

Meeting No. 904

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

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July 14, 1997

Austin, Texas

MEETING NO. 904

MONDAY, JULY 14, 1997.--The members of the Board of Regents of The University of Texas System convened at 11:15 a.m. on Monday, July 14, 1997, in the Regents' Meeting Room on the ninth floor of Ashbel Smith Hall at 201 West Seventh Street in Austin, Texas, with the following in attendance:

ATTENDANCE.--

Present

Chairman Evans, presiding
Vice-Chairman Loeffler
Vice-Chairman Clements
Regent Lebermann
Regent Oxford
Regent Riter
Regent Sanchez
Regent Smiley

Absent

*Regent Hicks

Executive Secretary Dilly

Chancellor Cunningham
Executive Vice Chancellor Burck
Executive Vice Chancellor Duncan
Executive Vice Chancellor Mullins

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Evans called the meeting to order. He announced that the sole purpose of this special meeting was to consider the items set forth in Interim Agenda 97-3 which had been previously distributed to the Board. Chairman Evans reported to the Board that these items were of sufficient urgency that they needed to be resolved prior to the regular meeting of the Board on August 13-14, 1997.

*Regent Hicks was excused because of a previous commitment.

1. U. T. System: Appointment of Continental Casualty Company, a Fully Owned Subsidiary of CNA, both of Chicago, Illinois, as Carrier for Long Term Disability (LTD) Plan and Approval of Monthly Rates to be Effective September 1, 1997.--Upon recommendation of the Chancellor and the Executive Vice Chancellor for Business Affairs, the Board:
- a. Approved the appointment of Continental Casualty Company, a fully owned subsidiary of CNA, both of Chicago, Illinois, as the long term disability (LTD) provider for employees of The University of Texas System to be effective September 1, 1997
 - b. Approved the rate of .41% per \$100 of covered monthly earnings for the LTD insurance plan. This premium rate includes .08% per \$100 of covered monthly earnings to be deposited in a stabilization reserve fund.

Benefits for the LTD plan are as follows:

LTD Insurance	Minimum Benefit	Maximum Benefit
Employee - 60% of basic monthly wage ¹ less other income benefits ² after satisfying the 90-day elimination period.	Tier I Minimum Benefit - \$100 per month while disabled and receiving sick pay. Tier II Minimum Benefit - Greater of \$100 or 10% of the monthly benefit before deductions for other income benefits.	\$12,025 per month
Disability Plus - 10% of basic monthly wage.	No minimum benefit and no offset due to other income benefits.	An additional \$5,000
¹ For faculty members with 12-month contracts, basic monthly wage means 1/12 of annual contract salary in effect at the beginning of the plan year. For faculty members with 9-month contracts, basic monthly wage means 1/9 of the 9-month contract amount at the beginning of the plan year. For all other employees, it means the monthly rate of earnings in effect at the beginning of the plan year. Basic monthly wage does not include commissions, bonuses, overtime pay, or other extra compensation.		
² Deductible sources of income include Workers' Compensation, Social Security Benefits, Retirement Benefits, and other group LTD benefits.		

This rate is significantly lower than the current rate being offered to employees for the FY 1996-97 plan year. In addition, the previous LTD plan required that an employee exhaust all vacation, sick leave, and sick leave pool time before LTD benefits could be paid. The CNA plan allows for a minimum benefit to be paid after a 90-day elimination or waiting period. The minimum benefit is payable while the member is exhausting his/her sick leave time and there is no provision that vacation time must be used.

2. U. T. System: Appointment of PCS Health Systems, Inc., Scottsdale, Arizona, as Carrier for a Self-Funded Prescription Drug Program to be Effective September 1, 1997.--The Board, upon recommendation of the Chancellor and the Executive Vice Chancellor for Business Affairs, approved the appointment of PCS Health Systems, Inc., Scottsdale, Arizona, as the carrier for a self-funded outpatient prescription drug program for employees and retirees of The University of Texas System to be effective September 1, 1997.

PCS Health Systems, Inc., Scottsdale, Arizona, was awarded the contract for the outpatient prescription drug program as its customer service, low cost, technological support and ability to customize services to meet U. T. System's needs exceeded the other proposals.

3. U. T. System: Appointment of Superior Vision Plan, Laguna Hills, California, as Carrier for Vision Plan and Approval of Monthly Rates to be Effective September 1, 1997.--The Chancellor and the Executive Vice Chancellor for Business Affairs recommended and the Board:
 - a. Approved the appointment of Superior Vision Plan, Laguna Hills, California, as the vision plan provider for employees and retirees of The University of Texas System effective September 1, 1997
 - b. Approved rates for the vision plan administered by Superior Vision Plan, Laguna Hills, California, as set forth on Page 4 to be effective September 1, 1997.

Superior Vision Plan Monthly Premium Rates for FY 1997-98	
Coverage Level	
Subscriber Only	\$ 6.58
Subscriber and Spouse	\$10.23
Subscriber and Children	\$10.46
Subscriber and Family	\$16.87

The contract was awarded to Superior Vision Plan as a result of its network inclusion of ophthalmologists and slightly lower rates available to members.

4. U. T. System: Approval of Monthly Premiums for the Self-Funded Medical and Dental Plans and Health Maintenance Organizations (HMOs) Effective September 1, 1997.--Upon recommendation of the Chancellor and the Executive Vice Chancellor for Business Affairs, the Board approved the monthly premiums for The University of Texas System self-funded medical and dental plans and health maintenance organizations (HMOs) to be effective September 1, 1997, as follows:

U. T. SYSTEM SELF-FUNDED MEDICAL PLAN MONTHLY PREMIUMS FOR FY 1997-98			
	POINT-OF-SERVICE PLAN WHERE OFFERED	PLAN A/\$200 DEDUCTIBLE WHERE OFFERED	PLAN B/\$500 DEDUCTIBLE WHERE OFFERED
Subscriber Only (Automatic Package)	\$168.72	\$168.72	Not Available
Subscriber Only (Non-Automatic Package)	\$171.69	\$171.69	\$139.80
Subscriber and Spouse	\$336.02	\$336.02	\$285.04
Subscriber and Child(ren)	\$313.57	\$313.57	\$238.48
Subscriber and Family	\$473.09	\$473.09	\$343.46

U. T. SYSTEM SELF-FUNDED MEDICAL PLAN MONTHLY PREMIUMS FOR FY 1997-98*		
	NYLCARE GALVESTON/HOUSTON DUAL OPTION	NYLCARE GALVESTON/HOUSTON PPO OPTION
Subscriber Only-Medicare	Not available with the Dual Option plan	\$179.53
Subscriber Only-NonMedicare	Not available with the Dual Option plan	\$204.03
Subscriber Only (Automatic Package)	\$179.59	NOT AVAILABLE
Subscriber Only (Non-Automatic Package)	\$182.56	NOT AVAILABLE
Subscriber and Spouse	\$355.39	\$384.69
Subscriber and Child(ren)	\$336.78	\$373.78
Subscriber and Family	\$506.77	\$571.78
*The NYLCare Houston dual option plan and the Houston PPO option were not available in FY 1996-97.		

U. T. SYSTEM SELF-FUNDED HMO MONTHLY PREMIUMS FOR FY 1997-98			
	PCA AUSTIN HMO	PCA SAN ANTONIO HMO	U. T. SOUTHWESTERN HEALTH PLAN DALLAS HMO
Subscriber Only	\$165.35	\$167.68	\$164.55
Subscriber and Spouse	\$317.88	\$318.74	\$310.04
Subscriber and Child(ren)	\$287.47	\$295.90	\$286.36
Subscriber and Family	\$420.46	\$448.18	\$428.80

U. T. SYSTEM SELF-FUNDED HMO AND EPO* MONTHLY PREMIUMS FOR FY 1997-98		
	NYLCare Austin HMO	NYLCare Valley EPO
Subscriber Only	\$167.40	\$166.57
Subscriber and Spouse	\$310.27	\$313.37
Subscriber and Child(ren)	\$283.94	\$282.82
Subscriber and Family	\$415.90	\$419.81
*EPO is an Exclusive Provider Organization.		

FREESTANDING INSURED HMO MONTHLY PREMIUMS FOR FY 1997-98			
	PRUDENTIAL AUSTIN	PRUDENTIAL HOUSTON	KAISER
Subscriber Only	\$164.85	\$165.35	\$127.52
Subscriber and Spouse	\$310.15	\$323.46	\$306.05
Subscriber and Child(ren)	\$279.90	\$292.65	\$255.04
Subscriber and Family	\$407.65	\$424.73	\$369.81

FREESTANDING INSURED HMO MONTHLY PREMIUM RATES FOR FY 1997-98*	
PRUDENTIAL HEALTHCARE EL PASO	
Coverage Level	
Subscriber Only	\$142.99
Subscriber and Spouse	\$280.75
Subscriber and Child(ren)	\$261.99
Subscriber and Family	\$395.27
*Prudential HealthCare HMO was not available in FY 1996-97.	

DENTAL PLAN MONTHLY PREMIUMS FOR FY 1997-98			
	U. T. SYSTEM SELF-FUNDED DENTAL RATES	U. T. SYSTEM SELF-FUNDED DENTAL RATES PREVENT PLAN*	UNITED DENTAL CARE (Dental HMO)
Subscriber Only	\$18.35	\$7.48	\$10.83
Subscriber and Spouse	\$33.10	\$12.95	\$20.16
Subscriber and Child(ren)	\$42.11	\$14.22	\$26.48
Subscriber and Family	\$52.52	\$20.12	\$31.83
*Prevent Plan was not available in FY 1996-97 and is only being offered in the Galveston and Houston area.			

MONTHLY SMOKER PREMIUM RATE
A rate of \$10.00 per month will be added to either a U. T. System self-funded medical or dental plan for employees and retirees who do not sign an affidavit stating they are nonsmokers unless the employee or retiree is covered by the automatic plan.

The premium rates shown for the self-funded medical and dental plans were set by the U. T. System based upon past and projected claims experience. The 75th Texas Legislature approved a 2% increase in the premium sharing for U. T. System employees and retirees which did not provide sufficient funding to offset the projected increase in medical plan expenses. Therefore, premium rates for the self-funded medical Point-of-Service Plan, Plan A, and Plan B were increased for FY 1997-98.

The premium rates for the Dual Option and Preferred Provider Organization Plans for the Galveston and Houston area are at a higher cost for employees and retirees than the Point-of-Service cost because of the projected medical plan expenses for the area. The U. T. medical plan expenses have been significantly higher in the Galveston and Houston area than for the rest of the state over the last few years. Therefore, the Point-of-Service Plan will no longer be offered in the Galveston and Houston area (see Item 6 on Page 9). The Galveston and Houston area will be offered a preventive dental plan at a reduced rate from the standard dental plan in order to reduce costs to employees and retirees. This dental plan will only provide benefits for preventive and maintenance service.

The premium rates for the fully insured freestanding HMOs and United Dental Care HMO were set by each organization. Premium rates for Prudential Austin, Prudential Houston, and Kaiser will reflect an increase, while the United Dental Care HMO rates will not change. If employees and retirees who smoke are enrolled in a U. T. self-funded medical or dental plan, they will be assessed the \$10 per month smoker fee. The Prudential HMO in El Paso will be offered to provide a low cost alternative to the employees and retirees residing in the El Paso, Texas, area.

The sources of premium payments are state and local funds, contributed at rates set by the Legislature, and employee or retiree contributions.

5. U. T. System: Establishment of a Fully-Funded Free-standing Health Maintenance Organization (HMO) to Service the El Paso, Texas, Area and Appointment of Prudential HealthCare, El Paso, Texas, as the HMO to be Effective September 1, 1997.--The Board, upon recommendation of the Chancellor and the Executive Vice Chancellor for Business Affairs, established a fully-funded freestanding health maintenance organization (HMO) to serve the employees and retirees of The University of Texas System located in the El Paso, Texas, area and approved the appointment of Prudential HealthCare, El Paso, Texas, as the HMO to be effective September 1, 1997.

The contract was awarded to Prudential HealthCare, El Paso, Texas, as it provided the lowest cost alternative for members.

See related Item 4 on Page 4 for the rates for the El Paso, Texas, area health maintenance organization.

6. U. T. System: Establishment of a Self-Funded Dual Option Plan and Preferred Provider Organization (PPO) to Service the Galveston and Houston, Texas, Area and Appointment of NYLCare of the Gulf Coast, Houston, Texas, as an Administrative/Fiscal Agent for the Organizations to be Effective September 1, 1997.--Upon recommendation of the Chancellor and the Executive Vice Chancellor for Business Affairs, the Board approved the establishment of a self-funded dual option plan and a preferred provider organization (PPO) plan to service The University of Texas System employees and retirees of the Galveston and Houston, Texas, area and approved the appointments of the following administrative/fiscal agents effective September 1, 1997:

- a. NYLCare of the Gulf Coast, Houston, Texas, for a dual option plan to serve the Galveston and Houston, Texas, area
- b. NYLCare of the Gulf Coast, Houston, Texas, for a PPO plan to serve the Galveston and Houston, Texas, area.

See Item 4 on Page 4 for the rates for the Galveston and Houston, Texas, area medical insurance programs.

It was noted that the contracts were awarded to NYLCare of the Gulf Coast, Houston, Texas, due to the low administrative cost and extensive network available to members. See Item 4 on Page 4 related to the reasons for the establishment of this contract as an alternative to the U. T. System Point-of-Service Plan.

7. U. T. Austin - Track and Field/Soccer Stadium and Parking Facility (Project No. 102-863): Approval to Increase Total Project Cost and Appropriation Therefor; Darrell K Royal - Texas Memorial Stadium - Renovation and Expansion of West Grandstand (Project No. 102-861), East Side Addition and Renovation (Project No. 102-862), Neuhaus/Royal Athletic Facility (Project No. 102-864), and Track and Field/Soccer Stadium and Parking Facility (Project No. 102-863): Appropriation to Finance on an Interim Basis the Collection of Gift Pledges and Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity.--The Board, upon recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Berdahl:
- a. Approved an increase in the total project cost from \$22,200,000 to \$25,700,000 for the Track and Field/Soccer Stadium and Parking Facility at The University of Texas at Austin
 - b. Appropriated additional funding of \$3,500,000 from Gifts and Grants for the Track and Field/Soccer Stadium and Parking Facility
 - c. Appropriated \$19,880,000 from Revenue Financing System Bond Proceeds to finance, on an interim basis, the collection of gift pledges associated with the U. T. Austin Darrell K Royal - Texas Memorial Stadium - Renovation and Expansion of West Grandstand, East Side Addition and Renovation, the Neuhaus/Royal Athletic Facility, and the Track and Field/Soccer Stadium and Parking Facility.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993, and upon delivery of the Certificate of an Authorized Representative as set out on Page 14, the Board resolved that:

- a. Parity Debt shall be issued to pay the projects' cost funded by gift pledges
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. Austin, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its Direct Obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of Parity Debt for interim gift financing of Memorial Stadium projects in the amount of \$19,880,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

In February 1997, the preliminary plans for the Track and Field/Soccer Stadium and Parking Facility project at U. T. Austin were approved by the U. T. Board of Regents at an estimated total project cost of \$22,200,000. In addition to the two fundamental elements of a track and field/soccer stadium and a parking facility, the approved preliminary plans included provisions for a future Field House. Approval to increase the total project cost by adding the Field House was recommended following a new evaluation by the U. T. Austin Men's Intercollegiate Athletics Department for the need to provide on-site locker rooms, coaches' offices, equipment rooms, and other support areas upon the opening of the Track and Field/Soccer Stadium. The funds needed for the construction of the Field House will be provided by \$3,500,000 of additional Gifts and Grants for a new total project cost of \$25,700,000.

To avoid delay, the project is being submitted to the Texas Higher Education Coordinating Board for consideration at its July 17-18, 1997 meeting. Approval by the U. T. Board of Regents and the Texas Higher Education Coordinating Board will allow time for the inclusion of the Field House in the general construction contract bidding for the Track and Field/Soccer Stadium and Parking Facility.

The total project cost of \$25,700,000 for the Track and Field/Soccer Stadium and Parking Facility will be funded by \$9,700,000 from Revenue Financing System Bond Proceeds, \$3,000,000 from Auxiliary Enterprise Balances, and \$13,000,000 from Gifts and Grants.

Approval of the increase in total project cost for the Track and Field/Soccer Stadium and Parking Facility will amend the FY 1996-2001 Capital Improvement Program and the FY 1996-1997 Capital Budget.

U. T. Austin has the following projects in the FY 1996-2001 Capital Improvement Program that relate to the Darrell K Royal - Texas Memorial Stadium Renovations: (1) Texas Memorial Stadium - Renovation and Expansion of West Grandstand, (2) Texas Memorial Stadium - East Side Addition and Renovation, (3) Neuhaus/Royal Athletic Facility, and (4) Track and Field/Soccer Stadium and Parking Facility. These projects are funded with \$27,800,000 (including Field House addition) from Gifts and Grants, \$55,700,000 from Revenue Financing System Bond Proceeds, and \$3,000,000 from Auxiliary Enterprise Balances.

As of May 31, 1997, the U. T. Austin Longhorn Legacy Campaign has identified gift pledges totaling \$20,491,600 available to fund project costs. Of this total, \$5,481,850 has been collected and \$4,554,000 is expected to be collected during the construction duration of the projects. The cash flow projections of the construction costs compared to the gift collections reflect a maximum shortfall of approximately \$19,880,000 in November 1998.

The interim financing of gifts with the Revenue Financing System short-term notes will be repaid as the gift pledges are collected. The notes to be used to finance the gift pledges will be issued on a tax-exempt and a more expensive taxable basis when necessary.

The gift financing debt is assumed to be maintained in short-term notes with a tax-exempt borrowing cost of 5.0% and a taxable borrowing cost of 6.5%. Based on the present collection schedule, during FY 1998, \$19,880,000 of gift financing debt is required, declining to \$17,714,000 in FY 1999, \$14,892,000 in FY 2000 and \$13,070,000 in FY 2001. Incremental debt service resulting from gift financing, paid by the Men's Intercollegiate Athletics Department, ranges from \$522,000 in FY 1998 to \$903,000 in FY 1999 and declines to \$654,000 in FY 2001. Project level debt service coverage ranges from 0.8 times in FY 1998 to 1.6 times in FY 2001. Full retirement of all notes from gifts will be dependent on the acquisition and collection of an additional \$7,308,400 in pledges as well as collection of existing pledges over an anticipated five-year period.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Assistant Vice Chancellor for Finance of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System adopted by the Board on February 14, 1991, and amended on October 8, 1993 (the "Master Resolution"), do hereby execute this certificate for the benefit of the U. T. Board of Regents pursuant to Section 5 (a) (ii) of the Master Resolution in connection with the authorization by the U. T. Board of Regents to issue "Parity Debt" pursuant to the Master Resolution to finance, on an interim basis, the collection of gift pledges associated with the U. T. Austin Darrell K Royal - Texas Memorial Stadium - Renovation and Expansion of West Grandstand, East Side Addition and Renovation, the Neuhaus-Royal Athletic Facility, and the Track and Field/Soccer Stadium and Parking Facility, and do certify that to the best of my knowledge, the U. T. Board of Regents is in compliance with all covenants contained in the Master Resolution, First Supplemental Resolution Establishing an Interim Financing Program, the Second Supplemental Resolution, the Third Supplemental Resolution, the Fourth Supplemental Resolution, and the Fifth Supplemental Resolution and is not in default of any of the terms, provisions, and conditions in said Master Resolution. First Supplemental Resolution, Second Supplemental Resolution, Third Supplemental Resolution, Fourth Supplemental Resolution, and the Fifth Supplemental Resolution as amended.

EXECUTED this 14 day of July, 1997

John A. Roan
Assistant Vice Chancellor for Finance

8. U. T. Austin: Appointment of Dr. Peter T. Flawn as a Support Director to The Dedman Foundation, Dallas, Texas, Effective July 1, 1997.--Upon recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs, and The Dedman Foundation, Dallas, Texas, approval was given for Dr. Peter T. Flawn, President ad interim of The University of Texas at Austin, to serve as a Support Director to The Dedman Foundation effective July 1, 1997, as long as Dr. Flawn serves as President ad interim. Dr. Flawn will serve as a Support Director without compensation.

Further, the Board endorsed the recommendation that the individual serving as President of U. T. Austin will serve in the future as a Support Director to The Dedman Foundation without need for further action by the U. T. Board of Regents.

The Dedman Foundation is a nonprofit corporation established to operate exclusively for the benefit of 21 charities, entities, or projects, including the College of Liberal Arts at U. T. Austin, the Southwestern Medical Foundation, and the Dedman Institute for Entrepreneurship and Innovation at The University of Texas at Dallas. Dr. Robert M. Berdahl had been serving as a Support Director and representative for U. T. Austin to The Dedman Foundation, Dallas, Texas. Upon his resignation as President of U. T. Austin effective July 1, 1997, Dr. Berdahl vacated his position with The Dedman Foundation.

Article II, Section (3)(c) of the Bylaws of The Dedman Foundation provides that such a vacancy shall be filled by election or designation of a successor Support Director by the governing body of the organization that the Support Director represents. To comply with the Foundation's Bylaws, it is necessary that the U. T. Board of Regents approve Dr. Flawn's appointment as a Support Director to The Dedman Foundation. This action makes approval of further individual appointments to The Dedman Foundation unnecessary.

RECESS TO EXECUTIVE SESSION.--At 11:30 a.m., Chairman Evans announced that the Board would recess to convene in Executive Session pursuant to Texas Government Code, Chapter 551, Sections 551.071 and 551.072 to consider those matters listed on the Executive Session agenda.

RECONVENE.--Following the Executive Session which recessed at 12:45 p.m., the members of the Board reconvened in open session to consider action on the items that were discussed in Executive Session. In response to Chairman Evans' inquiry regarding the wishes of the Board, the following actions were taken:

1. U. T. Board of Regents: Authorization for General Counsel to Approve Settlement of Claims Related to Oil Royalties.--Regent Smiley moved that the General Counsel of The University of Texas System be authorized, on behalf of the U. T. Board of Regents, to approve a settlement of claims relating to oil royalties in accordance with the proposal presented in Executive Session.

Vice-Chairman Loeffler seconded the motion which carried without objection.

2. U. T. M.D. Anderson Cancer Center: Authorization to Settle Intellectual Property Litigation Brought Against The Liposome Company, Inc., Princeton, New Jersey.--Upon motion of Regent Oxford, seconded by Regent Smiley, the Board authorized the Chancellor and the Office of General Counsel to settle the intellectual property litigation brought against The Liposome Company, Inc., Princeton, New Jersey, by the Board of Regents of The University of Texas System and The University of Texas M.D. Anderson Cancer Center in accordance with the proposal presented in Executive Session.

3. U. T. Board of Regents: Approval to Market for Sale Approximately 3.84 Acres of Land and Improvements Located at 1606 Niles Road (Also Commonly Known as #6 Niles Road and/or "Woodlawn"), Austin, Travis County, Texas.--Regent Lebermann moved that:

- a. The University of Texas System Real Estate Office be authorized, on behalf of The University of Texas at Austin and The University of Texas - Pan American, to market for sale

approximately 3.84 acres of land located at 1606 Niles Road in Austin, Travis County, Texas, which is known as "Woodlawn," for a cash sales price of not less than \$2,600,000 using an Announcement for Sale process that allows any interested party to submit an offer to purchase the property according to parameters to be included in the official Announcement for Sale package. The Announcement for Sale shall permit additional noncash consideration over and above the minimum \$2,600,000 cash sales price.

- b. Restrictive covenants to protect the historic nature of the property be placed in the deed and provide that
 - (1) The property cannot be subdivided
 - (2) The north, south, and east exteriors of the 2-story portion of the house shall be maintained without material change or modification, except that the owner may restore the south exterior to its original appearance and configuration
 - (3) The content and form of the restrictive covenants shall be as they appear in the deed to be included in the Announcement for Sale package
- c. The Real Estate Office be authorized to enter into discussions or negotiations with one or more of the offerors in accordance with the guidelines to be set out in the Announcement for Sale
- d. Offers received in response to the Announcement for Sale process be submitted to the Board for consideration and acceptance of the best offer at a future meeting of the U. T. Board of Regents.

Vice-Chairman Clements seconded the motion which prevailed by unanimous vote.

4. U. T. Dallas: Request for Authorization to Sell Approximately 9.16 Acres of Land Known as Synergy Park, Tract 10, in Richardson, Collin County, Texas, and Authorization to Execute All Documents Related Thereto (Withdrawn).--At the request of The University of Texas at Dallas, the item related to the proposed sale of an approximately 9.16 acre tract of land known as Synergy Park, Tract 10, in Richardson, Collin County, Texas, was withdrawn from consideration at this meeting.

ADJOURNMENT.--Chairman Evans announced that the purpose for which this meeting was called had been completed and the meeting was duly adjourned at 12:50 p.m.

/s/ Arthur H. Dilly
Executive Secretary

July 17, 1997