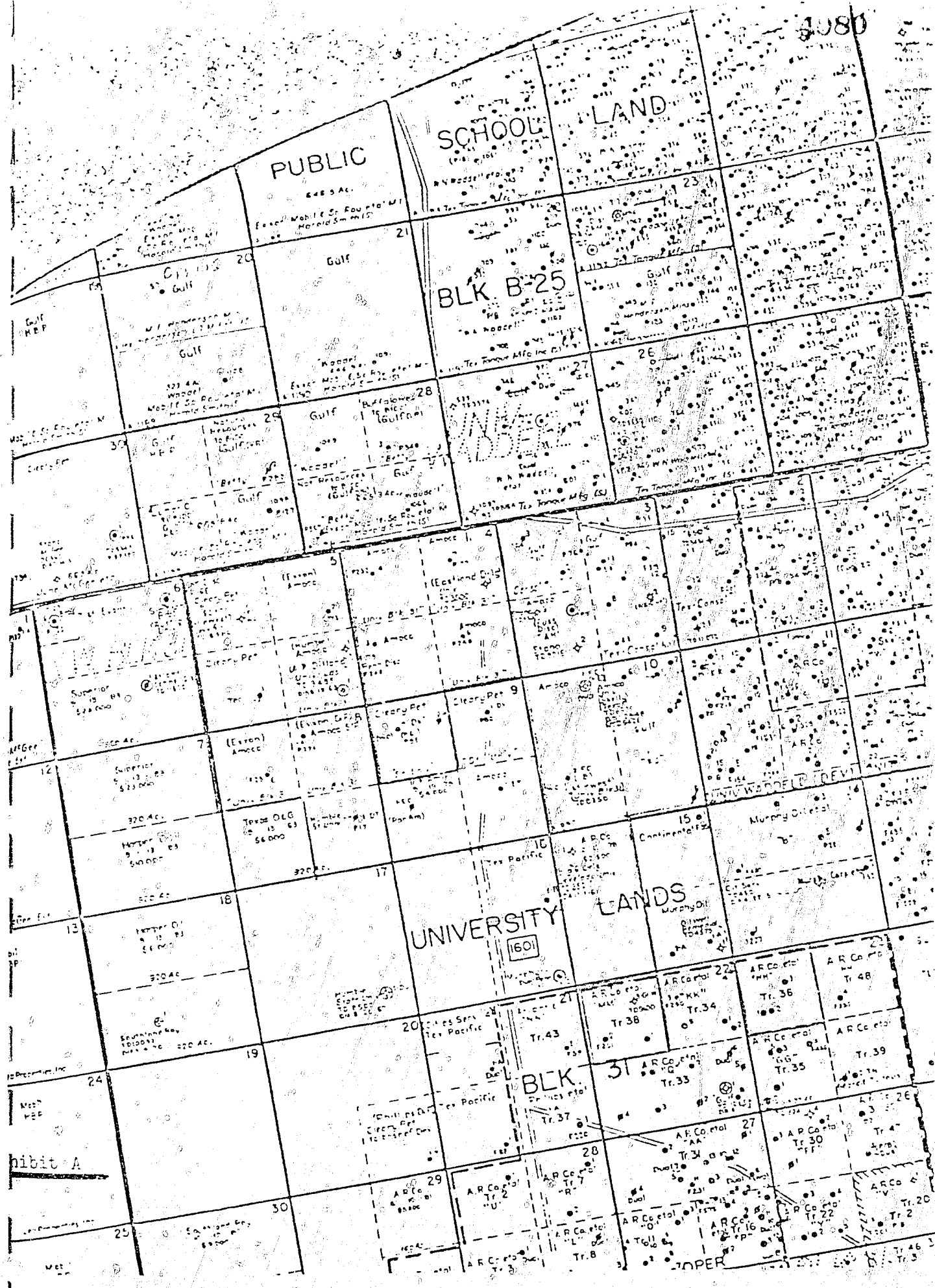
THE STATE OF TEXAS

COUNTY OF CRANE

BEFORE ME, the undersigned authority, on this day personally appeared GLENN GRISSOM, 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 _____ day of _____ A. D., 1980.

NOTARY PUBLIC IN AND FOR
COUNTY, TEXAS
(My commission expires _____)



Consumer Price Index
of the United States
Department of Labor
for April, 1980

Exhibit B

(To be inserted when published)

II. TRUST AND SPECIAL FUNDS

A. GIFTS, BEQUESTS AND ESTATES

1. U. T. Austin: Establishment of Nasser I. Al-Rashid Chair in Civil Engineering and Nasser I. Al-Rashid Endowed Presidential Scholarship in College of Engineering to be Funded by the Engineering Foundation. --Without objection and upon the recommendation of President Flawn and Chancellor Walker, the Nasser I. Al-Rashid Chair in Civil Engineering and the Nasser I. Al-Rashid Endowed Presidential Scholarship in the College of Engineering were established at The University of Texas at Austin. Funds in the amount of \$500,000 for the chair and \$25,000 for the endowed presidential scholarship will be provided by the Engineering Foundation from accumulated funds which have been previously reported to the Board of Regents.

(12)
FILE NO. 1000
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REMARKS

2. U. T. Austin: Acceptance of Bequest from Estate of Minelma Brown Lockwood, Deceased, to be Added to Morton Brown, Nellie Lea Brown and Minelma Brown Lockwood Scholarship Fund in Drama. --A bequest of the residuary estate of Minelma Brown Lockwood valued at approximately \$550,000 was accepted with sincere appreciation. This bequest will be added to the Morton Brown, Nellie Lea Brown and Minelma Brown Lockwood Scholarship Fund in Drama at The University of Texas at Austin in accordance with Mrs. Lockwood's Will. The pertinent terms of Mrs. Lockwood's Will are:

(2)
FILE NO. 1000
DOCUMENT
REMARKS

"C. After paying all expenses of the administration of this trust, the income therefrom shall be applied for the use and benefit of the Department of Drama of The University of Texas at Austin. I direct that no part of such income shall be spent for routine expenses of said department or for purposes normally financed through usual legislative appropriations. All expenditures shall be made for purposes approved by the faculty of the Department of Drama by majority vote. Purposes for which expenditures may be made are any which will contribute to the excellence of said department, and include, by way of illustration, but not of limitation, the supplementation of faculty salaries, student scholarships and fellowships, and the purchase of stage sets and equipment."

A codicil executed by Mrs. Lockwood directed her residuary estate to be combined with residuary estates of her brother, Morton, and her sister, Nellie Lea, to form a trust agreement for funding of the Morton Brown, Nellie Lea Brown, and Minelma Brown Lockwood Scholarship Fund in Drama. The codicil states in part:

"D. My brother, Morton Brown, has by inter vivos gift established a fund bearing the same name and having identical objects and purposes. I request that if practicable to do so, this trust be administered together with the trust created by him, and I authorize

income to be expended together with income from his trust, so as to create single scholarships, fellowships, grants or for similar purposes."

Final distribution of the estate will be reported to the Board of Regents at a later date.

- 3. Cooper, Fred T. Cooper, Fred T., Land in John D. Taylor Survey, Abstract 72, Houston, Harris County, Texas. 1000
 U. T. Austin: Acceptance of Gift of Undivided One-Third Interest in 1.75 Acre Tract in John D. Taylor Survey, Abstract 72, Houston, Harris County, Texas, from Anonymous Donors (No Publicity). --Without objection, a gift of an undivided one-third interest in a 1.75 acre tract out of the John D. Taylor Survey, Abstract 72, Houston, Harris County, Texas, was accepted from anonymous donors. This interest is valued in excess of \$200,000, and a recommendation for specific use of the gift will be submitted to the Board of Regents for consideration at a later date.

FILE NO. (2) G+G
DOCUMENT
REMARKS

The donors have requested no publicity with respect to this generous gift.

- 4. U. T. Austin: Establishment of the Morgan J. Davis Endowment Fund in Petroleum Geology in Department of Geological Sciences to be Funded by the Geology Foundation. --Upon the recommendation of President Flawn and Chancellor Walker and without objection, the Morgan J. Davis Endowment Fund in Petroleum Geology was established in the Department of Geological Sciences at The University of Texas at Austin. Funding for this endowment will be provided by gifts totaling approximately \$11,400 currently being held in the Geology Foundation's various donors account. Since the Geology Foundation Advisory Council plans to raise additional funds to convert this endowment fund to a Professorship and eventually to a Chair, the income will be reinvested until the endowment reaches \$100,000.

FILE NO. 1000
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REMARKS

- 5. U. T. Austin (College of Engineering): Establishment of B. N. Gafford Electrical Engineering Scholarship Fund. --Without objection and upon the recommendation of President Flawn and Chancellor Walker, the B. N. Gafford Electrical Engineering Scholarship Fund was established in the College of Engineering at The University of Texas at Austin with gifts from various donors totaling \$10,219. The income from this fund will be used to provide scholarships for undergraduate Electrical Engineering students who are U. S. citizens.

FILE NO. 1000
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REMARKS

- 6. U. T. Austin (School of Law): Establishment of Benno C. Schmidt Chair of Business Law to be Funded and Administered by The Law School Foundation. -- Upon the recommendation of President Flawn and Chancellor Walker, the Benno C. Schmidt Chair of Business Law was established in the School of Law at The University of Texas at Austin. This Chair will be funded with a gift of securities valued in excess of \$500,000 from Mr. Schmidt to the Foundation. The funds for the Chair will be held and administered by

FILE NO. 1000
DOCUMENT
REMARKS

The Law School Foundation. The purpose of the Chair is to promote teaching, research and publication in areas related to business law and the conduct of business in the private sector.

7. U. T. Austin (College of Business Administration): Acceptance of Pledge from the College of Business Administration Foundation and Establishment of the W. T. "Tommy" Tucker Excellence Fund in Marketing Administration. --System Administration reported that the College of Business Administration Foundation had approximately \$5,200 from various donors, business organizations and interest income for the endowment of the W. T. "Tommy" Tucker Excellence Fund in Marketing Administration at The University of Texas at Austin; the Foundation had pledged an additional \$4,800 for this fund.

Whereupon, the Land and Investment Committee accepted the pledge of \$4,800 from the College of Business Administration Foundation and established the W. T. "Tommy" Tucker Excellence Fund in Marketing Administration in the College of Business Administration at U. T. Austin to be funded in the amount of \$10,000 by the College of Business Administration Foundation. Income from the endowment will be used in perpetuity to provide financial support for outstanding Ph.D. candidates in the Department of Marketing. Selection of the candidates to receive support will be determined by a committee of no less than four faculty members of the Marketing Department, including the Ph.D. Advisor and the Chairperson of the Department of Marketing. That committee will be selected by the Dean of the Graduate School of Business. All Ph.D. candidates in the Department of Marketing Administration will be eligible for consideration for support; however, no candidate will receive more than one grant from the accrued income. The committee will determine the amount of and criteria for the grant.

8. U. T. Austin: ^{Bequest} Acceptance of Bequest from Estate of Carroll Candee Wild, Deceased, of Marion County, Indiana (Royalty Interest in 21.52 Acres Out of Mary Hopkins No. 1 Survey, Block 15, Hardin County, Texas). --A bequest from the Estate of Carroll Candee Wild, Deceased, of Marion County, Indiana, consisting of a 0.006403 royalty interest in 21.52 acres described as a part of the Mary Hopkins No. 1 Survey, Block 15, Hardin County, Texas, was accepted with sincere appreciation. This mineral interest is currently leased to Houston Domestic Oil Company, Houston, Texas. The annual projected income from this bequest is \$2,200.

A final report and recommendation for use of the funds will be submitted to the Board of Regents for consideration at a later date.

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Proposed Unitrust

9. U. T. Austin - Proposed Unitrust from Mr. Joseph H. Wofford, Houston, Texas: Offer Withdrawn (No Publicity). -- FILE NO. 1001
 President Flawn and Chancellor Walker reported for the DOCUMENT
 record that an offer to establish a unitrust accepted by the REMARKS
 Board of Regents at its meeting on October 11, 1979
 (Permanent Minutes, Volume XXVII, Page 126) had been
 withdrawn by the proposed donor, Mr. Joseph H. Wofford
 of Houston, Texas. It is requested that no publicity be
 given to this matter.
10. U. T. Austin: Acceptance of Bequest (One-Third Interest in 2,580.4 Acres in Reagan County, Texas) from Estate of Eva Stevenson Woods, Deceased, of San Antonio, Texas, and Establishment of the Eva Stevenson Woods Endowed Presidential Scholarship. -- A bequest of an undivided one-third surface and mineral interest in 2,580.4 acres in Reagan County, Texas, was accepted under the terms of the Will of Eva Stevenson Woods, Deceased, of San Antonio, Texas, and the Eva Stevenson Woods Endowed Presidential Scholarship was established at The University of Texas at Austin to provide scholarships for students in financial need. The appraised value of Mrs. Woods' undivided one-third surface and mineral interest is \$152,720. The annual income from royalties has been approximately \$7,500. The surface is under a grazing lease until December of 1983 for \$1,792 annually; one-third (\$597) will accrue to the University for a total annual royalty and surface income of \$8,097. The annual income less an amount needed to award one Endowed Presidential Scholarship will be placed in the endowment account each year until the endowment builds to the minimum of \$25,000 required to establish a presidential scholarship fund. Afterwards, the entire royalty income will flow into the endowed account. Due to estate expenses, no cash disbursement of accrued royalties is expected. Final distribution of the estate will be reported at a later date. Bequest O.N.
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11. U. T. El Paso: Acceptance of Gifts from Various Donors, a Pledge from Hervey Foundation, El Paso, Texas, and Transfer of Funds from U. T. El Paso President's Associates; Establishment of the Arleigh B. Templeton Professorship. -- The Land and Investment Committee accepted gifts from various donors totaling \$13,000, a pledge of \$20,000 from the Hervey Foundation of El Paso, Texas, and a transfer of \$30,000 from the U. T. El Paso President's Associates and established the Arleigh B. Templeton Professorship at The University of Texas at El Paso. It was reported that the balance of \$37,000 required to complete the funding of the Professorship would be raised during the 1980 Fund Development Program at U. T. El Paso and that a request for activation of the Professorship would be submitted when the required funding of \$100,000 had been attained. O.N.
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12. Galveston Medical Branch (Galveston Medical School) Acceptance of Gift from Drs. Edgar J. and Gaynelle Robertson Poth (the Latter Deceased) to be Added to the Robertson-Poth Charitable Remainder Unitrust Number Two. -- Chancellor Walker reported that President Levin had received a gift of various common stocks valued at \$119,343.75 from Drs. Edgar J. and Gaynelle Robertson Poth in March 1980. (Dr. Gaynelle Robertson Poth died in early April 1980.) Poth O.N. G+G
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Upon recommendation of President Levin and Chancellor Walker, this gift was accepted with sincere appreciation; it will be added to the Robertson-Poth Charitable Remainder Unitrust Number Two at The University of Texas Medical Branch at Galveston (Galveston Medical School) which was established by the Board of Regents in February 1979 (Permanent Minutes, Volume XXVI, Page 1762). The additional gift will increase the book value of the trust to more than \$418,000.

13.

Galveston Medical Branch: Acceptance of Gift of Land from The Sealy & Smith Foundation (92,663 Square Feet in Blocks 724, 725 and 726, City and County of Galveston, Texas) to be Used for Site of New Physical Plant Building and Additional Parking Facilities. --With sincere appreciation, a gift of two tracts of land appraised at \$324,320 was accepted from The Sealy & Smith Foundation for The John Sealy Hospital to be used for the site of the new Physical Plant Building and additional parking facilities at The University of Texas Medical Branch at Galveston. The tracts, totaling 92,663 square feet, are located in Blocks 724, 725 and 726 of the City and County of Galveston, Texas, and are adjacent to and contiguous to the campus and hospitals. Restrictions within the deeds provide for title reversion to the Grantor should the property cease to be used for the benefit of The University of Texas Medical Branch.

It was noted that the new Physical Plant Building was approved by the Board of Regents at its meeting on July 25-26, 1979, Permanent Minutes, Volume XXVI, Pages 3972-3973.

14.

University Cancer Center (M. D. Anderson): Establishment of the Helen Buchanan and Stanley Joseph Seeger Clinical Professorship to be Funded with Gift Previously Reported from Mrs. Wirt Davis, II, of Dallas, Texas, and Transfer of Funds from The University Cancer Foundation - Anderson Clinical Faculty Professorship Fund. -- Upon the recommendation of President LeMaistre and Chancellor Walker and without objection, the Helen Buchanan and Stanley Joseph Seeger Clinical Professorship was established at The University of Texas System Cancer Center. Initial funding of this professorship will be provided by use of a \$50,000 gift from Mrs. Wirt Davis, II, of Dallas, Texas (reported February 28-29, 1980 Docket, Permanent Minutes, Volume XXVII, Page 2539) and \$50,000 to be transferred from The University Cancer Foundation - Anderson Clinical Faculty Professorship Fund for a total of \$100,000.

15.

University Cancer Center (M. D. Anderson): Acceptance of Bequest Under Terms of Will of Mr. and Mrs. Alfred Brugger, Deceased, of La Grange, Texas. -- A bequest of one-fifth of the residuary estate of Mr. and Mrs. Alfred Brugger, deceased, of La Grange, Texas, was accepted under the terms of their joint Will. The total residuary estate is estimated to be \$200,000.

Sealy + Smith Fdn: Land in Blocks 724, 725, 726 City of Galveston (Site for New Physical Plant)

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A recommendation for a specific use of the bequest together with a final report will be submitted to the Board of Regents for consideration at a later date.

16. University Cancer Center (M. D. Anderson): Acceptance of Pledge from Mesa Petroleum Company, Amarillo, Texas, and Establishment of the Mesa Petroleum Company Professorship in Cancer Prevention. -- A \$300,000 pledge was gratefully accepted from Mesa Petroleum Company of Amarillo, Texas, and the Mesa Petroleum Company Professorship in Cancer Prevention was established at The University of Texas System Cancer Center (M. D. Anderson). The \$300,000 pledge will be paid in installments of \$100,000 each during 1980, 1981 and 1982.

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B. REAL ESTATE MATTERS

1. U. T. System - Hogg Foundation for Mental Health - W. C. Hogg Memorial Fund: Oil and Gas Lease to Sue Ann Operating Company, Houston, Texas, Covering 7/12th Mineral Interest in Tract Out of Hogg Subdivision, Brazoria County, Texas. -- Upon the recommendation of Vice Chancellor Boyd and Chancellor Walker and without objection, an oil and gas lease was granted to Sue Ann Operating Company, Houston, Texas, covering an undivided 7/12th of the minerals to a depth of 1,550 feet in five acres of the Hogg Subdivision, J. H. Bell League, Abstract 40, Brazoria County, Texas (U. T. System - Hogg Foundation for Mental Health - W. C. Hogg Memorial Fund). The terms of the three-year lease are:

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1/4th royalty, \$50 per acre bonus, and \$10 per acre delay rental

2. U. T. El Paso - Josephine Clardy Fox Estate: Renewal of Lease with Allright Auto Parks, Inc., at 222 South Oregon Street, El Paso, Texas. -- Approval was given to renew the parking lot lease with Allright Auto Parks, Inc., covering property located at 222 South Oregon Street, El Paso, Texas (U. T. El Paso - Josephine Clardy Fox Estate property) for a two year period beginning August 1, 1980 and ending July 31, 1982, at a rental of \$505 per month.

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III. OTHER MATTERS

PUF and Trust and Special Funds: Report of Securities Transactions for Month of April 1980. -- The Report of Securities Transactions for the month of April 1980 submitted by the Executive Director for Investments and Trusts was mailed to each Regent by Secretary Thedford on June 16, 1980. No comments were received. The report is incorporated in the minutes in the form submitted (Attachment No. 2 following Page HT-7).

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REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS

Regent Fly, Vice-Chairman of the Board for Lease of University Lands, reported that the Board for Lease had met briefly on Thursday afternoon July 10, 1980, and had approved a settlement agreement with Texas Oil and Gas Corporation, which agreement must be approved by the Board of Regents (Page 194). He further reported that the plans for the oil and gas lease sale in September were progressing satisfactorily and that they had had a good response.

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COMMITTEE OF THE WHOLE
(Pages 165-194)

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 - REGENTS' RULES AND REGULATIONS. PART ONE: AMENDMENTS TO (1) CHAPTER I, SECTION 7.2 [BOARD FOR LEASE OF UNIVERSITY LANDS] AND SECTION 8.5 [COMMUNICATIONS TO THE BOARD]; (2) CHAPTER II, SECTIONS 2.21, 3.12, 3.13 AND 3.14 AND CHAPTER VI, SECTION 6.4 [RESPONSIBILITIES OF ASSISTANT TO THE CHANCELLOR]; (3) CHAPTER II, SECTIONS 3.31 AND 3.47 [EQUAL OPPORTUNITY OFFICE - OFFICE OF EMPLOYEE RELATIONS]; (4) CHAPTER III, SECTION 5.33 [NEPOTISM RULE], SECTION 16.3 [LEAVE OF ABSENCE WITHOUT PAY] AND SECTIONS 32 AND 33 [FACULTY AND STAFF ORGANIZATIONS]; AND (5) CHAPTER VI, SECTION 4.3 [STUDENT ORGANIZATIONS] AND SECTION 6.65 [SPECIAL USE FACILITIES]. --Without objection, Part One of the Regents' Rules and Regulations was amended as set out below:

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1. Chapter I

a. Section 7.2 was amended to read as follows:

7.2 Board for Lease of University Lands. --Pursuant to Section 66.62, Texas Education Code, two members of the Board shall be appointed by the Chairman of the Board, by and with the consent of the Board, to serve with the Commissioner of the General Land Office on the Board for Lease of University Lands, an agency of the State of Texas. Neither of such appointees shall be employed either directly or indirectly by any oil or gas company nor shall be an officer or attorney for any oil or gas company. With the knowledge and direction of the Chancellor, the Board for Lease shall receive the assistance and cooperation of the Vice Chancellor for Lands Management and his staff.

b. Section 8.5 was amended to read as follows:

8.5 Communications by and to the Board.

8.51 Members of the Board of Regents are to be permitted access to such personnel and information as in their individual judgements will enable them to fulfill their duties and responsibilities as Regents of The University of Texas System. It

is the responsibility of each Regent to be knowledgeable in some detail regarding the operations, management, finances, and effectiveness of the academic, research, and public service programs of The University of Texas System, and members of the Board have the right and authority to inform themselves as to their duties, responsibilities and obligations in such a manner as they may deem proper. The regular channel of communication from members of the Board to the faculty, staff and administration is through the Chancellor and the chief administrative officer of the institution involved, and a copy of any communication sent by a Regent directly to any member of the faculty, staff or administration should be furnished to the Chancellor and the chief administrative officer of the institution involved; however, individual Board members are not precluded when they deem it necessary and proper from direct participation and communication with the chief administrative officers, representatives, and personnel of The University of Texas System Administration and its component institutions, faculty members and other groups. All staff and faculty proposals that are to be acted upon by the Regents shall be presented to the Chancellor in sufficient time to permit him to consider such proposals, make recommendations thereon, and transmit them to the Secretary to the Board no later than seventeen days prior to the next meeting of the Board, in order that the calendar, agenda, and supporting material may be prepared in time to mail to the members of the Board so they will receive it at least five days prior to the meeting. Except where emergency proposals are involved, all such proposals not submitted to the Secretary within the time prescribed shall not be considered by the Board but shall automatically be deferred until the next meeting of the Board.

2. Chapters II and VI

a. Section 2.21 of Chapter II was amended to read as follows:

2.21 The Executive Director for Development, the Assistant Chancellor for Planning, the Assistant to the Chancellor and the Executive Assistant to the Chancellor are administrative officers of the System, and each such officer directly reports to and is responsible to the Chancellor.

b. A new Section 3.12 as set out below was added to Chapter II and the present Sections 3.12, 3.13 and 3.14 were renumbered accordingly:

3.12 Assistant to the Chancellor.

The Assistant to the Chancellor is an administrative officer of the System. Subject to delegation by the Chancellor, the duties of the position include:

- 3.121 Providing assistance to the Chancellor and the Executive Assistant to the Chancellor in the coordination of materials submitted to the Board of Regents.
- 3.122 Coordinating, at the direction of the Chancellor, correspondence and requests from the component institutions.
- 3.123 Evaluating and coordinating the internal administrative procedures and supporting staff of the Office of the Chancellor.

- 3.124 Supervising the official files of the Office of the Chancellor relating to official documents and correspondence.
- 3.125 Submitting recommendations for training programs for support staff of the Office of the Chancellor.
- 3.126 Performing such other duties and responsibilities as may be directed by the Chancellor.

c. Section 6.4(b)(2) of Chapter VI was amended to read as follows:

- (2) any administrative officer of the System, including the Chancellor, the Assistant to the Chancellor, the Executive Assistant to the Chancellor, the Assistant Chancellor for Planning, the Executive Director for Development, the Vice Chancellor for Academic Affairs, the Vice Chancellor for Administration, the Vice Chancellor for Business Affairs, the Vice Chancellor for Health Affairs, the Vice Chancellor for Lands Management, the Vice Chancellor and General Counsel, the Executive Director for Investments and Trusts, the Comptroller, the Director of Facilities Planning and Construction, the Budget Director, the General Attorney and Associate General Counsel, the Director of Police, the System Personnel Director, the Director for Special Services, and the Director of Accounting;

3. Chapter II

a. A new Section 3.314 was added as set out below and the present Section 3.314 was renumbered 3.315:

- 3.314 Supervising and coordinating the affairs of the Office of Equal Opportunity.

b. Section 3.47(12) was amended to read as follows:

- 3.47(12) Supervising and coordinating the affairs of the Office of Employee Relations.

4. Chapter III

a. Section 5.33 was amended to read as follows:

- 5.33 All situations covered by Section 5.31 shall be reported annually through the institution's docket or with the annual operating budget.

b. Section 16.3 was revised to read as follows:

- 16.3 Except in unusual circumstances, such as military service, reasons of health, continued graduate study, and public service or other activity which reflects credit on the institution and enhances an individual's subsequent contributions to the institution, a second consecutive year of leave of absence will not be granted.

- c. A new Section 32 was added as set out below and the present Section 32 was renumbered 33:

Sec. 32 Faculty and Staff Organizations.

- 32.1 Each component institution shall adopt procedures for the registration of faculty and staff organizations at that institution. The period of registered status of an organization shall not exceed one academic year and such status shall automatically terminate at the end of each academic year; provided, however, an organization previously registered as a faculty or staff organization may apply for and be granted registration for subsequent periods of one academic year if it meets all applicable criteria in effect for the period for which registration is sought.
- 32.2 A registered faculty or staff organization shall be subject to all applicable rules and regulations of the component institution and The University of Texas System. Action taken by or on behalf of a registered faculty or staff organization that results in a violation of such rules and regulations is subject to disciplinary action which may result in the suspension or revocation of the registered status of the organization.
- 32.3 No organization may become registered or remain registered at a component institution as a faculty or staff organization unless the membership of the organization is restricted to the faculty or staff of that component institution.
- 32.31 At the time of application for registration and at the beginning of each semester that an organization is registered as a faculty or staff organization, each such organization shall file with the appropriate officer at the component institution an affidavit executed by the president, chairman, or other appropriate official of the organization stating that the organization does not presently have, nor during any period of registration will it have, as a member any person who is not a member of the faculty or staff of the institution.
- 32.32 If the chief administrative officer of the institution, or his designated delegate, determines that the statements in such affidavit are false, registration shall be denied, or if it is determined that such affidavit has become false during any period of registration, such registration shall be cancelled.
- 32.4 Each application for registration as a faculty or staff organization shall be accompanied by a complete list of the names and addresses of all persons who are officers of the organization and the application shall identify by name and address the person or persons who are authorized to speak for or represent the organization in its relations with the institution and who are authorized to receive for the organization any official notices, directives, or instructions from the institution. This required information shall be kept current during any period of registration. If at any time during a period of registration it is determined by the chief administrative officer of the

institution, or his delegate, that such information is not current and the organization does not make such information current within ten (10) days after being notified of such deficiency, registration shall be cancelled.

32.5 A registered faculty or staff organization may state that its membership is composed of the faculty or staff of a component institution, but it shall not suggest or imply that it is acting with the authority or as an agency of the institution. A faculty or staff organization shall not use the name of a component institution or the name of The University of Texas System as a part of the name of the organization, and it shall neither display the seal of either a component institution or The University of Texas System in connection with any activity of the organization nor use such seal or seals as part of any letterhead, sign, banner, pamphlet, or other printed material that bears the name of the organization.

32.6 Faculty and staff organizations shall be subject to all applicable rules and regulations of The University of Texas System and the component institution at which the organization is registered. An organization is subject to disciplinary action or cancellation of registration for violation of such rules and regulations.

5. Chapter VI

a. Section 4.3 was amended to read as follows:

4.3 A registered student organization may state that its membership is composed of students, or of students, faculty, and/or staff, of a component institution, but it shall not suggest or imply that it is acting with the authority or as an agency of that institution. A student organization shall not use the name of a component institution or the name of The University of Texas System as a part of the name of the organization, and it shall neither display the seal of either a component institution or The University of Texas System in connection with any activity of the organization nor use such seal or seals as a part of any letterhead, sign, banner, pamphlet, or other printed material that bears the name of the organization.

b. A new subsection 6.65 as set out below was added to Section 6.6:

6.65 The rules and regulations applicable to a Special Use Facility may provide procedures for the rental of space for display of advertising in designated areas inside the Facility that have been approved by the chief administrative officer of the component institution or his delegate, and by lighted displays on an electronic scoreboard. Such rules and regulations may further provide procedures for the sale of advertising space on ticket envelopes for events sponsored by the Facility and in any publication of the Facility distributed in connection with a sponsored event or announcing future sponsored events.

BOARD OF REGENTS - REGENTS' RULES AND REGULATIONS, PART TWO: AMENDMENTS TO (1) CHAPTER III, SECTION 7, [OUTSTANDING CHECKS] AND (2) CHAPTER X, SECTIONS 8, 9 AND 10 [STUDENT PUBLICATIONS, STUDENT UNION FACILITIES AND INTERCOLLEGIATE ATHLETICS PROGRAMS]. --Part Two of the Regents' Rules and Regulations was amended as set out below:

1. Chapter III, Section 7. --At the suggestion of Vice-Chairman Law and for accounting purposes, the proposal to amend Section 7 of Chapter III was revised by deleting the phrase "for one year from the date of issue." and substituting the phrase "for one year from the end of the month of issuance." therefor. Thereafter, Section 7 of Chapter III was amended to read as follows:
 - Sec. 7 Outstanding Checks. --Outstanding checks shall be carried on the official accounting records for one year from the end of the month of issuance.
2. Chapter X, Sections 8, 9 and 10. --The existing Sections 8, 9 and 10 of Chapter X were deleted and the following substituted therefor:
 - Sec. 8 Student Publications. --Rules and regulations for the establishment, administration and operation of student publications shall be promulgated by administrative officials and the chief administrative officer at the institution concerned, provided that such rules and regulations shall not be effective until approved by the Chancellor for inclusion in the institutional Handbook of Operating Procedures.
 - Sec. 9 Student Union Facilities. --Rules and regulations for the establishment, administration and operation of student union facilities shall be promulgated by administrative officials and the chief administrative officer at the institution concerned, provided that such rules and regulations shall not be effective until approved by the Chancellor for inclusion in the institutional Handbook of Operating Procedures.
 - Sec. 10 Intercollegiate Athletics Programs. --Rules and regulations governing the establishment, administration and operation of intercollegiate athletics programs shall be promulgated by administrative officials and the chief administrative officer at the institution concerned, provided that such rules and regulations shall not be effective until approved by the Chancellor for inclusion in the institutional Handbook of Operating Procedures.

Chancellor's Reports

U. T. SYSTEM: (1) 1980-81 OPERATING BUDGETS INCLUDING AUXILIARY ENTERPRISES, GRANTS AND GOVERNMENT FUNDS, RESTRICTED CURRENT FUNDS AND MEDICAL SERVICES RESEARCH DEVELOPMENT PROGRAMS AND (2) REPORT ON REVIEW OF EFFICIENCY OF U. T. SYSTEM OPERATIONS AND AUTHORIZATION TO SUBMIT REPORT TO GOVERNOR. --Chairman Williams called on Chancellor Walker to present the 1980-81 Operating Budgets for The University of Texas System. Chancellor Walker submitted the following statement:

"The 1980-81 budget summaries and supplemental information were mailed to each of you on June 18. The detailed budgets were sent on June 20.

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" The budget summaries and supplemental material provide a very comprehensive review of all the budgets of the U. T. System. However, I would like to reemphasize that the initial drafts of the budgets prepared by the institutions were reviewed in detail by System Administration and with the Chief Administrative Officer of each institution concerned. Appropriate changes and/or modifications were incorporated in these proposed budgets.

" The recommendations for salary increases for all personnel are subject to the current regulations and directives included in the General Appropriations Bill. Article IV; Section 22, of H.B. 558, reads as follows:

Sec. 22. This section shall apply to those agencies of higher education not covered by Section 1, Article V, of this Act. Funds are provided in the appropriations made to those agencies covered by this section in sufficient amounts to permit annual salary increases of 5.1% in fiscal 1980 and 5.1% in fiscal 1981. Such increases shall be granted to all employees making less than \$15,000 annually as of August 1980, and may be granted to employees making \$15,000 or more as of August 1980. It is expressly provided that institutional administrators may grant merit salary increases to employees whose job performance and productivity is consistently above that normally expected or required.

" With annual salary rates of \$15,000 or more, including faculty, the Appropriations Bill permitted, and the budgets include, merit salary increases within funds available.

" In addition to and in accordance with the 1980-81 budget policies adopted by the Board of Regents at the meeting of the Board on December 6-7, 1979, the following guidelines were strictly adhered to in the preparation of all operating budgets.

1. Total salary increases in the budget cannot exceed Federal Guidelines for salary increases.
2. Selective merit salary advances may be provided for the faculty and professional staff. In the case of faculty, merit advances or advances in rank are to be the basis of teaching

effectiveness, research, and public service. This policy relating to faculty salary increases applies to all fund sources.

3. New faculty positions are to be based on conservative estimates of enrollment increases. Total faculty staffing should be reviewed in terms of planned increases in work load.
4. Merit salary advances for classified personnel in accordance with the Personnel Pay Plan policies approved by the Board may be given only to individuals who will have been employed by the institution for at least six months as of August 31, 1980.
5. New classified positions are to be requested only where increased work load justifies.
6. Maintenance, Operation, and Equipment items should be based only on such amounts as are needed. Increases are not to exceed amounts currently budgeted except as related to increased work load, to inflation, to new programs, or to newly developing institutions.
7. Travel funds are to be shown as separate line items.
8. All requests for Special Equipment must be supported with detailed descriptions and justifications.
9. For U. T. Austin, the base budget is to be drafted excluding utilization of the Available University Fund.

" The overall budget increase from all fund sources is 8.9%. The educational and general budget is up approximately 8.4%, auxiliary enterprises is up approximately 13, gifts, grants and other designated funds are up almost 123 and research is up approximately 12.2%.

" All budgets are within the resources available to the individual institutions.

" The Chief Financial Officers and the Chief Administrative Officers of each of the component institutions are here if there are questions which you might wish to address to them concerning a particular institution. "

(See Page 177 for adoption.)

Following this statement and in response to Regent Hay's inquiry, Chancellor Walker presented the following report with respect to the study the U. T. System had conducted as a result of Governor Clements' request for a reduction in the number of State employees:

CHANCELLOR'S REPORT ON REVIEW OF EFFICIENCY
OF U.T. SYSTEM OPERATIONS

July 11, 1980

In response to the Governor's request for a reduction in the number of employees in State Government, a Resolution of the Board of Regents on February 29 directed me to conduct an in-depth review of the operations of the entire University of Texas System, evaluating the efficiency and cost effectiveness of those operations. That review has been completed.

At the outset, let me emphasize two important points.

First, this sort of in-depth review was not a new activity for us in the U.T. System. The preparation of each year's operating budget is an exercise in fiscal discipline. The same is true of the preparation of our Legislative appropriations request.

Through this process, each activity and program within the U.T. System was carefully evaluated, beginning at the departmental level and progressing through the institutional level. The first administrative review involved extensive hearings by the Chancellor and members of my staff with each component head and members of his staff. Out of this process, agreed changes were incorporated into the recommended 1980-81 operating budget submitted to the Board and the 1981-83 Legislative appropriations request. The "General Statement" in each institutional Legislative appropriations request summarizes the breadth of the programs and the activities of that institution as reviewed at the institutional level. This information was mailed to you as a part of the Legislative appropriations material.

In addition, special in-depth reviews by committees of University personnel are also being made at some of the component institutions. Three such reviews are in various stages at this time at U.T. Permian Basin, U.T. Tyler and the Tyler Health Center. Reviews of this type will be made in the future at other institutions.

The second point I want to make is that, because of this annual fiscal discipline, we were already lean when the Governor asked us to cut fat. In

many areas, to comply with the 5 percent reduction mandate would have resulted not in cutting fat, but in cutting muscle and bone.

Now the fact is, we are not a static organization with a bloated bureaucracy. We are a growing, vibrant and evolving institution. We are not in a position to impose wholesale personnel cuts. To do so would seriously jeopardize our three primary missions: Teaching...service... and research.

Consider the area of research. Look at it purely from a dollars and cents point of view. Forget the prestige that research brings to a university. Forget the impact it has on teaching. Forget the benefits that our society and our economy derive from research. Our research is a money-maker, not a money-waster. In fact, of the \$146 million we spent on research in Fiscal Year 1978-79, only \$23.6 million (16 percent) came from State appropriations. The rest came from private gifts and contracts and Federal grants.

It is a generally accepted fact that every research dollar brings another 1.96 dollars back into the State. That is the equivalent of about \$240 million in terms of economic impact on the State of Texas from these non-State research dollars. Clearly, personnel cuts in the research area would be self-defeating.

* * *

Consider the area of service. The hospitals operated by the U.T. System are constantly engaged in great efforts to reduce costs. Indeed, in a recent study of 60 primary teaching hospitals, the UTMB hospitals ranked 57th in per diem costs. But it is possible to reach the point of diminishing returns on cost efficiency -- and we are close to that point right now. For teaching hospitals in the United States, the median ratio of employees per hospital bed is 4.6, while at the Medical Branch hospitals, that ratio is 3.7. At present, a shortage of personnel prevents full utilization of hospital beds at each of our hospitals. Further reduction in hospital employees would result in a reduction in patient care or in the closing of additional beds. In either case, we would be depriving Texas citizens of medical care and jeopardizing the quality of our clinical programs.

Our libraries -- principally those at U.T. Austin -- constitute another area of service which continues to grow. These libraries represent a major State resource and are central to the academic excellence of our component institutions. High quality collections and extensive holdings support the diverse academic programs offered at both graduate and undergraduate levels.

Our library holdings represent a public trust which is administered economically and effectively. The continued provision of quality library services on a cost-effective basis will, however, require increases in operating funds, book acquisition funds, and professional librarian salaries.

* * *

Finally, consider teaching. We have asked for a 1.7 percent personnel increase in the 1980-81 budget. That's down from an 8.3 percent increase in the 1979-80 budget. We think it's a rock-bottom figure since our enrollment, systemwide, increased 3.2 percent between fall, 1978, and fall, 1979.

U.T. Arlington was up 5 percent; U.T. San Antonio was up 6 percent; U.T. Dallas was up 9 percent in the fall of 1979. There is no way you can absorb enrollment increases like that and simultaneously initiate personnel cuts. Not without jeopardizing the quality of instruction.

At the present time, using ranked faculty, the student-teacher ratio at our four-year components is approximately 23.3 to 1 -- a very high ratio on a national scale -- and, indeed, high on a regional scale.

Student-faculty ratios at the University of Kansas is 21.9-1; at the University of Arkansas it is 20.7-1; and at the University of New Mexico it is 22.7-1.

Considering the quality of teaching evident in our academic components, the student-faculty ratios in U.T. components compared to those of our neighbors suggests to me that a high degree of management effectiveness is already evident.

Additionally, all of our institutions continue to have an average faculty teaching load greater than the minimum 9 semester hours established by the Board of Regents. In the fall of 1978, after the adoption of this minimum, U.T. Austin's average teaching load was 12.9 teaching load credits. In

1998

general, a regular three-hour undergraduate course provides three teaching load credits. U.T. Arlington's average was 12.2. Other institutions within the U.T. System have workloads even greater than these.

Our philosophy is totally consistent with the Governor's. We strive for quality, rather than quantity. We would much rather pay good people more money than hire more people to do the same job.

I think it is apparent, therefore, that our student-faculty ratios are high and that our faculty members are handling a hefty workload. Any major personnel reductions could seriously jeopardize quality education.

* * *

There is one other requirement that places an additional demand on our personnel at every U.T. institution. The continued growth in reporting, accounting and record keeping to meet State and Federal requirements is a staggering burden. President Flawn conducted a survey recently and concluded that it takes more than 110 FTE employees to comply with State and Federal requirements for various reports.

In directing me to prepare this report, the Board of Regents made it clear that any evaluation should be made in the context of:

- a) the commitment of the Board of Regents to the maintenance of excellence in all of its educational and research programs;
- b) the legislative mandate for increasing enrollments at two of the System's medical schools;
- c) the legislative authorization and directive to increase outpatient and inpatient services at three hospitals served by components of the System, and the commitment of the Board of Regents to the maintenance of excellence in patient care at each of its health science centers;
- d) changes in enrollment, past, present and projected, at each of the System's component institutions; and
- e) the constitutional mandate that the Board of Regents maintain The University of Texas at Austin as a "University of the First Class."

We feel that we have lived up to that mandate. We are delivering a first-class education within the framework of a very tight budget.

We feel, too, that although we are not in a position to reduce personnel levels by 5 percent, we are in compliance with the spirit of the Governor's objectives, if not the letter.

Let me reassure you that all our institutions are dedicated to efficiency and cost effectiveness consistent with the commitment of the Board of Regents to the maintenance of excellence in all of the U.T. System's educational, research and patient care programs. We are committed to providing a dollar's value for every dollar of public funds we spend. And we are watching those dollars every day of the year.

Chancellor Walker's Report on Review of Efficiency of U. T. System Operations was approved upon motion of Regent Hay, seconded by Regent (Mrs.) Blumberg, and Chairman Williams and/or Chancellor Walker were authorized to sign the report and submit it to Governor Clements.

At this point in the meeting, Chancellor Walker recommended approval of the 1980-81 Operating Budgets for The University of Texas System as submitted with permission to make editorial corrections and for subsequent adjustments to be reported to the Board through the institutional dockets. Upon motion of Regent Sterling, seconded by Vice-Chairman Law, the recommendation was approved by unanimous vote.

These budgets are a part of the Minutes of this meeting, and the official copy is in bound Volume XXXV entitled Annual Budgets for 1980-81:

System Administration and Available University Fund
 The University of Texas at Arlington
 The University of Texas at Austin
 The University of Texas at Dallas
 The University of Texas at El Paso
 The University of Texas of the Permian Basin
 The University of Texas at San Antonio
 The University of Texas Institute of Texan Cultures at San Antonio
 The University of Texas at Tyler
 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
 The University of Texas Health Center at Tyler

These Operating Budgets include Auxiliary Enterprises, Grants and Government Funds, Restricted Current Funds and Medical Services Research Development Programs.

U. T. SYSTEM - LEGISLATIVE BUDGET REQUESTS FOR BIENNIUM 1982-83: APPROVAL TO SUBMIT. --Chancellor Walker presented the following statement and recommendation with respect to The University of Texas System Legislative Budget Requests for the Biennium 1982-83:

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DOCUMENT —
REMARKS —

"You have been furnished with a copy of the general statement and summary tables reflecting Legislative Budget Requests for each component institution for the biennium 1982-83, compared with current and prior year data. *

"The detailed statements from which these summaries were prepared are in accordance with the instructions received from the Legislative Budget Board and the Governor's Office of Budget and Planning.

"At the general academic institutions, approximately 85% of the legislative requests are based on formulas approved by the Coordinating Board for Higher Education. These formulas were followed without exception. The non-formula requests were carefully reviewed and approved by the institutional administration and system administration.

"The legislative budget requests for the health institutions were prepared in accordance with the policies established by the Board of Regents at its meeting of May 29-30, 1980. There was only one exception to these policies: The budget request of the UT Medical Branch at Galveston, under the heading of maintenance, operation and equipment, requested approximately a 35 percent increase, rather than authorized increase of up to 20 percent.

"This exception is necessary to provide the needed funds in light of the rapidly escalating costs of medical supplies.

"The submission of these legislative budget requests is the first step in the legislative appropriations process. The next step in this process will be hearings held jointly by the staff personnel from the Legislative Budget Board and the Governor's Office of Budget and Planning. These hearings have been set during the months of August and early September. A schedule of these hearings has been furnished the members of the Board of Regents and you are urged to advise me of any of the hearings you plan to attend.

*Copy in Secretary's files

" It is my recommendation that the Board of Regents approve filing of the Legislative Budget Requests that have been prepared. Copies of each request will be filed with the legislative Budget Board, the Governor's Office of Budget and Planning and the Coordinating Board, Texas College and University System."

Upon motion of Regent Hay, seconded by Vice-Chairman Law, Chancellor Walker's recommendation was approved without objection.

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FEE, Returned Check
U. T. SYSTEM: INCREASE IN SERVICE CHARGE FOR RETURNED CHECKS EFFECTIVE FALL SEMESTER 1980 (CATALOG CHANGE). In order to cover the costs necessary to process and collect returned checks, approval was given without objection for all institutions in The University of Texas System to assess a \$10 service charge for handling returned checks effective with the fall semester 1980.

It was ordered that the next appropriate catalog at each component institution be amended to conform to this action.

U. T. SYSTEM - MINIMUM FACULTY TEACHING LOAD REQUIREMENT (FACULTY WORKLOAD) FOR GENERAL ACADEMIC INSTITUTIONS [REQUIRED BY SECTION 51.402(b) OF THE TEXAS EDUCATION CODE]: AMENDMENT.--The University of Texas System Minimum Faculty Teaching Load Requirement (Faculty Workload) for general academic institutions [required by Section 51.402(b) of the Texas Education Code] approved by the Board of Regents on August 4, 1978 and amended on February 9, 1979 (Permanent Minutes, Volume XXVI, Pages 1642-1646) was amended by the addition of two sentences to the last paragraph under the heading "Exceptions" so that the paragraph reads as follows:

The institutional head shall designate the officer of the institution who will monitor workloads, review workload reports, and submit the reports to the institutional head for approval and comment as appropriate prior to submitting the reports to the Board of Regents through System Administration following the standard reporting format and deadlines as provided by the Coordinating Board in accordance with Section 51.402 of Subchapter H, Chapter 51 of the Texas Education Code and any riders in the current legislative Appropriations Bill. Every faculty member's compliance with these minimum teaching requirements shall be assessed each long term semester. If a faculty member is found to be out of compliance during any semester, the institution shall take appropriate steps to prevent such noncompliance in the future.

Waivers

U. T. AUSTIN: LEAVE OF ABSENCE WITHOUT PAY TO DR. VICTOR L. ARNOLD, ASSOCIATE PROFESSOR IN LYNDON B. JOHNSON SCHOOL OF PUBLIC AFFAIRS, FOR ACADEMIC YEAR 1980-81 TO SERVE AS AN ASSISTANT TO GOVERNOR CLEMENTS AND DIRECT THE "TEXAS 2000" PROJECT (REGENTS' RULES AND REGULATIONS, PART ONE, CHAPTER III, SECTION 16.4).--Without objection, the Committee of the Whole approved the request of President Flawn and Chancellor Walker and granted a leave of absence without pay to Dr. Victor L. Arnold, Associate Professor in the Lyndon B. Johnson School of Public Affairs at The University of Texas at Austin, for the academic year 1980-81.

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During this period, Dr. Arnold will serve as an assistant to Governor Clements and direct the "Texas 2000" project in which he will be responsible for the design, implementation and institutionalization of a long-range strategic planning capability for the State of Texas. This leave of absence is granted in accordance with the Regents' Rules and Regulations, Part One, Chapter III, Section 16.4.

U. T. AUSTIN: PERMISSION FOR MRS. SHIRLEY BINDER, DIRECTOR OF STUDENT FINANCIAL AID, TO SERVE ON BOARD OF THE TEXAS GUARANTEED STUDENT LOAN CORPORATION FOR TERM ENDING JANUARY 31, 1981 [REGENTS' RULES AND REGULATIONS, PART ONE, CHAPTER III, SECTIONS 13.(10) AND 13.(11) (OUTSIDE EMPLOYMENT)]. -- Permission was given to Mrs. Shirley Binder, Director of Student Financial Aid at The University of Texas at Austin, to accept the nomination of Governor Clements to serve on the Board of the Texas Guaranteed Student Loan Corporation for an unexpired term ending January 31, 1981. Mrs. Binder will receive no compensation for her service but will be reimbursed for any expenses incurred in the conduct of her responsibilities.

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REMARKS

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

U. T. AUSTIN: PERMISSION FOR PRESIDENT PETER T. FLAWN TO SERVE ON NATIONAL SCIENCE BOARD [REGENTS' RULES AND REGULATIONS, PART ONE, CHAPTER III, SECTIONS 13.(10) AND 13.(11) (OUTSIDE EMPLOYMENT)]. -- Upon the recommendation of Chancellor Walker, permission was given to Dr. Peter T. Flawn, President of The University of Texas at Austin, to accept the nomination by President Carter (pending confirmation by the U. S. Senate) to serve on the National Science Board. This Board meets approximately 8 times a year and oversees the operation of the National Science Foundation.

FILE NO. B
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REMARKS

President Flawn's service on this very prestigious Board is an honor for the University and the State of Texas. The appointment is in accordance with approval requirements for positions of honor, trust, or profit provided in Article 6252-9a of Vernon's Civil Statutes and Part One, Chapter III, Sections 13.(10) and 13.(11) of the Regents' Rules and Regulations.

It was noted that President Flawn will receive an honorarium (to be set by the Chairman of the National Science Board after confirmation) and expenses up to a maximum of \$50 per day.

Contract with Mexican Petroleum Institute
U. T. AUSTIN: CONTRACT ON BEHALF OF PETROLEUM EXTENSION SERVICE (PETEX) AND MEXICAN PETROLEUM INSTITUTE (IMP) FOR PURPOSE OF ESTABLISHING COOPERATION BETWEEN THE TWO INSTITUTIONS. -- Upon the recommendation of President Flawn and Chancellor Walker, approval was given to the contract set out on Pages 181-187 by and between The University of Texas at Austin, a component of The University of Texas System, for and on behalf of the Petroleum Extension Service The University of Texas (PETEX) and the Mexican Petroleum Institute (IMP) for purposes of establishing cooperation between the two institutions in order to take advantage of the existing facilities and experience of each institution.

FILE NO. 450
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CONTRACT

THIS CONTRACT IS MADE between The University of Texas at Austin, a component of The University of Texas System, for and on behalf of the Petroleum Extension Service The University of Texas (hereinafter "PETEX") and the Mexican Petroleum Institute (hereinafter "IMP") for purposes of establishing cooperation between the two institutions in order to take advantage of the existing facilities and experience of each institution.

DECLARATIONS

1. PETEX declares:

- 1.1 That it is a coordinating body with full teaching and training services.
- 1.2 That it is a part of The University of Texas at Austin and is self-supporting as a result of the income it derives from the sale of training materials, tuition from technology schools, and exchanges with various organizations and companies associated with the petroleum industry.
- 1.3 That it receives extensive cooperation from the petroleum industry in obtaining specialized instructors, in receiving technical assistance, in developing courses, and in verifying publication content, all providing access to a wide variety of qualified experts in every field.
- 1.4 That, based on the extensive cooperation it has received, it has developed excellent teaching methods and training materials.
- 1.5 That it has highly qualified technical personnel who develop and produce the required training materials with the advice and cooperation of the petroleum industry.

2. IMP declares:

- 2.1 That it is a decentralized public-interest body with legal status and independent funds, created on 23 August 1965 by a Federal Executive Decree published by the Federation's Official Diary on the 26th day of the same month and year.
- 2.2 That the objectives it was created to achieve are as follows: to carry out such research and technological development as required by the petroleum, petrochemical, and chemical industries; to provide technical services for those industries; and to train personnel involved with the Mexican petroleum industry.

2.3 That one of the activities designed to meet the above-stated objectives concerns the establishment of relations with national and foreign entities in the areas of information and technology transfers and scientific cooperation. Further, it declares its official residence to be in Mexico City at the following address:

152 Lazaro Cardenas,
Mexico 14, D.F.

3. IMP has the responsibility of assuring that its personnel and the personnel of Petroleos Mexicanos (PEMEX) receive up-to-date information in an effort to improve personnel attitudes and assist in the areas of technical development and technological innovation.
4. IMP has an interest in soliciting collaboration from PETEX in areas referred to in the previous paragraph, in order to achieve higher levels of technical and professional training by utilizing PETEX training material.
5. IMP will act as a consultant to PETEX and, if desired, provide suggestions, photos, graphs, charts, etc., in order that all materials jointly produced by PETEX and IMP have a truly Latin-American flavor.

CLAUSES

1. The Contract's Purpose
PETEX and IMP agree that the purpose of the contract is to take advantage of the facilities at each institution in order to utilize material initially developed, copyrighted, and translated by PETEX. These will be updated and revised jointly by IMP and PETEX so that both institutions may benefit from them.
2. Both parties agree that IMP and PETEX will be sole distributors of training materials jointly developed and modified by them.
3. Both parties agree that PETEX will be responsible for the updating, translation, editing, production, and printing of the materials. IMP will serve as content specialist and advisor.
4. Both parties agree that, before publication of the materials, IMP will be provided with Spanish-language copies of the edited material for its concurrence, additions, deletions, or corrections as necessary. This material will be dated, and, if not returned within a three month period from the time IMP receives it, it will be printed as originally submitted. Final discretion for the acceptance of the corrections or changes suggested by IMP shall rest with PETEX.

5. Both parties agree to cooperate to keep materials as current and technically correct as possible.
6. Both parties agree that PETEX publish and hold all copyrights to Spanish-language training materials jointly updated and revised by IMP and PETEX.
7. PETEX agrees to cooperate with IMP by:
 - 7.1 Permitting and facilitating the update and revision, if necessary, of jointly agreed-to PETEX training material.
 - 7.2 Allowing internal use by IMP of such PETEX publications as were translated by IMP prior to this contract until present stocks are depleted. Replenishment and/or reproduction is not authorized.
 - 7.3 Insuring that all materials developed or modified jointly by IMP and PETEX carry the IMP and PETEX logos as well as the statement, "in cooperation with IMP, Mexico, D.F."
 - 7.4 Selling to IMP, in any quantities desired, at 35% below current catalog price, those training materials jointly modified or developed by IMP and PETEX and all Spanish-language training materials now being sold by PETEX. These materials are listed in Appendix I.
 - 7.5 Agreeing to pay all printing and production costs.
 - 7.6 Providing to IMP an annual catalog, listing all PETEX training materials and prices.
8. IMP agrees to:
 - 8.1 Serve on a joint committee with PETEX to establish priorities and discuss training materials pursuant to this agreement.
 - 8.2 Serve as content specialist and propose content changes for training materials developed or modified by PETEX.
 - 8.3 Furnish those materials and photographs that it wants included in the final product in order to make a truly Latin-American product.
 - 8.4 IMP agrees not to replenish and/or reproduce any PETEX materials produced prior to this agreement after current stocks are depleted.
9. Coordination
 - 9.1 Representatives, or appointees, of each party will meet at least once a year to review the progress of the present contract and make recommendations for changes.

9.2 It is agreed that an advisory committee be created to carry out the details of this contract. Said committee will be made up of two representatives from each party. The committee will be formed no later than one month after the signing of this contract.

10. Confidentiality

The parties agree that any information related to work done pursuant to this contract, including the end product of projects developed jointly, may not be divulged or transferred to third parties without prior written consent of PETEX and IMP.

11. Term of Contract

The term of this contract shall be for five years. After the initial term, the contract will continue in effect from year to year unless 60 days' notice of termination is given in writing by the party desiring termination. Either party may rescind this agreement by giving said 60 days' notice to the other party.

12. Interpretation of the Contract

In the event that the parties disagree about the interpretation of the content and limits of this contract, a commission comprised of two representatives appointed by PETEX and two by IMP shall be created. The commission shall attempt to resolve such disagreements. In case of a persistent disagreement, the commission will name an arbitrator who, in conformity with both parties, will dictate a solution.

13. Nothing in this contract shall change, abrogate or affect the copyrights of materials developed or published by PETEX which may have been used by IMP prior to the effective date of this contract or which may be developed under the terms of this contract.

14. In the event the contract is terminated as stated in clause 11, IMP will still be given a 35% discount on training materials jointly developed by IMP and PETEX.

15. Effective Date

The present contract will become effective on the day after it is approved by the Board of Regents of The University of Texas System. It will be signed, in duplicate in both Spanish and English, in Mexico City, Federal District, and Austin, Texas, USA, and copies

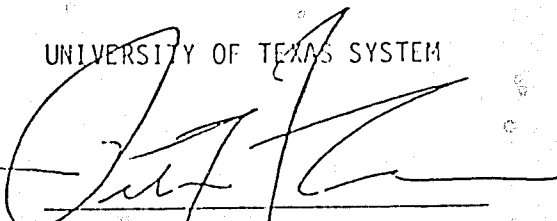
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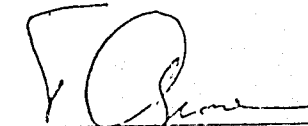
of the contract in both Spanish and English with the original signatures, shall be handed over to each party.

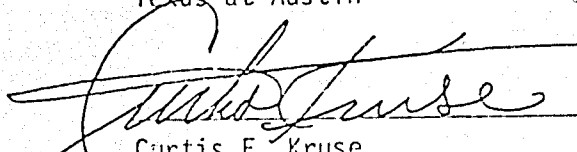
MEXICAN PETROLEUM INSTITUTE


UNIVERSITY OF TEXAS SYSTEM

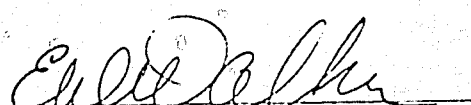

Ing. Agustin Straffon Arteaga
General Director


Peter T. Flawn
President, The University of
Texas at Austin

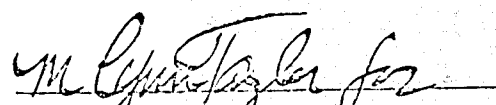

Ing. Tabaré Azcona Pavón
Assistant Director, Training

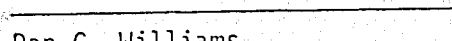

Curtis F. Kruse
Petroleum Extension Service
The University of Texas at Austin


Ing. Fernando Echeagaray M.
Assistant Director of Professional
Development


E. Donald Walker
Chancellor

APPROVED AS TO FORM:


General Counsel, The University
of Texas System


Dan C. Williams
Chairman, Board of Regents

CERTIFICATE OF APPROVAL

I hereby certify that the foregoing contract was approved by the Board of Regents of The University of Texas System on the _____ day of _____, 19____.

Secretary of the Board of Regents
The University of Texas System

APPENDIX I

The following is a listing of PETEX training materials that have already been or are in the process of being prepared by PETEX in Spanish and will be made available to IMP at a 35% discount of the current PETEX catalog price.

Publications—

El Equipo Rotatorio y Sus Componentes, Unidad I, Lección 1
Perforación Direccional Controlada, Unidad III, Lección 1
Prevención de Reventones, Unidad III, Lección 3
 Poster: La Instalación y Sus Componentes 20½" X 31½"

Audiovisual Programs—

Perforación
Hidráulica Básica
Bombas Centrífugas
Fluidos para Perforación:
Parte I—Introducción
Parte II—Lodos a Base de Agua

Barrenas de Rodillos

Prácticas de Seguridad en Operaciones de Perforación y Reacondicionamiento en Pozos Marinos y de Costa Afuera

El Uso Seguro de Carreteles y Elevadores Neumáticos

El Uso Seguro de las Tenazas para Tubería de Perforación

Sulfuro de Hidrógeno (H₂S) en Operaciones de Perforación

Prácticas de Seguridad en Operaciones de Perforación y Reacondicionamiento

Manos Lesionadas Durante Operaciones de Perforación

Movies—

Perforación de Tubería de Revestimiento

Pruebas de Formaciones

Corrosión de Pozos de Petróleo y Gas

Los Efectos de Tierra Corrosiva Sobre Oleoductos:

Parte I—Fundamentos

Parte II—Sistemas de Revestimiento Protectorio

Parte III—Protección Catódica con Anodas Galvánicas

Parte IV—Protección Catódica con Corriente Eléctrica

Tratamiento de Emulsiones de Petróleo Crudo

The Initial listing of training materials to be jointly developed by IMP and PETEX is as follows:

Publications—

Applied Mathematics for the Petroleum Industry

Basic Electricity for the Petroleum Industry
Basic Electronics for the Petroleum Industry
Basic Instrumentation
A Dictionary of Petroleum Terms
Fundamentals of Petroleum
A Primer of Offshore Operations
Field Handling of Natural Gas
Operation of Electrified and Automatic Leases
Plant Processing of Natural Gas
A Primer of Oil and Gas Production
Saltwater Disposal—East Texas Field
Treating Oil-Field Emulsions
Crude-Oil Tanks: Construction, Strapping, Gauging, and Maintenance
Introduction to the Oil Pipeline Industry
Oil Pipeline Construction and Maintenance
Oil Pipeline Pumping Station Operation
A Primer of Pipeline Construction
Guide to Safe Stairways, Walkways, and Railings
Planning for Drilling in H₂S Zones
Principles of Drilling-Fluid Control
Lessons in Rotary Drilling:
 Units I, II, III, and V.
Lessons in Well Servicing and Workover

Audiovisual Programs—

Drilling Technology Series
Offshore Technology Series
Production Technology Series

Other materials jointly agreed upon by IMP and PETEX will be added to this listing as the need occurs.

DM

U. T. AUSTIN: (1) ACCEPTANCE OF PLEDGE FROM TOBIN SURVEYS, INC., SAN ANTONIO, TEXAS; (2) INTERNATIONAL GEOLOGICAL MAP LIBRARY FUND WITHIN THE GEOLOGY FOUNDATION RENAMED THE TOBIN INTERNATIONAL GEOLOGICAL MAP COLLECTION FUND; AND (3) GEOLOGICAL MAP COLLECTION IN DEPARTMENT OF GEOLOGICAL SCIENCES NAMED THE TOBIN INTERNATIONAL GEOLOGICAL MAP COLLECTION. -- Upon the recommendation of President Flawn and Chancellor Walker and without objection, the Committee of the Whole:

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1. Accepted a pledge of \$50,000 from Tobin Surveys, Inc., San Antonio, Texas, for The University of Texas at Austin to be paid in annual installments of \$12,500 commencing June 1980 through June 1983 (The annual payments will be reported in the U. T. Austin docket.)
2. Renamed the International Geological Map Library Fund within the Geology Foundation at U. T. Austin (established July 26, 1979, Permanent Minutes, Volume XXVI, Page 4013) the Tobin International Geological Map Collection Fund
3. Named the Geological Map Collection currently held by the Department of Geological Sciences at U. T. Austin the Tobin International Geological Map Collection

U. T. DALLAS, U. T. PERMIAN BASIN AND U. T. SAN ANTONIO: ESTABLISHMENT OF UTILITY REVOLVING FUNDS PURSUANT TO AUTHORIZATION UNDER SECTION 18, ARTICLE IV, HOUSE BILL NO. 558, 66TH LEGISLATURE, R.S. -- Pursuant to Section 18, Article IV, House Bill No. 558, Acts of the 66th Legislature, R.S., Utility Revolving Funds as described below were established for the benefit of The University of Texas at Dallas, The University of Texas of the Permian Basin and The University of Texas at San Antonio for the purpose indicated:

Central Energy Plant

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Utility Revolving Fund

To provide for operation of Thermal Energy Plants for utility services to the named institutions in the manner authorized by Section 18, Article IV, House Bill No. 558, 66th Legislature, R.S.

LAND ACQUISITION (2.9755 Acres) Along Ferry Rd

GALVESTON MEDICAL BRANCH - LAND ACQUISITION: AUTHORIZATION TO ACQUIRE AFTER COORDINATING BOARD APPROVAL 2.9755 ACRES LOCATED ALONG FERRY ROAD IN GALVESTON, TEXAS, FROM WILLIAM R. PARKEY, TRUSTEE, TO BE USED FOR STAFF HOUSING FOR THE TEXAS DEPARTMENT OF CORRECTIONS HOSPITAL. -- Without objection, authorization was given to acquire 2.9755 acres of unimproved land located along Ferry Road (2nd Street; State Highway No. 87) in Galveston, Texas, from William R. Parkey, Trustee, after notification of approval by the Coordinating Board, Texas College and University System. Further, the Administration at The University of Texas Medical Branch at Galveston, in consultation with the Office of General Counsel and with the concurrence of the Texas Department of Corrections, was authorized to take all necessary actions for the purchase of this land at an estimated cost of \$150,000 after receipt of two independent real estate appraisals, one of which must be prepared by a member of the American Institute of Real Estate Appraisers (M. A. I. or R. M.).

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This land is being purchased as a proposed site for Staff Housing for the Texas Department of Corrections Hospital, and the purchase cost of the property will be paid from the Texas Department of Corrections Hospital project. (See Item 17, Page 98 .)

Sculpture (DNA Molecule) Gift of San Antonio Medical Foundation J.N.

SAN ANTONIO HEALTH SCIENCE CENTER: ACCEPTANCE OF GIFT OF SCULPTURE FROM SAN ANTONIO MEDICAL FOUNDATION; APPROVAL OF SITE (NORTHEAST CORNER OF SAHSC); AND AUTHORIZATION TO ASSIST IN INSTALLATION AND LIGHTING PROVISIONS THEREFOR. --System Administration reported that the San Antonio Medical Foundation had expressed a desire in a letter to President Harrison to provide a piece of sculpture for a permanent installation on The University of Texas Health Science Center at San Antonio campus as a public memorial honoring private citizens and business contributors who provided over one million dollars toward the purchase of more than 600 acres of land now comprising most of the South Texas Medical Center in San Antonio. A model and photographs of the proposed sculpture were presented at the meeting. The basic design of the sculpture is a DNA molecule.

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Following discussion and without objection, the Committee of the Whole:

1. Accepted the donation of this sculpture from the San Antonio Medical Foundation for installation on the northeast corner of the San Antonio Health Science Center as a permanent and public memorial
2. Authorized the San Antonio Health Science Center Administration and the Physical Plant Division to take all necessary actions to assist in the installation of the sculpture and lighting provisions therefor

DEVELOPMENT MATTERS

U. T. AUSTIN: (1) DISSOLUTION OF COLLEGE OF ARTS AND SCIENCES FOUNDATION AND ADVISORY COUNCIL; (2) ESTABLISHMENT OF COLLEGE OF LIBERAL ARTS FOUNDATION AND ADVISORY COUNCIL AND COLLEGE OF NATURAL SCIENCES FOUNDATION AND ADVISORY COUNCIL AND APPROVAL OF NOMINEES THERE TO. --Upon the recommendation of President Flawn and Chancellor Walker, the College of Arts and Sciences Foundation and the associated Advisory Council at The University of Texas at Austin were dissolved, and the following were established:

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- College of Liberal Arts Foundation and the associated College of Liberal Arts Foundation Advisory Council with an authorized membership of 36
- College of Natural Sciences Foundation and the associated College of Natural Sciences Foundation Advisory Council with an authorized membership of 24

Further, nominees for the membership of the new advisory councils were approved. The names of the nominees will be reported for the record after they have been notified of their appointments and have accepted.

HOUSTON HEALTH SCIENCE CENTER - DEVELOPMENT BOARD; NOMINEES. --Nominees were approved to fill two vacancies on the Development Board of The University of Texas Health Science Center at Houston. The names of the nominees will be reported for the record after they have been contacted and have accepted the appointments.

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UNIVERSITY CANCER CENTER - BOARD OF VISITORS OF THE UNIVERSITY CANCER FOUNDATION: NOMINEES. -- Four nominees were approved to fill vacancies on the Board of Visitors of the University Cancer Foundation at The University of Texas System Cancer Center. The names and terms of the nominees will be reported for the record after they have been contacted and have accepted the appointments.

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At the conclusion of this report, Chairman Williams submitted for consideration President LeMaistre and Chancellor Walker's recommendation with respect to a proposed contract between the University Cancer Center and the Medical Arts Publishing Foundation, to-wit:

waives
UNIVERSITY CANCER CENTER: (1) WAIVER OF REGENTS' RULES AND REGULATIONS, PART ONE, CHAPTER III, SECTION 4.6 AND (2) APPROVAL OF CONTRACT WITH MEDICAL ARTS PUBLISHING FOUNDATION (THE CANCER BULLETIN). -- The Committee of the Whole without objection (1) waived the Regents' Rules and Regulations, Part One, Chapter III, Section 4.6 which provides that no employee shall transact any business in his official capacity with any business entity of which he is an officer, agent, or member, or in which he owns a controlling interest and (2) approved the contract set out on Pages 190-194 by and between The University of Texas System Cancer Center and the Medical Arts Publishing Foundation. This contract formalizes and in some respects changes a long-standing relationship between the Medical Arts Publishing Foundation, a Texas nonprofit corporation, and the University Cancer Center by which the Cancer Center Physicians Referral Service funds the publication of The Cancer Bulletin. It was pointed out that Dr. R. Lee Clark, President-Emeritus of the University Cancer Center, is both a part-time employee of the University and a Director of the Medical Arts Publishing Foundation, thus the necessity for waiving the Regents' Rules and Regulations.

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STATE OF TEXAS
COUNTY OF HARRIS

AGREEMENT

This AGREEMENT is made by and between the Medical Arts Publishing Foundation (hereinafter referred to as "Foundation") and The University of Texas System Cancer Center, M. D. Anderson Hospital and Tumor Institute (hereinafter referred to as "Cancer Center"),

Whereas, the Cancer Center desires to disseminate significant information concerning the prevention of cancer, the diagnosis,

treatment, and rehabilitation of cancer patients, and research pertinent thereto, and

Whereas, the Cancer Center desires to communicate such information to physicians and other concerned publics in the geographic area of the southwestern United States, as well as to medical libraries, cancer centers, and other organizations and individuals involved in the worldwide fight against cancer, and

Whereas, the Cancer Center desires to participate in the dissemination of such information by funding the expenses for a bimonthly journal and any other educational media agreed upon by the parties to this Agreement, such funding being derived via its component of Physicians Referral Service (hereinafter referred to as "PRS"), and

Whereas, the Foundation has available to it the expertise to compile, edit, publish, and distribute such information as referenced above through publications and other educational media,

NOW, THEREFORE the parties hereto do mutually agree as follows:

1. The Foundation shall prepare and distribute a bimonthly journal known as The Cancer Bulletin, and such journal shall be designated the official scientific publication of the Cancer Center. The manuscripts included in The Cancer Bulletin shall be reviewed and approved by selected members of the Cancer Center staff prior to the printing of each issue.
2. The parties agree to secure the copyright on each issue of The Cancer Bulletin such copyright being jointly and equally owned by the Foundation and the Cancer Center, and each party having use of same as may be necessary for extended informational and educational purposes. In the event that this Agreement is terminated, all copyrights obtained hereunder shall become the exclusive property of the Cancer Center.

3. Direct expenses for the preparation and distribution of The Cancer Bulletin (and other media that may be developed by written agreement of the parties hereto), including but not limited to the personnel, artwork, printing, postage fees, etc., shall be reimbursed by PRS to the extent that such expenses are not offset by any income that might be derived from subscriptions or advertising. PRS shall make monthly payments of such net expenses to the Foundation. The Foundation shall provide PRS and Cancer Center with an accounting of revenues and expenses applicable to The Cancer Bulletin no less frequently than once each fiscal quarter, and the Cancer Center shall be entitled to audit such records.
4. The Foundation will be responsible for the maintenance of mailing lists and for expanding such lists as may be necessary to effectively disseminate the journal and/or other materials agreed upon, in accordance with state laws governing the distribution of information.
5. The Foundation agrees to make office space available to the Cancer Center and the PRS at the Foundation's building at 1603 Oakdale, Houston, Texas, for activities related to the preparation and distribution of The Cancer Bulletin.
6. The indirect expenses incurred in providing utilities, telephone service, and general upkeep of the space required for the preparation, distribution, and storage of The Cancer Bulletin, and of the space needed for other pertinent activities as agreed upon by the parties hereto, shall be reimbursed by PRS to the extent that such expenses are not offset by income that might be derived from subscriptions or advertising, and after such income has been applied to direct expenses as discussed in Article 3 hereof. Where

such expenses are not incurred exclusively for purposes of The Cancer Bulletin (e.g., building space, utilities, etc., are not related exclusively to The Cancer Bulletin whereas printing costs, etc., are directly related expenses), the proportion of expenses to be paid by PRS shall be a pro rata share equal to the ratio of The Cancer Bulletin expenses to total Foundation expenses for the period of billing. The Cancer Center may audit the billings and supporting records for charges to PRS and to correct any discrepancies found in the course thereof.

7. No full time employee of the Cancer Center shall serve as an officer of the Board of the Foundation, nor act in any official administrative or operating role within the Foundation. Further, no employee of the Cancer Center shall receive any compensation from the Foundation for work performed under this Agreement, be it in cash or other forms. This clause shall not preclude Cancer Center employees from serving in an advisory capacity as necessary, in the mutual interest of both the Cancer Center and the Foundation.
8. This agreement may be cancelled by any of the parties involved upon written notice to the other parties of not less than one-hundred eighty (180) days of such cancellation.
9. This agreement represents the sole and only agreement between the parties regarding this subject and voids any previous understandings or discussions, whether verbal or written. The parties agree also that any change, deletions,

or additions to this Agreement shall be made only with a written Amendment duly approved by all parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this 25th day of April, 1980.

[Signature]
Witness

Medical Arts Publishing Foundation, by
[Signature]
Name, Title R. Lee Clark, M.D.
Board Chairman
The University of Texas System Cancer Center
M. D. Anderson Hospital and Tumor Institute,
by

[Signature]
Witness

[Signature]
Name, Title Charles A. Lemaistre, M.D.
President

COMMITTEE OF THE WHOLE - EXECUTIVE SESSION
(Pages 194 - 198)

Chairman Williams reported that the Committee of the Whole met in Executive Session on Thursday afternoon (July 10) following the meeting of the Buildings and Grounds Committee and continued its meeting on Friday, (July 11) following the Open Session of the Committee of the Whole at 11:45 a. m. for discussion of matters in accordance with Article 6252-17, Sections 2(e), (f) and (g) of Vernon's Texas Civil Statutes.

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. SYSTEM: SETTLEMENT WITH TEXAS OIL AND GAS CORPORATION FOR DISPUTED CLAIMS FROM SEPTEMBER 1974 THROUGH MAY 1980. -- Upon the recommendation of Chancellor Walker and without objection, the Board of Regents approved a settlement with Texas Oil and Gas Corporation in the amount of \$300,000 for disputed claims from September 1, 1974 through May 31, 1980, and authorized the Chairman of the Board to execute the Settlement Agreement and Release. (Pages 195-197). Beginning June 1, 1980, Texas Oil and Gas Corporation will pay gas royalties to the University based on prices established by the Natural Gas Policy Act of 1978, including monthly escalations and adjustments for the Btu content, or the net contract prices, or the gross proceeds, whichever is greater.

This settlement was also approved by the Board for Lease of University Lands (Page 165).

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SETTLEMENT AGREEMENT AND RELEASE

This Agreement is entered into by and between the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM and the BOARD FOR LEASE OF UNIVERSITY LANDS, hereinafter collectively referred to as "University", and TEXAS OIL & GAS CORP., hereinafter referred to as "TXO":

W I T N E S S E T H:

This Settlement Agreement is made in order to resolve a dispute which has arisen between University and TXO concerning the basis on which royalties are required to be paid by TXO to University on natural gas produced from the following leases:

<u>Lease Number</u>	<u>Texas Counties</u>
64162	Pecos
66562	Crockett
67361	Crockett
45744	Pecos
60284	Crockett
61568	Crockett
60285	Crockett

The claims of University which are in dispute and which are being settled hereby are based upon its construction of certain language contained in the Oil and Gas Leases numbered above. In order to avoid the time, expense, and burden of litigation and to compromise and settle doubtful and disputed claims of University, for and in consideration of the amounts hereinafter recited and the covenants and undertakings hereinafter set forth, the receipt and sufficiency of which are hereby acknowledged and confessed by University, University and TXO do hereby mutually agree as follows:

I.

CASH SETTLEMENT

TXO shall pay to University the sum of \$300,000.00, which shall constitute settlement of all past disputed claims down through May 31, 1980.

II.

FUTURE ROYALTY PAYMENTS

Beginning June 1, 1980, TXO will pay gas royalties to University based on prices as established by the Natural Gas Policy Act of 1978 (NGPA), including monthly escalations and adjustments for Btu content, or the net contract prices, or the gross proceeds received by TXO, whichever is greater, and such prices shall apply to the following leases and wells as hereafter set out:

<u>Well Name</u>	<u>Lease #</u>	<u>County</u>	<u>Settlement Price</u>
University C-1	64162	Pecos	NGPA Section 103
University C-2	64162	Pecos	NGPA Section 103
University C-3	64162	Pecos	NGPA Section 103
University 3-1	66562	Crockett	NGPA Section 103
	67361	Crockett	NGPA Section 103
University 11-1	45744	Pecos	NGPA Section 109
Perner Ranch "B"	60284	Crockett	NGPA Section 109
Fulton University #1	61568 60285	Crockett	NGPA Section 109

It is agreed that the above gas prices will only apply to the wells described above and, in the event additional wells are drilled or the existing wells deepen, then TXO agrees to pay to University its royalties under the terms and provisions as set out in the numbered leases. It is further agreed between TXO and University that, in the event the NGPA prices cease to exist, then gas royalties will be paid on a mutually agreeable basis to be determined within ninety (90) days after the gas price classifications as set forth above become inapplicable for any reason.

III.

RELEASE

University hereby fully and forever releases, relieves, and forever discharges TXO, its successors and assigns, from any

and all claims for royalties due for the production, sale, or use of gas from or attributed to lands covered by the above numbered leases prior to June 1, 1980.

IV.

DISCLAIMER

It is further understood and agreed that the payment herein made to University is made in compromise and settlement of doubtful and disputed claims of University and shall not constitute an acknowledgement or admission of liability or obligation on the part of TXO.

Signed) to be made effective as of the 1st day of June, 1980.

ATTEST:

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

Betty Anne Thedford,
Secretary
Board of Regents of The
University of Texas System

By: DAN C. WILLIAMS, Chairman

ATTEST:

BOARD FOR LEASE OF UNIVERSITY LANDS

Maxine Dean,
Secretary

By: BOB ARMSTRONG, Chairman

Approved as to Form:

Approved as to Content:

Leeward Shivers
University Attorney

Benjamin J. Campbell
Benjamin J. Campbell,
Director, University Lands
Accounting Office

ATTEST:

TEXAS OIL & GAS CORP.

Assistant Secretary

By:

President - TempletonPresident Monroe

U. T. EL PASO: (1) EFFECTIVE DATE OF APPOINTMENT OF DR. HASKELL M. MONROE, JR., AS PRESIDENT OF U. T. EL PASO CHANGED FROM SEPTEMBER 1, 1980 TO JULY 14, 1980 AND (2) CHANGE OF STATUS OF DR. ARLEIGH B. TEMPLETON FROM PRESIDENT OF U. T. EL PASO TO SPECIAL CONSULTANT TO THE CHANCELLOR EFFECTIVE JULY 14, 1980, TO CONTINUE THROUGH AUGUST 31, 1980. --Upon the recommendation of Chancellor Walker and without objection, the Board of Regents:

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- (1) Changed the effective date of the appointment of Dr. Haskell M. Monroe, Jr., as President of The University of Texas at El Paso from September 1, 1980 to July 14, 1980
- (2) Changed the status of Dr. Arleigh B. Templeton from President of The University of Texas at El Paso to Special Consultant to the Chancellor effective July 14, 1980, with this appointment to continue through August 31, 1980

LITIGATION - T. C. BATESON CONSTRUCTION COMPANY V. BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM: SETTLEMENT. --

Upon motion of Vice-Chairman Law and without objection, the Board of Regents approved the settlement of T. C. Bateson Construction Company v. Board of Regents of The University of Texas System in accordance with the terms and conditions presented to the Board by the Attorney General's Office in Executive Session; authorized the Chairman of the Board of Regents to sign the settlement agreement on behalf of the Board; and ordered the executed settlement agreement forwarded to the Secretary to the Board of Regents for the record.

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ADJOURNMENT. --There being no further business, the meeting was adjourned at 2:25 p. m.

Margaret Glover

Lela M. Lenning

July 17, 1980