

## MATERIAL SUPPORTING THE AGENDA

### Volume XXVIIc

This volume contains the Material Supporting the Agenda furnished to each member of the Board of Regents prior to the meetings held on

May 29-30, 1980 and  
July 10-11, 1980

The material is divided according to the standing committees and the meetings that were held and is submitted on four different colors, namely:

White paper - for the documentation of all items that were presented before the deadline date.

Blue paper - all items submitted to the Executive Session of the Committee of the Whole and distributed only to the Regents and Chancellor of the System.

Yellow paper - Emergency items distributed at the meeting.

Pink paper - strictly confidential - normally reflects the names of architectural firms that are recommended by the Administration to the Regents.

Material distributed at the meeting as additional documentation is not included in the bound volume, because sometimes there is an unusual amount and other times some people get copies and some do not get copies. If the Secretary was furnished a copy, then that material goes into the appropriate subject file.

Secretary Thedford was absent for the July meeting. Though she thinks all the supporting material has been furnished her, there is a possibility that something may be lacking.



**BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM**

**Material Supporting**

# **Agenda**

**Meeting Date:**..... **July 10-11, 1980**.....

**Meeting No.:**..... **769**.....

**Name:** .....

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BOARD OF REGENTS  
of  
THE UNIVERSITY OF TEXAS SYSTEM  
CALENDAR

Place: 2nd Floor Hallway, Main Building  
Marine Science Institute  
Port Aransas, Texas

Thursday, July 10, 1980

1:30 p. m. Meeting of the Board of Regents

To Consider Bids for Sale of:

- (1) Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1980, in the Amount of \$26,000,000
- (2) 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
- (3) 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

To Receive Report on U. T. Austin  
Marine Science Institute (Port Aransas)

Committee Meetings

Buildings and Grounds Committee  
\*Committee of the Whole - Executive  
Session (if time permits)

Friday, July 11, 1980

9:00 a. m. Meeting of the Board of Regents

Committee Meetings

System Administration Committee  
Academic and Developmental Affairs Committee  
Buildings and Grounds Committee (if not  
previously completed)  
Health Affairs Committee  
Land and Investment Committee  
Committee of the Whole  
Open Session  
Executive Session

Meeting of the Board of Regents

Telephone Numbers

Dr. Parker's Office	(512) 749-6730
The Dunes Condominiums	(512) 749-5155

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\*If the Buildings and Grounds Committee completes its business before the end of the day, the Committee of the Whole in Executive Session will convene.

# Meeting of the Board

AGENDA FOR MEETING  
of  
BOARD OF REGENTS  
of  
THE UNIVERSITY OF TEXAS SYSTEM

Date: July 10, 1980

Time: 1:30 p. m.

Place: 2nd Floor Hallway, Main Building  
Marine Science Institute (Port Aransas)

A. CALL TO ORDER

B. SPECIAL ORDERS

1. Board of Regents: (a) Resolution Authorizing Issuance and Sale of Board of Regents of The University of Texas System, Permanent University Fund Bonds, New Series 1980, in the Amount of \$26,000,000, (b) Designation of Paying Agent and (c) Award of Contract for Printing.--

Background Information

Pursuant to authorization by the Board of Regents at its meeting on May 30, 1980, bids for Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1980, in an amount of up to \$26,000,000 will be opened at the first floor conference room, Claudia Taylor Johnson Hall at 5:00 P. M., C.D.T., Wednesday, July 9, 1980. Bids for the Board of Regents of The University of Texas System PUF Bonds, New Series 1980, in the amount of \$26,000,000, the Paying Agency and Printing of Bonds will be considered by the Board of Regents at 1:30 P.M., C.D.T., Thursday, July 10, 1980, at the Main Building, 2nd Floor Hallway, Marine Science Institute at Port Aransas.

Recommendation and/or Action Required

A tabulation of the bids for each of the following will be distributed at the meeting. After due consideration the following actions are required:

- a. Adoption of the Resolution\*
- b. Designation of Paying Agent
- c. Award of Contract for Printing

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\*The resolution will not be received from the Bond Counsel in time for the bound volume of the MSA.

2. Board of Regents: (a) Resolution Authorizing the Issuance and Sale 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, (b) Designation of Banks of Payment, and (c) Award of Contract for Printing.

Background Information

The Board of Regents on June 1, 1979, authorized that Utility Revenue Bonds, Series 1979, now changed to 1980, for The University of Texas at Dallas be issued and sold at a subsequent meeting of the Board of Regents in an estimated amount of \$9,200,000.

Appropriate steps have been taken for the issuance of these bonds, but in an amount of \$10,125,000, and bids have been called for. Bids for the Bonds will be opened at the first floor conference room, Claudia Taylor Johnson Hall at 5:00 P.M., C.D.T., Wednesday, July 9, 1980. Bids for the Bonds, the Paying Agency and Printing of Bonds will be considered by the Board of Regents at 1:30 P.M., C.D.T., Thursday, July 10, 1980, at the Main Building, 2nd Floor Hallway, Marine Science Institute at Port Aransas.

Recommendation and/or Action Required

A tabulation of the bids for each of the following will be distributed at the meeting. After due consideration the following actions are required:

- a. Adoption of the Resolution\*
- b. Designation of Paying Agent
- c. Award of Contract for Printing

3. Board of Regents: (a) Resolution Authorizing the Issuance and Sale 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; (b) Designation of Banks of Payment; and (c) Award of Contract for Printing.

Background Information

The Board of Regents on June 1, 1979, authorized that Utility Revenue Bonds, Series 1979, now changed to 1980, for The University of Texas at San Antonio be issued and sold at a subsequent meeting of the Board of Regents in an estimated amount of \$8,800,000.

Appropriate steps have been taken for the issuance of these bonds, but in an amount of \$9,775,000, and bids have been called for. Bids for the Bonds will be opened at the first floor conference room, Claudia Taylor Johnson Hall at 5:00 P.M., C.D.T., Wednesday, July 9, 1980. Bids for the Bonds, the Paying Agency and Printing of Bonds will be considered by the Board of Regents at 1:30 P.M., C.D.T., Thursday, July 10, 1980, at the Main Building, 2nd Floor Hallway, Marine Science Institute at Port Aransas.

Recommendation and/or Action Required

A tabulation of the bids for each of the following will be distributed at the meeting. After due consideration the following actions are required:

- a. Adoption of the Resolution\*
- b. Designation of Paying Agent
- c. Award of Contract for Printing

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\*The resolution will not be received from the Bond Counsel in time for the bound volume of the MSA.

C. WELCOME AND REPORT ON U. T. AUSTIN MARINE SCIENCE INSTITUTE (PORT ARANSAS) BY PRESIDENT FLAWN

D. RECESS FOR COMMITTEE MEETINGS

1. Buildings and Grounds Committee. --To discuss and act on items listed on the agenda and any emergency or late items referred to the Committee. Unless there are unfinished items, the Buildings and Grounds Committee will complete its meeting on Thursday, July 10.
2. Committee of the Whole - Executive Session. --If the Buildings and Grounds Committee adjourns before 5:00 p. m., the Board of Regents will retire to Room 303 on the 3rd Floor of the Main Building of the Marine Science Institute and resolve into Executive Session of the Committee of the Whole pursuant to V. T. C.S., Article 6252-17, Sections 2(e), (f) and (g) to discuss:
  - a. Pending and/or Contemplated Litigation - Section 2(e)
  - b. Land Acquisition, Purchase, Exchange, Lease or Value of Real Property and Negotiated Contracts for Prospective Gifts or Donations - Section 2(f)
  - c. Personnel Matters [Section 2(g)] Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees
    - (1) U. T. El Paso: Proposed Amendment to 1979-80 Operating Budget
    - (2) U. T. System: Personnel in 1980-81 Operating Budget

E. RECESS TO RECONVENE AT 9:00 A. M. ON FRIDAY, JULY 11, 1980

AGENDA FOR MEETING  
of  
BOARD OF REGENTS  
of  
THE UNIVERSITY OF TEXAS SYSTEM

Date: July 11, 1980

Time: 9:00 a. m.

Place: 2nd Floor Hallway, Main Building  
Marine Science Institute (Port Aransas)

A. -E. (Pages B of R 1 - 3 )

F. RECONVENE

G. APPROVAL OF MINUTES OF REGENTS' MEETING HELD  
MAY 29-30, 1980

H. INTRODUCTIONS

1. U. T. Arlington - President Nedderman
2. U. T. Austin - President Flawn
3. U. T. Dallas - President Jordan
4. U. T. El Paso - President Templeton
5. U. T. Permian Basin - President Cardozier
6. U. T. San Antonio - President Wagener
7. U. T. Tyler - President Stewart
8. Institute of Texan Cultures - Executive Director Maguire
9. Dallas Health Science Center - President Sprague
10. Galveston Medical Branch - President Levin
11. Houston Health Science Center - President Bulger
12. San Antonio Health Science Center - President Harrison
13. University Cancer Center - President LeMaistre
14. Tyler Health Center - Director Hurst

I. RECESS FOR COMPLETION OF COMMITTEE MEETINGS

1. System Administration Committee  
Committee Chairman Sterling
2. Academic and Developmental Affairs Committee  
Committee Chairman (Mrs.) Blumberg

3. Buildings and Grounds Committee (if business not completed  
Committee Chairman Law on Thursday)
4. Health Affairs Committee  
Committee Chairman Fly
5. Land and Investment Committee  
Committee Chairman Hay
6. Committee of the Whole  
Chairman Williams
  - a. Open Session
  - b. Executive Session. --The Board of Regents will retire to Room 303 on the 3rd Floor of the Main Building of the Marine Science Institute and resolve into Executive Session of the Committee of the Whole pursuant to V. T. C.S., Article 6252-17, Sections 2(e), (f) and (g) to discuss:
    - (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

AGENDA FOR MEETING  
of  
BOARD OF REGENTS  
of  
THE UNIVERSITY OF TEXAS SYSTEM

ADDITIONAL DOCUMENTATION

B. SPECIAL ORDERS

1. Board of Regents: (a) Resolution Authorizing Issuance and Sale of Board of Regents of The University of Texas System, Permanent University Fund Bonds, New Series 1980, in the Amount of \$26,000,000, (b) Designation of Paying Agent and (c) Award of Contract for Printing.--

Background Information

Pursuant to authorization by the Board of Regents at its meeting on May 30, 1980, bids for Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1980, in an amount up to \$26,000,000 will be opened at the first floor conference room, Claudia Taylor Johnson Hall at 5:00 P.M., C.D.T., Wednesday, July 9, 1980. Bids for the Board of Regents of The University of Texas System PUF Bonds, New Series 1980, in the amount of \$26,000,000, the Paying Agency and Printing of Bonds will be considered by the Board of Regents at 1:30 P.M., C.D.T., Thursday, July 10, 1980, at the Main Building, 2nd Floor Hallway, Marine Science Institute at Port Aransas.

Recommendation and/or Action Required

A tabulation of the bids for each of the following will be distributed at the meeting. After due consideration the following actions are required:

- a. Adoption of the Resolution [ Pages B of R 7-15]
- b. Designation of Paying Agent
- c. Award of Contract for Printing

O.C.

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

SALE OF THE BONDS.--As authorized, bids were called for and received until 5:00 P.M., CDT, on July 9, 1980, and then publicly opened and tabulated. A copy of the tabulation is attached.

It is recommended by the Executive Director for Investments and Trusts and the Chancellor of The University of Texas System, that the Board of Regents adopt the resolution authorizing the issuance of the bonds and the sale to Citibank, N.A., New York, for the joint managers, at the price of par and accrued interest to the date of delivery, at rates of interest shown on the tabulation. The effective interest rate is 6.6089%.

DESIGNATION OF PAYING AGENCY.--Attached is a tabulation of the bids received and publicly opened and tabulated at 4:00 P.M., CDT, on July 9, 1980, in accordance with specifications previously furnished the qualified bidders (Texas banks with assets in excess of \$200,000,000).

It is recommended by the Executive Director for Investments and Trusts and the Chancellor of The University of Texas System, that the bid of American National Bank of Austin to serve as Paying Agent for this issue be accepted. The Bank will pay the Board of Regents \$4,010.00 per annum as long as the bonds are outstanding. The Co-paying Agents are Irving Bank and Trust, New York, New York, and Harris Bank and Trust, Chicago, Illinois.

AWARD OF CONTRACT FOR PRINTING THE BONDS.--Attached is a tabulation of the bids received and publicly opened and tabulated at 4:00 P.M., CDT, on July 9, 1980, in accordance with specifications previously furnished companies bidding on University issues in recent years.

It is recommended by the Executive Director for Investments and Trusts and the Chancellor of The University of Texas System, that the bid of Hart Graphics, Inc. be accepted for printing bonds with lithographed borders, as set out in the specifications, for the sum of \$3,364.00 (less \$400.00 if delivery is made in Austin, Texas) there being five interest rates.

\$26,000,000

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
 PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1980  
 Bids Received  
 July 9, 1980, at 5:00 P.M., CDT

ACCOUNT	COUPON RATE			INTEREST COST		
Citibank, N. A. (For the Joint Managers)	19 81	thru	1989	7.00 %	Gross	\$ _____
	19 90		1994	6.50	Premium	_____
	19 95		1996	6.70	Net	\$19,417,060.00
	19 97		1998	7.00	Effective Interest Rate	_____
	19 99		2000	6.00		6.6089%
The Northern Trust Company - Manager and Associates	19 81	thru	1990	7.00 %	Gross	\$ _____
	19 91		1994	6.50	Premium	10,425.00
	19 95		1996	6.75	Net	19,493,800.00
	19 97		1998	7.00	Effective Interest Rate	_____
	19 99		2000	6.00		6.6350%
First National Bank in Dallas	19 81	thru	1993	6.60 %	Gross	\$ _____
	19 94		1995	6.70	Premium	172.00
	19 96			6.85	Net	19,639,058.00
	19 97		1999	7.00	Effective Interest Rate	_____
	2000			6.00		6.6844%
Bache Halsey Stuart Shields Inc.	19 81	thru	1991	7.00 %	Gross	\$ _____
	19 92		1994	6.50	Premium	_____
	19 95		1996	6.75	Net	\$19,575,725.00
	19 97		1998	7.00	Effective Interest Rate	_____
	19 99		2000	6.00		6.662942%
	19 ____	thru	_____	_____ %	Gross	\$ _____
	19 ____		_____	_____	Premium	_____
	19 ____		_____	_____	Net	_____
	19 ____		_____	_____	Effective Interest Rate	_____
	19 ____		_____	_____		_____

BIDS FOR PAYING AGENCY  
\$26,000,000

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1980

Bids Received  
July 9, 1980, at 4:00 P.M. CDT

Bidder	Co-Paying Agents	Per Coupon Paid	Per Bond Paid
American National Bank Austin, Texas	NY: Irving Bank and Trust  Chic: Harris Bank and Trust	Will pay the Board of Regents \$4,010.00 per year	
Fort Worth National Bank Fort Worth, Texas	NY: Bankers Trust Company  Chic: Continental Illinois National Bank and Trust Co.	\$0.15	\$1.50
Texas Commerce Bank National Association Houston, Texas	NY: Bankers Trust Company  Chic: Northern Trust Company	Will pay the Board of Regents \$1,700.00 per annum	
Capital National Bank Austin, Texas	NY: Citibank  Chic: First National Bank	Will pay to the Board of Regents the sum of \$3,075.00	
Houston National Bank Houston, Texas	NY: Bankers Trust Company  Chic: Northern Trust Company	-0-	-0-
Republic National Bank of Dallas Dallas, Texas	NY: Citibank  Chic: Continental Illinois National Bank and Trust Co.	0.175	1.75
State National Bank of El Paso El Paso, Texas	NY: Citibank  Chic: First National Bank of Chicago	0.125	7.50
The Austin National Bank Austin, Texas	NY: Bankers Trust Company  Chic: First National Bank	Will pay to the Board of Regents \$3,500 annually for 10 yrs beginning 7/1/81, then \$2,500 annually on 7/1 until all outstanding bonds have been retired	
Continental National Bank of Fort Worth Fort Worth, Texas	NY: Bankers Trust Company  Chic: Northern Trust Company	0.125	1.15
National Bank of Commerce of Dallas Dallas, Texas	NY: Bankers Trust Company  Chic: Continental Illinois National Bank and Trust Co.	Will pay the Board of Regents the sum of \$28,700.00 (\$2,500 to be paid immediately, plus \$1,310 per year paid each 1-1 to maturity of series	



BIDS FOR PRINTING BONDS  
\$26,000,000

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1980

Tabulation of Bids Received  
July 9, 1980 - 4:00 P.M., CDT

Bidder	One Coupon Rate	Two Coupons Rate	Three Coupons Rate	Four Coupons Rate	Five Coupons Rate	Number of Working Days
*Hart Graphics, Inc. 8000 Shoal Creek Blvd. Austin, Texas 78767	\$3,284.00	\$3,304.00	\$3,324.00	\$3,344.00	\$3,364.00	18

\* Less \$400.00 if delivery is made in Austin, Texas

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 \_\_\_\_\_ through \_\_\_\_\_, \_\_\_\_\_%

maturities \_\_\_\_\_ through \_\_\_\_\_, \_\_\_\_\_%

maturities \_\_\_\_\_ through \_\_\_\_\_, \_\_\_\_\_%  
maturities \_\_\_\_\_ through \_\_\_\_\_, \_\_\_\_\_%  
maturities \_\_\_\_\_ through \_\_\_\_\_, \_\_\_\_\_%

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

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

XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
Secretary

XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
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

XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
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

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

XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
Secretary

XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
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

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

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

---

O.C.

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

SALE OF THE BONDS.--As authorized, bids were called for and received until 5:00 P.M., CDT, on July 9, 1980, and then publicly opened and tabulated. A copy of the tabulation is attached.

It is recommended by the Executive Director for Investments and Trusts and the Chancellor of The University of Texas System, that the Board of Regents adopt the resolution authorizing the issuance of the bonds and the sale to Rotan Mosle, Inc., and Associates, at the price of par and accrued interest to date of delivery at rates of interest shown on the tabulation. The effective interest rate is 7.602562%.

DESIGNATION OF PAYING AGENCY.--Attached is a tabulation of the bids received and publicly opened and tabulated at 4:00 P.M., CDT, on July 9, 1980, in accordance with specifications previously furnished the qualified bidders (Texas banks with assets in excess of \$200,000,000).

It is recommended by the Executive Director for Investments and Trusts and the Chancellor of The University of Texas System, that the bid of National Bank of Commerce, Dallas, Texas, to serve as paying agent for this issue be accepted. The bank will pay the Board of Regents \$650.00. The Co-paying Agent is Bankers Trust Company.

AWARD OF CONTRACT FOR PRINTING THE BONDS.--Attached is a tabulation of the bids received and publicly opened and tabulated at 4:00 P.M., CDT, on July 9, 1980, in accordance with specifications previously furnished companies bidding on University issues in recent years.

It is recommended by the Executive Director for Investments and Trusts and the Chancellor of The University of Texas System, that the bid of Hart Graphics, Inc. be accepted for printing bonds with lithographed borders, as set out in the specifications, for the sum of \$1,431.00, there being six interest rates.

TABULATION OF BIDS  
 \$10,125,000  
 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
 THE UNIVERSITY OF TEXAS AT DALLAS  
 UTILITY REVENUE BONDS, SERIES 1980  
 Bids Opened Wednesday, July 9, 1980 at 5:00 P.M., C.D.T.

ACCOUNT	COUPONS	INTEREST COST	EFFECTIVE RATE																																
Rotan Mosle Inc. and Associates	<table border="0"> <tr><td>1981</td><td>to</td><td>1993</td><td>8.25%</td></tr> <tr><td>1994</td><td></td><td>1995</td><td>7.40</td></tr> <tr><td>1996</td><td></td><td></td><td>7.60</td></tr> <tr><td>1997</td><td></td><td></td><td>7.80</td></tr> <tr><td>1998</td><td></td><td></td><td>8.00</td></tr> <tr><td>1999</td><td></td><td>2000</td><td>6.75</td></tr> <tr><td>_____</td><td></td><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td></td><td>_____</td><td>_____</td></tr> </table>	1981	to	1993	8.25%	1994		1995	7.40	1996			7.60	1997			7.80	1998			8.00	1999		2000	6.75	_____		_____	_____	_____		_____	_____	Gross: <u>\$9,875,347.50</u> Less Prem: _____ Net: <u>9,875,347.50</u>	7.602562%
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First National Bank in Dallas and Associates	<table border="0"> <tr><td>1981</td><td>to</td><td>1992</td><td>7.80%</td></tr> <tr><td>1993</td><td></td><td></td><td>7.20</td></tr> <tr><td>1994</td><td></td><td></td><td>7.40</td></tr> <tr><td>1995</td><td></td><td></td><td>7.60</td></tr> <tr><td>1996</td><td></td><td></td><td>7.80</td></tr> <tr><td>1997</td><td></td><td>2000</td><td>8.00</td></tr> <tr><td>_____</td><td></td><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td></td><td>_____</td><td>_____</td></tr> </table>	1981	to	1992	7.80%	1993			7.20	1994			7.40	1995			7.60	1996			7.80	1997		2000	8.00	_____		_____	_____	_____		_____	_____	Gross: <u>\$10,159,380.00</u> Less Prem: <u>85.00</u> Net: <u>10,159,295.00</u>	7.82115%
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Citibank, N. A. (For the Joint Managers)	<table border="0"> <tr><td>1981</td><td>to</td><td>1988</td><td>8.75%</td></tr> <tr><td>1989</td><td></td><td></td><td>8.625</td></tr> <tr><td>1990</td><td></td><td>1993</td><td>7.25</td></tr> <tr><td>1994</td><td></td><td></td><td>7.60</td></tr> <tr><td>1995</td><td></td><td>1996</td><td>7.75</td></tr> <tr><td>1997</td><td></td><td>2000</td><td>8.00</td></tr> <tr><td>_____</td><td></td><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td></td><td>_____</td><td>_____</td></tr> </table>	1981	to	1988	8.75%	1989			8.625	1990		1993	7.25	1994			7.60	1995		1996	7.75	1997		2000	8.00	_____		_____	_____	_____		_____	_____	Gross: <u>\$10,244,581.00</u> Less Prem: _____ Net: <u>10,244,581.00</u>	7.8868%
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BIDS FOR PAYING AGENCY

\$10,125,000

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
THE UNIVERSITY OF TEXAS AT DALLAS  
UTILITY REVENUE BONDS, SERIES 1980

Tabulation of Bids Received  
July 9, 1980 - 4:00 P.M., C.D.T.

Bidder	New York Co-Paying Agent	Per Coupon Paid	Per Bond Paid
National Bank of Commerce of Dallas Dallas, Texas	Bankers Trust Company	Will pay the Board of Regents the sum of \$650.00 and will make no charge for payment.	
Houston National Bank Houston, Texas	Bankers Trust Company	\$0.15	\$1.50
Mercantile National Bank at Dallas Dallas, Texas	Manufacturers Hanover Trust Company	\$0.20	\$2.00
First City Bank of Dallas Dallas, Texas	The Chase Manhattan Bank	\$0.15 Plus other Charges.	\$1.50
The Austin National Bank Austin, Texas	Bankers Trust Company	Will charge Board of Regents \$350.00 annually on August 1 beginning August 1, 1981 until all bonds are retired.	
Fort Worth National Bank Fort Worth, Texas	Bankers Trust Company	\$0.15	\$1.50
Capital National Bank Austin, Texas	Citibank	\$0.125	\$1.25
American National Bank Austin, Texas	Irving Bank and Trust	\$0.075	\$1.00
Republic National Bank of Dallas Dallas, Texas	Citibank	\$0.175	\$1.75
State National Bank of El Paso El Paso, Texas	Citibank	\$0.125	\$7.50
Continental National Bank of Fort Worth Fort Worth, Texas	Bankers Trust Company	\$0.175	\$1.50
Texas Commerce Bank, N.A. Houston, Texas	Bankers Trust Company	\$0.20	\$2.50
First City National Bank of Houston, Houston, Texas	Manufacturers Hanover Trust Company	-0-	-0-



AGENDA FOR MEETING  
of  
BOARD OF REGENTS  
of  
THE UNIVERSITY OF TEXAS SYSTEM

ADDITIONAL DOCUMENTATION

B. SPECIAL ORDERS

2. Board of Regents: (a) Resolution Authorizing the Issuance and Sale 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, (b) Designation of Banks of Payment, and (c) Award of Contract for Printing.

Background Information

The Board of Regents on June 1, 1979, authorized that Utility Revenue Bonds, Series 1979, now changed to 1980, for The University of Texas at Dallas be issued and sold at a subsequent meeting of the Board of Regents in an estimated amount of \$9,200,000.

Appropriate steps have been taken for the issuance of these bonds, but in an amount of \$10,125,000, and bids have been called for. Bids for the Bonds will be opened at the first floor conference room, Claudia Taylor Johnson Hall at 5:00 P.M., C.D.T., Wednesday, July 9, 1980. Bids for the Bonds, the Paying Agency and Printing of Bonds will be considered by the Board of Regents at 1:30 P.M., C.D.T., Thursday, July 10, 1980, at the Main Building, 2nd Floor Hallway, Marine Science Institute at Port Aransas.

Recommendation and/or Action Required

A tabulation of the bids for each of the following will be distributed at the meeting. After due consideration the following actions are required:

- a. Adoption of the Resolution [Pages B of R 17-31]
- b. Designation of Paying Agent
- c. Award of Contract for Printing

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, _____%	maturities 1991, _____%
maturities 1982, _____%	maturities 1992, _____%
maturities 1983, _____%	maturities 1993, _____%
maturities 1984, _____%	maturities 1994, _____%
maturities 1985, _____%	maturities 1995, _____%
maturities 1986, _____%	maturities 1996, _____%
maturities 1987, _____%	maturities 1997, _____%
maturities 1988, _____%	maturities 1998, _____%
maturities 1989, _____%	maturities 1999, _____%
maturities 1990, _____%	maturities 2000, _____%

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:

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

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 ~~now current fall semester of 1979~~ 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 \_\_\_\_\_, for cash for the par value thereof and accrued interest thereon to date of delivery, plus a premium of \$\_\_\_\_\_. 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.

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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

SALE OF THE BONDS.--As authorized, bids were called for and received until 5:00 P.M., CDT, on July 9, 1980, and then publicly opened and tabulated. A copy of the tabulation is attached.

It is recommended by the Executive Director for Investments and Trusts and the Chancellor of The University of Texas System, that the Board of Regents adopt the resolution authorizing the issuance of the bonds and the sale to Rotan Mosle, Inc. and Associates at the price of par and accrued interest to date of delivery at rates of interest shown on the tabulation. The effective interest rate is 7.603246%.

DESIGNATION OF PAYING AGENCY.--Attached is a tabulation of the bids received and publicly opened and tabulated at 4:00 P.M., CDT, on July 9, 1980, in accordance with specifications previously furnished the qualified bidders (Texas banks with assets in excess of \$200,000,000).

It is recommended by the Executive Director for Investments and Trusts and the Chancellor of The University of Texas System, that the bid of National Bank of Commerce, Dallas, Texas, to serve as paying Agent for this issue be accepted. The bank will pay the Board of Regents \$600.00. The Co-paying Agent is Bankers Trust Company.

AWARD OF CONTRACT FOR PRINTING THE BONDS.--Attached is a tabulation of the bids received and publicly opened and tabulated at 4:00 P.M., CDT, on July 9, 1980, in accordance with specifications previously furnished companies bidding on University issues in recent years.

It is recommended by the Executive Director for Investments and Trusts and the Chancellor of The University of Texas System, that the bid of Hart Graphics, Inc., be accepted for printing bonds with lithographed borders, as set out in the specifications, for the sum of \$1,399.00, there being six interest rates.

TABULATION OF BIDS  
 \$9,775,000  
 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
 THE UNIVERSITY OF TEXAS AT SAN ANTONIO  
 UTILITY REVENUE BONDS, SERIES 1980  
 Bids Opened Wednesday, July 9, 1980 at 5:00 P.M., C.D.T.

ACCOUNT	COUPONS	INTEREST COST	EFFECTIVE RATE
Rotan Mosle Inc. and Associates	1981 to 1993 8.25% 1994 to 1995 7.40% 1996 _____ 7.60% 1997 _____ 7.80% 1998 _____ 8.00% 1999 to 2000 6.75% _____ _____ _____	Gross: \$9,534,470.00 Less Prem: -0- Net: 9,534,470.00	7.603246%
First National Bank in Dallas and Associates	1981 to 1992 7.80% 1993 _____ 7.20% 1994 _____ 7.40% 1995 _____ 7.60% 1996 _____ 7.80% 1997 to 2000 8.00% _____ _____ _____	Gross: \$9,807,340.00 Less Prem: 5.00 Net: 9,807,335.00	7.82084%
Citibank, N.A. for the Joint Managers	1981 to 1988 8.75% 1989 _____ 8.625% 1990 to 1993 7.25% 1994 _____ 7.60% 1995 to 1996 7.75% 1997 to 2000 8.00% _____ _____ _____	Gross: \$9,889,620.00 Less Prem: -0- Net: 9,889,620.00	7.8864%
	_____ to _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____	Gross: _____ Less Prem: _____ Net: _____	
	_____ to _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____	Gross: _____ Less Prem: _____ Net: _____	
	_____ to _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____	Gross: _____ Less Prem: _____ Net: _____	

BIDS FOR PAYING AGENCY

\$9,775,000

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
 THE UNIVERSITY OF TEXAS AT SAN ANTONIO  
 UTILITY REVENUE BONDS, SERIES 1980

Tabulation of Bids Received  
 July 9, 1980 - 4:00 P.M. C.D.T.

Bidder	New York Co-Paying Agent	Per Coupon Paid	Per Bond Paid
National Bank of Commerce of Dallas Dallas, Texas	Bankers Trust Company	Will pay the Board of Regents the sum of \$600.00 and will make no charge for payment.	
Houston National Bank Houston, Texas	Bankers Trust Company	\$0.15	\$1.50
First City Bank of Dallas Dallas, Texas	The Chase Manhattan Bank, N.A.	\$0.15 Plus other charges.	\$1.50
The Fort Worth National Bank Fort Worth, Texas	Bankers Trust Company	\$0.15	\$1.50
The Austin National Bank Austin, Texas	Bankers Trust Company	Will charge Board of Regents \$350 annually on August 1 beginning August 1, 1981, until all bonds are retired.	
Capital National Bank Austin, Texas	Citibank	\$0.125	\$1.25
American National Bank Austin, Texas	Irving Bank and Trust	\$0.075	\$1.00
Republic National Bank of Dallas Dallas, Texas	Citibank	\$0.175	\$1.75
State National Bank of El Paso El Paso, Texas	Citibank	\$0.125	\$7.50
Continental National Bank of Fort Worth Fort Worth, Texas	Bankers Trust Company	\$0.175	\$1.50
Texas Commerce Bank, N.A. Houston, Texas	Bankers Trust Company	\$0.20	\$2.50
First City National Bank of Houston Houston, Texas	Manufacturers Hanover Trust Company	-0-	-0-



AGENDA FOR MEETING  
of  
BOARD OF REGENTS  
of  
THE UNIVERSITY OF TEXAS SYSTEM

ADDITIONAL DOCUMENTATION

B. SPECIAL ORDERS

3. Board of Regents: (a) Resolution Authorizing the Issuance and Sale 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; (b) Designation of Banks of Payment; and (c) Award of Contract for Printing.

Background Information

The Board of Regents on June 1, 1979, authorized that Utility Revenue Bonds, Series 1979, now changed to 1980, for The University of Texas at San Antonio be issued and sold at a subsequent meeting of the Board of Regents in an estimated amount of \$8,800,000.

Appropriate steps have been taken for the issuance of these bonds, but in an amount of \$9,775,000, and bids have been called for. Bids for the Bonds will be opened at the first floor conference room, Claudia Taylor Johnson Hall at 5:00 P.M., C.D.T., Wednesday, July 9, 1980. Bids for the Bonds, the Paying Agency and Printing of Bonds will be considered by the Board of Regents at 1:30 P.M., C.D.T., Thursday, July 10, 1980, at the Main Building, 2nd Floor Hallway, Marine Science Institute at Port Aransas.

Recommendation and/or Action Required

A tabulation of the bids for each of the following will be distributed at the meeting. After due consideration the following actions are required:

- a. Adoption of the Resolution [Pages B of R 33-47]
- b. Designation of Paying Agent
- c. Award of Contract for Printing

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, _____%	maturities 1991, _____%
maturities 1982, _____%	maturities 1992, _____%
maturities 1983, _____%	maturities 1993, _____%
maturities 1984, _____%	maturities 1994, _____%
maturities 1985, _____%	maturities 1995, _____%
maturities 1986, _____%	maturities 1996, _____%
maturities 1987, _____%	maturities 1997, _____%
maturities 1988, _____%	maturities 1998, _____%
maturities 1989, _____%	maturities 1999, _____%
maturities 1990, _____%	maturities 2000, _____%

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:

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

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. \_\_\_\_\_.

\_\_\_\_\_  
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

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 ~~same~~ current ~~year~~ semester ~~of 1979~~ 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 \_\_\_\_\_, for cash for the par value thereof and accrued interest thereon to date of delivery, plus a premium of \$ \_\_\_\_\_. 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.

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AGENDA FOR MEETING  
of  
BOARD OF REGENTS  
of  
THE UNIVERSITY OF TEXAS SYSTEM

ADDITIONAL DOCUMENTATION

- G. CORRECTION AND APPROVAL OF MINUTES OF REGENTS' MEETING HELD MAY 29-30, 1980. --It is recommended by Vice-Chairman Law that 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, be corrected on Page 130 by changing subparagraphs 2 and 3 of:

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

to read as follows:

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. [~~, not to exceed the maximum salary level]~~

and that the Minutes be approved as corrected.

# System Administration Committee

SYSTEM ADMINISTRATION COMMITTEE  
Committee Chairman Sterling

Date: July 11, 1980

Time: Following the 9:00 a. m. Session of the Board of Regents

Place: 2nd Floor Hallway, Main Building  
Marine Science Institute (Port Aransas)

Page  
SAC

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)

Below

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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). --

RECOMMENDATION

It is recommended by the appropriate chief administrative officers,  
concurring 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 SAC - 2
- The University of Texas at Dallas, Page SAC - 2
- The University of Texas Health Science Center at Dallas  
(Dallas Southwestern Medical School), Page SAC - 3
- The University of Texas Health Science Center at Houston,  
Pages SAC 3 - 4
- The University of Texas System Cancer Center, Page SAC - 4

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

THE UNIVERSITY OF TEXAS AT AUSTIN

1979-80 BUDGET

<u>Item No.</u>	<u>Explanation</u>	<u>Present Status</u>	<u>Proposed Status</u>	<u>Effective Dates</u>
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

SAC - 2

THE UNIVERSITY OF TEXAS AT DALLAS

1979-80 BUDGET

<u>Item No.</u>	<u>Explanation</u>	<u>Present Status</u>	<u>Proposed Status</u>	<u>Effective Dates</u>
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

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

SAC - 3

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

# Academic and Developmental Affairs Committee

ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE  
Committee Chairman (Mrs.) Blumberg

Date: July 11, 1980

Time: Following the Meeting of the System Administration Committee

Place: 2nd Floor Hallway, Main Building  
Marine Science Institute (Port Aransas)

	<u>Page A&amp;D</u>
1. U. T. System: <u>Docket of the Chancellor of the System</u>	2
2. U. T. Arlington: Request to Seek Permission from Coordinating Board to Establish a Doctor of Science Degree in Applied Chemistry (Catalog Change)	2
3. U. T. Austin: Proposed Appointment to the Rex G. Baker, Jr., Professorship of Political Economy in the Department of Economics Effective September 1, 1980	3
4. U. T. Austin: Proposed Appointment to the Fred M. Bullard Professorship in Geological Sciences Effective September 1, 1980	3
5. U. T. Austin: Proposed Appointment to the L. D., Marie and Edwin Gale Professorship in Judaic Studies Effective September 1, 1980	3
6. U. T. Austin: Proposed Appointment to the Sue Killam Professorship in the Foundations of Economics Effective September 1, 1980	4
7. U. T. Austin - Performing Arts Center: Proposed Schedule of Facility Use Charges for Non-University Events	4
8. U. T. Dallas: Request to Seek Permission from Coordinating Board to Establish a Doctor of Chemistry Degree (Catalog Change)	5
9. U. T. El Paso: Proposed Affiliation Agreements with:	6
a. KPAS Radio, El Paso, Texas	
b. KHEY, Incorporated, El Paso, Texas	
c. KDBC-TV Portal Communications of Texas, Incorporated, El Paso, Texas	
10. U. T. San Antonio: Proposed Memorandum of Agreement with St. Mary's University, San Antonio, Texas (Extension of Army ROTC Program)	6

1. U. T. System: Docket No. 11 of the Chancellor of the System.--

RECOMMENDATION

It is recommended that Docket No. 11 of the Chancellor of the System be approved.

It is requested that the Committee confirm that authority to execute contracts, documents, or instruments approved therein has been delegated to the officer or official executing same.

2. U. T. Arlington: Request to Seek Permission from Coordinating Board to Establish a Doctor of Science Degree in Applied Chemistry (Catalog Change).--

RECOMMENDATION

President Nedderman and Chancellor Walker recommend approval for the establishment of a Doctor of Science Degree in Applied Chemistry at U.T. Arlington. If approved by the Board of Regents, the proposal will be forwarded to the Coordinating Board for its review and appropriate action.

BACKGROUND INFORMATION

The proposed program is a logical next step for the rapidly developing chemistry program at U.T. Arlington which now has 45 students in the Master's program. The proposed program is directed to the projected demand for chemists who will be highly trained and uniquely prepared for positions in industry. The proposal requires a broader range of courses than typical of a Ph.D. in order to achieve breadth as opposed to very narrow specializations. The research will be patterned after industrial research procedures and each student will conduct research on at least three projects. There are no Doctor of Science programs in Texas, but other institutions in the nation, such as MIT, offer the degree.

The current chemistry faculty has 17 members and is adequate for the program. Additional faculty may be required in later years if projected growth is realized and such faculty will be supported by formula generated funds. The program will be self-supporting after three years. Facilities and library resources are sufficient to support the program.

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 if this proposal is approved by the Board of Regents. The advanced degree programs in chemistry in these North Texas components have been reviewed, and it has been determined that the needs can be best met by having three separate programs which utilize the expertise of the individual faculty and can address particular needs for graduates with specific kinds of training. Although the tri-institutional proposal is being withdrawn, each institution in North Texas is encouraged to cooperate with its sister institutions to strengthen its doctoral chemistry program as appropriate. The Health Science Center at Dallas currently has a Ph.D. in Biochemistry in operation and, if the proposals presented in this agenda are approved, U.T. Arlington will request Coordinating Board approval for the Doctor of Science Degree in Applied Chemistry and U.T. Dallas will request approval for the Doctor of Chemistry Degree.

Secretary's Note: If this recommendation is approved by the Board of Regents, the minute order will indicate that if approved by the Coordinating Board the next appropriate catalog published will be amended to reflect this action.

3. U. T. Austin: Proposed Appointment to the Rex G. Baker, Jr.,  
Professorship of Political Economy in the Department of Eco-  
nomics Effective September 1, 1980.--

RECOMMENDATION

President Flawn and Chancellor Walker recommend that Dr. Walt W. Rostow, Professor of Economics and History, be appointed as the first holder of the Rex G. Baker, Jr., Professorship of Political Economy, effective September 1, 1980. If approved, the appointment would be accompanied by a \$7,000 salary supplement from the endowment's income for the 1980-81 academic year.

BACKGROUND INFORMATION

The Rex G. Baker, Jr., Professorship of Political Economy was established by the Board of Regents on December 7, 1979, to recognize a distinguished professor of economics. The proposed appointee has made substantial teaching and scholarly research contributions which have consistently emphasized the interrelationships between economic and political values. He is the author of several books on this topic, and has taught a number of undergraduate and graduate courses and seminars on macroeconomics, economic history, and economics research. This appointee has been nominated by the Dean of the College of Liberal Arts and a faculty consultative committee.

4. U. T. Austin: Proposed Appointment to the Fred M. Bullard Profes-  
sorship in Geological Sciences Effective September 1, 1980.--

RECOMMENDATION

President Flawn and Chancellor Walker recommend that Dr. William R. Muehlberger, Professor of Geological Sciences, be appointed to the Fred M. Bullard Professorship, effective September 1, 1980. Upon approval, Dr. Muehlberger's salary will be supplemented with a \$3,000 stipend from the endowment's income. This recommendation has the support of the Dean of the College of Natural Sciences, the Budget Council of the Department of Geological Sciences, and the Geological Foundation Advisory Council.

BACKGROUND INFORMATION

The Fred M. Bullard Professorship was established by the Board of Regents on February 13, 1976, to recognize outstanding teaching in the Department of Geological Sciences. The proposed appointee has been a distinguished member of the U.T. Austin faculty for a number of years, and has been the recipient of numerous major research grants as well as a faculty excellence award. He is also the recipient of the Distinguished Science Medal. Dr. Stephen E. Clabaugh, the current Bullard Professor, has held the appointment since September, 1976, but relinquished it upon his retirement at the end of the 1979-80 academic year.

5. U. T. Austin: Proposed Appointment to the L. D., Marie and Edwin  
Gale Professorship in Judaic Studies Effective September 1, 1980.--

RECOMMENDATION

President Flawn and Chancellor Walker recommend that Dr. Seth L. Wolitz be appointed to the L. D., Marie, and Edwin Gale Professorship in Judaic Studies, effective September 1, 1980. Dr. Wolitz will have a joint faculty appointment at U.T. Austin as Professor in the Department of French and Italian and the Department of Slavic Languages.

BACKGROUND INFORMATION

The L. D., Marie, and Edwin Gale Professorship in Judaic Studies was established by the Board of Regents on July 30, 1971, to recognize

outstanding scholars in Judaic Studies. The proposed appointee is a nationally recognized scholar in comparative literature and French, specializing in Jewish and Yiddish literature and culture. He is well respected throughout the United States for his insightful and scholarly publications and presentations relating to Judaic Studies. His proposed appointment has been endorsed by Dean Robert D. King of the College of Liberal Arts at U.T. Austin, and he will be the first permanent appointee to this Professorship.

Dr. Eisig Silberschlag served as the Visiting Gale Professor in Judaic Studies from 1973-75. Since 1975 there has not been an individual qualified to fill this position.

6. U. T. Austin: Proposed Appointment to the Sue Killam Professorship in the Foundations of Economics Effective September 1, 1980.--

RECOMMENDATION

President Flawn and Chancellor Walker recommend that Dr. Clifton M. Grubbs, Professor of Economics, be appointed to the Sue Killam Professorship in the Foundations of Economics, effective September 1, 1980. If approved, this appointment would be accompanied by a \$7,000 salary supplement from the endowment's income for the 1980-81 academic year.

BACKGROUND INFORMATION

On February 29, 1980, the Board of Regents established the Sue Killam Professorship in the Foundations of Economics to recognize a distinguished economist whose teaching and scholarly contributions in support of the basic foundations of economics give evidence of a commitment to the values of Western political and economic freedom. The appointee is highly regarded by colleagues and students for his effectiveness in communicating basic economic concepts and values. He has received major national and university awards for excellence in undergraduate teaching, and has made significant contributions in the political and economic field. This appointee has been nominated by the Dean of the College of Liberal Arts and a faculty consultative committee.

7. U. T. Austin - Performing Arts Center: Proposed Schedule of Facility Use Charges for Non-University Events.--

RECOMMENDATION

President Flawn and Chancellor Walker recommend that the Board of Regents approve the following schedule of facility use charges for the Performing Arts Center for non-University events:

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.

Basic Facility Use Fees:

<u>Facility</u>	<u>6 AM - 12 Noon</u>	<u>12 Noon - 6 PM</u>	<u>6 PM - 12 Midnight</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 Administration Building, 50 seats)	20	20	30
Concert Hall Rehearsal Room (200 seats)	65	65	100

The rule quoted is as follows:

- 6.6** Notwithstanding any other provisions of this chapter, the chief administrative officer of a component institution may designate specific facilities of a component institution, such as special events centers, conference centers, concert halls, theaters, or auditoria, as Special Use Facilities. The chief administrative officer shall cause to be prepared and submitted for approval, as a part of the Handbook of Operating Procedures of the institution, appropriate rules and regulations for the reservation and use of such designated Special Use Facilities. Such rules and regulations must restrict the reservation and use of such facilities in accordance with the following:
- 6.61** Designation as a Special Use Facility shall not constitute the facility as a public facility open to use by non-University persons, groups, associations, or corporations on a first come, first served basis.
- 6.62** Priority in the reservation and use of Special Use Facilities shall be given to activities and events sponsored by the component institution that are in furtherance of and related to the educational, cultural, recreational, and athletic programs of the institution.
- 6.63** As a lower priority, the institutional rules and regulations may provide for reservation and use of Special Use Facilities by non-University individuals, groups, associations or corporations, without the necessity of joint sponsorship by the institution. The institution shall establish rates to be charged for the use of the facility that will, at a minimum, insure recovery of that part of the operating cost of the facility attributable directly or indirectly to such non-University use. If the non-University user charges those attending an event any admission or registration fee, or accepts donations from those in attendance, the institution shall require the user to make a complete account of all funds collected and of the actual cost of the event. If the funds collected exceed the actual cost of the event, the non-University user shall be required to remit such excess funds to the institution as an additional charge for the use of the Special Use Facility.
- 6.64** Subject to all constitutional and statutory provisions relating to the use of state property or funds for religious or political purposes, and subject to Subsection 6.63, above, Special Use Facilities may be made available for religious and political conferences or conventions. Religious organizations applying for use of a Special Use Facility must submit written evidence from the Internal Revenue Service that the organization has been granted an exemption from taxation under Section 501 (c) (3) of Title 26 of the United States Code [Internal Revenue Code]. Political organizations applying for use of a Special Use Facility must present written evidence that the organization had candidates for either state, district, or local offices listed on the ballot at the last general election. A religious or political organization shall be permitted to use a Special Use Facility only one time during a calendar year.

## BACKGROUND INFORMATION

President Flawn has designated the Performing Arts Center as a Special Use Facility as authorized under the provisions of the Regents' Rules and Regulations, Part One, Chapter VI, Section 6.6. (See opposite Page.)

No charges will be made for official University events sponsored by U. T. Austin academic departments, schools, colleges, agencies or departments.

### 8. U. T. Dallas: Request to Seek Permission from Coordinating Board to Establish a Doctor of Chemistry Degree (Catalog Change). --

## RECOMMENDATION

President Jordan and Chancellor Walker recommend approval for the establishment of a Doctor of Chemistry Degree at U.T. Dallas. If approved by the Board of Regents, the proposal will be forwarded to the Coordinating Board for its review and appropriate action.

## BACKGROUND INFORMATION

The proposed program is an outgrowth of the current Master's program in Chemistry which has approximately 20 graduate students. It is intended to provide professional level training for applied chemists, who will seek jobs almost exclusively in industry. Each student will not pursue a long term basic research project culminating in a dissertation, but will develop broad-based experience through the conduct of several separate, answer-oriented practicum projects in distinct areas of chemistry.

There are no Doctor of Chemistry programs presently operating in Texas or in the United States. However, a similar program is offered at Northeastern University, a private university in Boston, which offers an industrial internship as an intricate part of its Ph.D. program in chemistry.

A number of courses currently exist to support the proposed program, and only two new faculty positions will be needed to meet the needs for expanded graduate offerings dictated by the additional program. These new positions will be funded under existing appropriations. The program will be self-supporting within three years, and, because of the small start-up costs, is expected to be essentially self-supporting throughout its early development.

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 if this proposal is approved by the Board of Regents. The advanced degree programs in chemistry in these North Texas components have been reviewed, and it has been determined that the needs can be best met by having three separate programs which utilize the expertise of the individual faculty and can address particular needs for graduates with specific kinds of training. Although the tri-institutional proposal is being withdrawn, each institution in North Texas is encouraged to cooperate with its sister institutions to strengthen its doctoral chemistry program as appropriate. The Health Science Center at Dallas currently has a Ph.D. in Biochemistry in operation and, if the proposals presented in this agenda are approved, U.T. Arlington will request Coordinating Board approval for the Doctor of Science Degree in Applied Chemistry and U.T. Dallas will request approval for the Doctor of Chemistry Degree.

**SECRETARY'S NOTE:** If this recommendation is approved by the Board of Regents, the minute order will indicate that if approved by the Coordinating Board the next appropriate catalog published will be amended to reflect this action.

A copy of the proposal is on file in the Office of the Secretary.

9. U. T. El Paso: Proposed 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.--

RECOMMENDATION

President Templeton and Chancellor Walker recommend that approval be given to affiliation agreements by and between The University of Texas at El Paso and the following facilities. The agreements are based on the standard agreement form; have been reviewed and approved by the Office of General Counsel, and were executed by the appropriate officials on the dates indicated below to be effective upon approval by the Board of Regents.

<u>Facility</u>	<u>Agreement Executed</u>
a. KPAS Radio, El Paso, Texas	April 21, 1980
b. KHEY, Incorporated, El Paso, Texas	May 14, 1980
c. KDBC-TV Portal Communications of Texas, Incorporated El Paso, Texas	April 23, 1980

PURPOSE

Each of these agreements will provide educational experiences in broadcast journalism for students in the mass communications program at U.T. El Paso.

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\*These agreements follow the format approved by the Board of Regents on December 16, 1977 for affiliation agreements for health care educational experiences.

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

RECOMMENDATION

It is recommended by President Wagener and Chancellor Walker that approval be given to the Memorandum of Agreement set out on Pages A&D 7-10 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 replaces the Memorandum of Understanding executed on May 20, 1975 (reported in Chancellor's Docket of July 25, 1975), whereby U. T. San Antonio received Army ROTC instruction at St. Mary's University. This agreement has been executed by the appropriate officials to be effective upon approval by the Board of Regents.

## 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, enroll-

ment, 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 Young, M.  
(Title)

FORM APPROVED:

CONTENT APPROVED:

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

Chancellor  
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

# Buildings and Grounds Com.

BUILDINGS AND GROUNDS COMMITTEE  
Committee Chairman Law

Date: July 10, 1980 - If there are unfinished items, the Committee will reconvene on July 11, following the meeting of the Academic and Developmental Affairs Committee

Time: Following the Open Meeting that Convenes at 1:30 p. m.

Place: 2nd Floor Hallway, Main Building  
Marine Science Institute (Port Aransas)

Page  
B & G

U. T. AUSTIN

1. Balcones Research Center: Request for (a) Endorsement in Principle of Development; (b) Feasibility Study; (c) Appointment of Consulting Architect; and (d) Appropriation Therefor 4
2. Burleson Bells: Recommended Site; Presentation of Preliminary Plans and Cost Estimate; Request to Prepare Final Plans and Advertise for Bids; and Proposed Appropriation for Fees 5
3. Renovation of Outdoor Sports Facilities (Clark Field Segment and Whitaker Field East Segment): Request for Approval of Final Plans and for Authorization to Advertise for Bids 6
4. Student Family Housing - Phase 1A: Presentation of Preliminary Plans, Request to Prepare Final Plans, and Additional Appropriation Therefor 6

U. T. DALLAS

5. Student Housing: Request for Feasibility Study, Appointment of Consulting Architect, and Appropriation Therefor 7

U. T. DALLAS AND  
U. T. SAN ANTONIO

6. Thermal Energy Plants: Proposed Service Agreements with Win-Sam, Inc., for Operation Thereof 7

U. T. EL PASO

7. Expansion of Sun Bowl Stadium: Presentation of Preliminary Plans, Request to Prepare Final Plans and Additional Appropriation Therefor 25

U. T. SAN ANTONIO

8. Academic-Campus Greenhouse: Request for (a) Project; (b) Preparation of Final Plans, Bidding and Completion of Project; and (c) Appropriation Therefor 25
9. Humanities-Business Building - Remodeling of Two Classrooms (2nd and 3rd Levels): Request for (a) Project; (b) Preparation of Final Plans, Bidding and Completion of Project; and (c) Appropriation Therefor 26

GALVESTON MEDICAL BRANCH

10. Texas Department of Corrections Hospital - Staff Housing: Proposed Site; Request for Authorization to Invite Proposals for Construction Using Competitive Design-Build Procedures 27
11. Expansion of Thermal Energy Distribution System: Presentation of Preliminary Plans; Request to Prepare Final Plans and Additional Appropriation Therefor 27
12. Galveston Medical School - Libbie Moody Thompson Basic Science Building- Renovation of Second, Fifth and Sixth Floors: Report of Contract Award to Mechanical Specialty, Inc., Houston, Texas 28

HOUSTON HEALTH SCIENCE CENTER

13. Ambulatory Care Teaching and Research Center: Request for Feasibility Study, Appointment of Consulting Architect and Appropriation Therefor 29

SAN ANTONIO HEALTH SCIENCE CENTER

14. Expansion of Basic Science Teaching Space - Lecture Halls: Request to (a) Complete Lower Level; (b) Appoint Project Architect to Prepare Preliminary Plans; and (c) Appropriate Funds Therefor 29
15. Additional Surface Parking: Report of Contract Award to Toltec Construction Company, Schertz, Texas 30

UNIVERSITY CANCER CENTER

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|-----|---|----|
| 16. | Central Food Service Facility: Request to Redesignate this Facility the Biomedical Resources Building and Recommendation to Modify Existing Building Plaque | 32 |
| 17. | Additional Outpatient Clinic Facilities: Request for Feasibility Study, Appointment of Consulting Architect and Appropriation Therefor                      | 32 |
| 18. | New Research Building: Request for (a) Project; (b) Appointment of Project Architect to Prepare Preliminary Plans; and (c) Appropriation Therefor           | 33 |

U. T. AUSTIN

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|-----|--|----|
| 19. | Lyndon Baines Johnson Library: Request for Authorization to Construct Modifications and Furnishings, Appoint Project Architect to Prepare Preliminary Plans, and Appropriate Funds Therefor; Proposed Plaque and Inscription | 34 |
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BUILDINGS AND GROUNDS COMMITTEE

SUPPLEMENTAL INFORMATION

July 10-11, 1980

U. T. AUSTIN

1. Balcones Research Center - Development: Recommended Architectural Firms.--

<u>Name</u>	<u>Recent UT System Projects</u>
The White Budd VanNess Partnership Houston and Beaumont, Texas	U. T. Austin: Pharmacy Building Addition
Lockwood Green Engineering, Inc. Dallas, Texas	None
Turner Collie & Braden, Inc. Austin, Texas	None

U. T. DALLAS

5. Student Housing: Recommended Architectural Firms.--

<u>Name</u>	<u>Recent UT System Projects</u>
Harper/Kemp/Clutts & Parker Dallas, Texas	None in the last five years.
Dahl/Braden/Chapman, Inc. Dallas, Texas	None
Corgan Associates, Inc. Dallas, Texas	None
Page Southerland Page Dallas, Texas	Houston Health Science Center: Student/Faculty Apartments (PSP Houston, Texas Office) Tyler Health Center: Chapel

HOUSTON HEALTH SCIENCE CENTER

13. Ambulatory Care Teaching and Research Center: Recommended Architectural Firms.--

<u>Name</u>	<u>Recent UT System Projects</u>
Pierce Goodwin and Alexander Houston, Texas	None in the last five years.
James Falick/The Klein Partnership Houston, Texas	None
3D International Houston, Texas	None in the last five years.

UNIVERSITY CANCER CENTER

17. Additional Outpatient Clinic Facilities: Recommended Architectural Firms. --

<u>Name</u>	<u>Recent UT System Projects</u>
James Falick/The Klein Partnership Houston, Texas	None
Page Southerland Page Houston, Texas	Houston Health Science Center: Student/Faculty Apartments Galveston Medical Branch: Ambulatory Care Center
Kenneth Bentsen Associates Houston, Texas	University Cancer Center: M. D. Anderson - Existing Building Remodeling (by phases)

18. New Research Building: Recommended Architectural Firms. --

<u>Name</u>	<u>Recent UT System Projects</u>
Page Southerland Page Houston, Texas	Houston Health Science Center: Student/Faculty Apartments Galveston: Ambulatory Care Center
Golemon & Rolfe Associates, Inc. Houston, Texas	Houston Health Science Center/University Cancer Center - Prudential Building Remodeling (in association with Houston firm) University Cancer Center - Biomedical Research Building (conversion of Central Food Service Facility)
Kenneth Bentsen Associates Houston, Texas	University Cancer Center - M. D. Anderson Remodeling Existing Building (by phases)
Jason Frye and Associates, Inc. Houston, Texas	None

1. U. T. AUSTIN - BALCONES RESEARCH CENTER: REQUEST FOR (a) ENDORSEMENT IN PRINCIPLE OF DEVELOPMENT; (b) FEASIBILITY STUDY; (c) APPOINTMENT OF CONSULTING ARCHITECT; AND (d) APPROPRIATION THEREFOR. --

#### RECOMMENDATIONS

President Flawn and Chancellor Walker recommend that the Board:

- a. Endorse 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. Authorize a feasibility study for the proposed development of the Balcones Research Center with improvements to the site and research and support facilities
- c. Appoint a Consulting Architect from a list to be submitted at the meeting 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 at a future Board meeting for consideration
- d. Appropriate \$50,000 from Available University Fund for the feasibility study including fees and related expenses.

#### BACKGROUND INFORMATION

The Balcones Research Center currently provides a research base that is important to the State of Texas as well as to instructional programs and graduate research for the University. The 475-acre site has been only partially developed in the eastern portion of the tract. The Long Range Development Plan prepared in 1974 by Pitts Phelps and White (now the firm of White, Budd, VanNess Partnership) as a land use study has provided a useful basis for evaluation and further studies now proposed by U. T. Austin Administration. Continuing with the professional services through the appointment of the original planning consultants, the White, Budd, VanNess Partnership of Houston and Beaumont, will benefit the development of the requested feasibility study. The request of U. T. Austin Administration is summarized in a letter from President Flawn to Chancellor Walker, as follows:

"I am forwarding for your consideration a proposal for the development of the Balcones Research Center, The University of Texas at Austin. 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."

The scope of the feasibility study for the development concept will include:

- (1) Evaluation of existing utilities systems and recommendations for expansion thereof
- (2) Evaluation of existing facilities for permanent use, interim use and identification of those to be removed

- (3) Recommendations for a new entrance
  - (4) Recommendations for improvements for traffic flow and parking
  - (5) Determination of building areas, locations and cost estimates for:
    - a. Center for Electromechanics
    - b. Bureau of Economic Geology
    - c. Center for Energy Studies
    - d. Commons Building
    - e. Service Center
    - f. Other Related Support Facilities
  - (6) General recommendations on further Long Range Development of the Balcones Research Center.
2. U. T. AUSTIN: BURLISON BELLS (PROJECT NO. 102-449) - RECOMMENDED SITE LOCATION; PRESENTATION OF PRELIMINARY PLANS AND COST ESTIMATE; REQUEST FOR PREPARATION OF FINAL PLANS, APPROVAL FOR ADVERTISEMENT FOR BIDS AND APPROPRIATION FOR FEES

#### RECOMMENDATIONS

President Flawn and Chancellor Walker recommend that the Board:

- a. Approve as the site location, the northwest corner of Red River and 23rd Streets adjacent to the entry plaza of the Concert Hall of the College of Fine Arts and Performing Arts Center
- b. Approve the preliminary plans for installation of the Burlison Bells at an estimated total project cost of \$370,000
- c. Authorize the Project Architect to prepare final plans and specifications in preparation for bidding the project at the earliest practical date
- d. Authorize the Office of Facilities Planning and Construction to review and approve the final plans based on the preliminary design approved by the Board; subject to completion of the final review, initiate advertisement for bids which will be presented to the Board for consideration at a future meeting
- e. Appropriate \$21,000 from interest on proceeds for fees and related project expenses through completion of final plans and specifications.

#### BACKGROUND INFORMATION

In accordance with authorization of the Board of Regents on April 10, 1980, site location studies, preliminary plans and specifications for the installation of the Burlison Bells on the U. T. Austin campus have been prepared by the Project Architect, Fisher and Spillman Architects, Inc., Dallas, Texas.

As the initial step of project development, the Project Architect completed a Site Study Report which outlined the characteristics of nine possible site locations and made a positive recommendation for locating the Burlison Bells adjacent to the Concert Hall. Upon completion of review of the Site Study Report, the Administration of U. T. Austin and the Office of Facilities Planning and Construction jointly concurred in the choice of the proposed site. An initial design concept identified as Scheme 1-B in the Site Study Report was selected for further design development. A preliminary construction and installation cost estimate of \$294,000 has been submitted by the Project Architect.

At the meeting of the Board, the Project Architect will present an architectural rendering and detailed plans with a description of the technical operation of the Burlison Bells.

3. U. T. AUSTIN: RENOVATION OF OUTDOOR SPORTS FACILITIES (CLARK FIELD SEGMENT AND WHITAKER FIELD EAST SEGMENT) - (PROJECT NO. 102-406) - REQUEST FOR APPROVAL OF FINAL PLANS AND FOR AUTHORIZATION TO ADVERTISE FOR BIDS

RECOMMENDATIONS

President Flawn and Chancellor Walker recommend that the Board:

- a. Approve the final plans and specifications for Renovation of Outdoor Sports Facilities at revised estimated total project cost of \$4,675,000 (previously estimated at \$4,295,000)
- b. Authorize the Office of Facilities Planning and Construction to advertise for bids which will be presented at a future Board meeting for consideration.

BACKGROUND INFORMATION

In accordance with authorization of the Board of Regents on February 28, 1980, final plans and specifications for Renovation of Outdoor Sports Facilities (Clark Field Segment and Whitaker Field East Segment) have been prepared by the Project Architect, Beran and Shelmire, Dallas, Texas. The final cost estimate submitted by the Project Architect results in a revised estimated total project cost of \$4,675,000. The Clark Field facilities will include a multipurpose soccer/lacrosse field, basketball courts, handball/racquetball courts and a jogging track-fitness trail. The Whitaker Field East site location will provide facilities for football, soccer, softball, tennis and archery.

The project will be bid in one or more packages to permit contract awards to match the funds available.

4. U. T. AUSTIN: STUDENT FAMILY HOUSING - PHASE 1A (PROJECT NO. 102-445) - PRESENTATION OF PRELIMINARY PLANS, REQUEST TO PREPARE FINAL PLANS AND ADDITIONAL APPROPRIATION THEREFOR

RECOMMENDATIONS

President Flawn and Chancellor Walker recommend that the Board:

- a. Approve the preliminary plans and specifications for the Student Family Housing Phase 1A at the Brackenridge site at an estimated total project cost of \$8,900,000
- b. Authorize the Project Architect to prepare final plans and specifications for consideration of the Board of Regents at a future meeting
- c. Appropriate additional funds in the amount of \$240,000 from interest on proceeds for fees and related project expenses through completion of final plans and specifications, \$119,000 having been previously appropriated from Auxiliary Enterprises Unallocated Funds and Interest on Proceeds.

BACKGROUND INFORMATION

In accordance with authorization of the Board of Regents on February 28, 1980, preliminary plans and specifications for Student Family Housing Phase 1A at the Brackenridge site have been prepared by the Project Architect, Wilson-Stoeltje-Martin, Inc., Austin, Texas. The initial construction, Phase 1A of Student Family Housing, will provide 228 units replacing 95 existing duplexes. The project includes forty-eight 1-bedroom apartments, one hundred forty-four 2-bedroom apartments, thirty-six 3-bedroom apartments and three structures for support functions for a laundry room, mail room and shuttle bus shelter.

Based on Fiscal Year 1979 experience, maintenance and operation, including utilities, are estimated to cost \$3.49 per square foot per year.

6.(a) U. T. DALLAS AND U. T. SAN ANTONIO - THERMAL ENERGY PLANTS:  
FIRST AMENDMENT TO SERVICE AGREEMENTS

RECOMMENDATION

President Jordan and President Wagener, for their respective institutions, together with Chancellor Walker, recommend approval of the First Amendment to the Service Agreements between the Board of Regents and Win-Sam, Inc., sometimes referred to as "Thermal Energy Contractor (TEC)" for operation of the Thermal Energy Plants being purchased from Win-Sam, Inc.

BACKGROUND INFORMATION

Since the agenda item (6) was prepared, three clarifications in the proposed agreement have been deemed appropriate. These amendments are:

- a. The first paragraph of Article V, paragraph G is amended to permit the Board of Regents to designate either of the alternatives for purchase and payment of utilities at any time, and from time to time, as often as it may deem necessary.
- b. The first sentence of Article VI, paragraph B is amended to make it more specific that TEC shall, at its own expense, maintain and repair the interior of the plant building, systems and equipment.
- c. Article X, paragraph A is amended to clarify the provisions relating to termination of the contract because of TEC's inability to perform.

Copies of the First Amendment to the Service Agreements for U. T. Dallas and U. T. San Antonio are attached.

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

*John M. [Signature]*  
Asst. Secretary

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

ATTEST:

By: \_\_\_\_\_

\_\_\_\_\_

Approved as to Content:

Approved as to Legal Form:

*E. W. [Signature]*  
Chancellor

*[Signature]*  
University Attorney

Approved as to Technical Form:

*R. S. [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 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)

ATTEST:

  
\_\_\_\_\_  
Asst. Secretary

WIN-SAM, INC.  
(Thermal Energy Contractor)

By:   
\_\_\_\_\_  
President

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

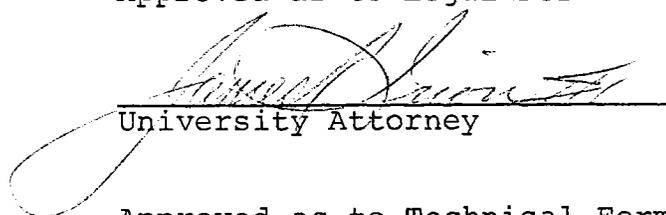
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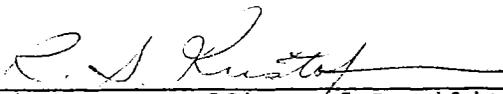
Approved as to Content:

  
\_\_\_\_\_  
Chancellor

Approved as to Legal Form:

  
\_\_\_\_\_  
University Attorney

Approved as to Technical Form:

  
\_\_\_\_\_  
Director, Office of Facilities  
Planning and Construction

5. U. T. DALLAS: STUDENT HOUSING - REQUEST FOR FEASIBILITY STUDY, APPOINTMENT OF CONSULTING ARCHITECT AND APPROPRIATION THEREFOR

RECOMMENDATIONS

President Jordan and Chancellor Walker recommend that the Board:

- a. Authorize a feasibility study for student housing
- b. Appoint a Consulting Architect from a list to be submitted at the meeting to work with a Committee on Student Housing from U. T. Dallas and the Office of Facilities Planning and Construction in preparing a feasibility study and cost estimate, with recommendations to be presented at a future Board meeting for consideration
- c. Appropriate \$20,000 from Student Services Fees for the feasibility study including fees and related expenses.

BACKGROUND INFORMATION

In December 1970 the Comprehensive Campus Plan Concept for U. T. Dallas was approved by the Board. This plan indicated possible campus areas for future student housing. Presently, U. T. Dallas does not have any on-campus housing.

The Administration of U. T. Dallas conducted a student opinion survey in Spring 1980 and found that fifteen percent of the respondents were interested in on-campus housing. Private sector housing in the immediate campus area has maintained a 97 percent occupancy rate in 1980. Institutional data indicates that U. T. Dallas, by virtue of a growing academic reputation, is attracting out-of-state and international students. This category of 5% in 1975 increased to 10.6 percent by 1979. On-campus housing would assist U. T. Dallas to attract highly qualified students from outside the immediate commuting area which is not presently served by a major public transit system.

President Jordan has requested the feasibility study for student housing to define the project scope, estimated cost and projected funding possibilities.

6. U. T. DALLAS AND U. T. SAN ANTONIO - THERMAL ENERGY PLANTS: PROPOSED SERVICE AGREEMENTS WITH WIN-SAM, INC., FOR OPERATION THEREOF

RECOMMENDATION

President Jordan and President Wagener, for their respective institutions, together with Chancellor Walker, recommend approval of Service Agreements between the Board of Regents and Win-Sam, Inc., sometimes referred to as "Thermal Energy Contractor (TEC)" for operation of the Thermal Energy Plants being purchased from Win-Sam, Inc. The anticipated purchase date, and effective date of the Service Agreements, is August 27, 1980. Copies of the two proposed agreements are set out on Pages B&G 9 - 24. The principal terms of the two agreements are summarized as follows:

- a. The effective period is from August 27, 1980 to September 1, 1999, subject to termination in event 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.

#### BACKGROUND INFORMATION

At its meeting on May 31 - June 1, 1979, the Board authorized issuance of Utility Revenue Bonds for the two institutions named above in order to acquire existing Thermal Energy Plants. Such bonds are to be recommended for sale at the July 10-11, 1980 meeting. It is anticipated that bonds will be issued to acquire the plant at U.T. Permian Basin at a later date, and that the bonds recommended for sale above will be delivered, the proceeds received, and the purchase of the plants completed on August 27, 1980.

The Board has been advised previously that, if the plants were purchased, it was contemplated we would negotiate a management contract with Win-Sam, Inc., to continue to operate the plants for us. Under its ownership, Win-Sam has operated these plants successfully on the basis of a Service Agreement executed in 1973. After thoroughly considering all aspects of operating the plants, it is believed to be advantageous to enter into the proposed agreements for Win-Sam to continue to operate the plants, at least for the initial five years of University ownership.

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, windstrom, 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

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

ATTEST:

By \_\_\_\_\_

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

SERVICE AGREEMENT

UNIVERSITY 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

*John M. [Signature]*  
Secretary

*[Signature]*  
President

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

ATTEST:

By

\_\_\_\_\_

APPROVED AS TO LEGAL FORM:

APPROVED AS TO CONTENT:

*[Signature]*  
University Attorney

*[Signature]*  
Vice Chancellor for Business Affairs

APPROVED AS TO TECHNICAL FORM:

*[Signature]*  
Director, Office of Facilities  
Planning and Construction

7. U. T. EL PASO: EXPANSION OF SUN BOWL STADIUM (PROJECT NO. 201-446) - PRESENTATION OF PRELIMINARY PLANS, REQUEST TO PREPARE FINAL PLANS AND ADDITIONAL APPROPRIATION THEREFOR

RECOMMENDATIONS

President Templeton and Chancellor Walker recommend that the Board:

- a. Approve the preliminary plans and specifications for the Expansion of Sun Bowl Stadium at an estimated total project cost of \$5,500,000
- b. Authorize the Project Architects to prepare final plans and specifications for consideration of the Board of Regents at a future meeting
- c. Appropriate additional funds in the amount of \$179,000 from Permanent University Fund Bond Proceeds for fees and related project expenses through completion of final plans and specifications.

BACKGROUND INFORMATION

In accordance with authorization of the Board of Regents on April 11, 1980, preliminary plans and specifications for the Expansion of Sun Bowl Stadium have been prepared by the Project Architects, 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.

Subject to availability of funds, two alternates will be bid to provide improvements to existing locker rooms and alterations to the existing press box at a total estimated construction cost of approximately \$600,000.

8. U. T. SAN ANTONIO: ACADEMIC/CAMPUS GREENHOUSE - REQUEST FOR (A) PROJECT AUTHORIZATION, (B) PREPARATION OF FINAL PLANS, BIDDING AND COMPLETION OF PROJECT AND (C) APPROPRIATION THEREFOR

RECOMMENDATIONS

President Wagener and Chancellor Walker recommend that the Board:

- a. Authorize the construction of a greenhouse to be used for educational instructional programs and campus landscaping at an estimated cost of \$98,000
- b. Authorize 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 award of contract services, in consultation with the Office of Facilities Planning and Construction
- c. Appropriate \$98,000 from Unexpended Plant Funds Combined Fee Revenue Bond Proceeds.

The U. T. San Antonio Administration award of contracts will be reported to the Board of Regents at a future meeting.

#### BACKGROUND INFORMATION

The Administration of U. T. San Antonio has studied their needs for a greenhouse facility to serve not only instructional functions of academic programs but also to provide economical capabilities to grow and maintain planting materials for campus needs. President Wagener in a request to Chancellor Walker outlines the project as follows:

"We have been working with the Office of Facilities Planning and Construction on a proposed academic/campus greenhouse which will be used for both academic programs and campus landscaping. 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."

The scope of work can be handled by Physical Plant Department and their contract services in consultation with the Office of Facilities Planning and Construction.

9. U. T. SAN ANTONIO: HUMANITIES-BUSINESS BUILDING - REMODELING OF TWO CLASSROOMS (2ND AND 3RD LEVELS): REQUEST FOR (a) PROJECT; (b) PREPARATION OF FINAL PLANS, BIDDING AND COMPLETION OF PROJECT; AND (c) APPROPRIATION THEREFOR

#### RECOMMENDATIONS

President Wagener and Chancellor Walker recommend that the Board:

- a. Authorize remodeling of two existing classrooms on the second and third levels of the Humanities/Business Building to provide tiered seating at an estimated cost of \$98,500
- b. Authorize 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 award of contract services, in consultation with the Office of Facilities Planning and Construction
- c. Appropriate \$98,500 from Unexpended Plant Funds Combined Fee Revenue Bond Proceeds.

The U. T. San Antonio Administration award of contracts will be reported to the Board of Regents at a future meeting.

#### BACKGROUND INFORMATION

The Administration of U. T. San Antonio wishes to remodel two existing classrooms to provide improvements for course offerings in the College of Business. Construction of tiered seating and installation of swivel chairs and fixed tables in the two rooms with respective seating capacities of 39 and 72 is estimated to cost \$98,500. The remodeling work can be accomplished by the Physical Plant Department and contract services, in consultation with the Office of Facilities Planning and Construction.

10. GALVESTON MEDICAL BRANCH - TEXAS DEPARTMENT OF CORRECTIONS HOSPITAL - STAFF HOUSING: PROPOSED SITE; REQUEST FOR AUTHORIZATION TO INVITE PROPOSALS FOR CONSTRUCTION USING COMPETITIVE DESIGN-BUILD PROCEDURES. --

RECOMMENDATIONS

President Levin and Chancellor Walker recommend that the Board:

- a. Approve the Galveston Medical Branch Administration proposal to use the property to be procured adjacent to Ferry Road for staff housing for the Texas Department of Corrections Hospital
- b. Authorize 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 at a future meeting for consideration and award.

BACKGROUND INFORMATION

As part of the Board's authorization for construction of the Texas Department of Corrections Hospital, funds have been reserved to provide both staff and guard housing for Texas Department of Corrections personnel on the west side of the Galveston Medical Branch campus. In order to reserve this campus area for other future institutional uses, the Galveston Medical Branch and the Texas Department of Corrections have mutually agreed to investigate ~~off-campus~~ locations for staff housing. A suitable 2.9755 acre site is located six blocks northeast of the campus, and elsewhere in this agenda is recommended for purchase. The site is acceptable to both the Texas Department of Corrections and the Galveston Medical Branch and is more practical for staff housing than previously considered ~~on-campus~~ sites. A separate housing project will be provided on campus for single guards.

11. GALVESTON MEDICAL BRANCH - EXPANSION OF THERMAL ENERGY DISTRIBUTION SYSTEM (PROJECT NO. 601-444) - PRESENTATION OF PRELIMINARY PLANS; REQUEST TO PREPARE FINAL PLANS AND ADDITIONAL APPROPRIATION THEREFOR

RECOMMENDATIONS

President Levin and Chancellor Walker recommend that the Board:

- a. Approve the preliminary plans and specifications for Expansion of the Thermal Energy Distribution System at an estimated total project cost of \$3,500,000
- b. Authorize the Project Engineer to prepare final plans and specifications for consideration of the Board of Regents at a future meeting
- c. Appropriate 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.

BACKGROUND INFORMATION

In accordance with authorization of the Board of Regents on February 28, 1980, preliminary plans and specifications for the Expansion of the Thermal Energy Distribution System at the Galveston Medical Branch have been prepared by the Project Engineer, Ray S. Burns and Associates, Houston, Texas.

12. GALVESTON MEDICAL BRANCH (GALVESTON MEDICAL SCHOOL) - LIBBIE MOODY THOMPSON BASIC SCIENCE BUILDING: RENOVATION OF SECOND, FIFTH AND SIXTH FLOORS - REPORT OF AWARD OF CONTRACT TO MECHANICAL SPECIALTY, INC., HOUSTON, TEXAS

Report

In accordance with authorization at the October 1979 meeting of the Board of Regents, the Galveston Medical Branch Administration awarded a construction contract for the Remodeling of the Second, Fifth and Sixth Floors of the Libbie Moody Thompson Basic Science Building to the lowest responsible bidder, Mechanical Specialty, Inc., Houston, Texas, in the amount of \$582,229.

BACKGROUND INFORMATION

On October 12, 1979, the Board of Regents authorized Remodeling of the Second, Fifth and Sixth Floors of the Libbie Moody Thompson Basic Science Building; appropriated \$600,000 for the estimated total project cost; authorized the Physical Plant Department to prepare final plans and specifications; authorized submission of the project to the Coordinating Board; and advertisement, bidding and award of a construction contract by the Galveston Medical Branch Administration. The Coordinating Board, Texas College and University System, approved the project in January 1980.

Bids were then called for and were received, opened and tabulated on March 20, 1980 as shown below:

<u>Bidder</u>	<u>Base Bid</u>	<u>Bid Bond</u>
J. K. Ross Construction Company	\$814,000	5%
Mechanical Specialty, Inc.	696,400	5%
O. C. Umbehasen Constr. Company	741,682	5%
Don Tarpey Construction Company	731,548	5%
C & H Construction Company	827,373	5%

All five bids received were in excess of funding available. The scope of the remodeling was reduced to an agreed cost of \$582,229 by negotiation between the lowest responsible bidder, Mechanical Specialty, Inc., and the Galveston Medical Branch Administration. Re-bidding of the project was not considered to be feasible in the existing inflationary climate of the construction market in the Houston/Galveston area.

In accordance with Board authorization and within the previously appropriated funds of \$600,000, the Galveston Medical Branch Administration has awarded a construction contract for \$582,229 to the lowest responsible bidder, Mechanical Specialty, Inc., Houston, Texas.

13. HOUSTON HEALTH SCIENCE CENTER: AMBULATORY CARE TEACHING AND RESEARCH CENTER - REQUEST FOR FEASIBILITY STUDY, APPOINTMENT OF CONSULTING ARCHITECT AND APPROPRIATION THEREFOR

RECOMMENDATIONS

President Bulger and Chancellor Walker recommend that the Board:

- a. Authorize a feasibility study for an Ambulatory Care Teaching and Research Center including considerations of the site
- b. Appoint a Consulting Architect from a list to be submitted at the meeting 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 at a future Board meeting for consideration
- c. Appropriate \$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.

BACKGROUND INFORMATION

The Houston Health Science Center Administration has proposed that a feasibility study be conducted for an Ambulatory Care Teaching and Research Center. President Bulger has outlined the facility goals in a letter to Chancellor Walker as follows:

"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."

Current medical education places strong emphasis on teaching in an ambulatory setting to medical students and resident physicians. The proposed facility will benefit these efforts.

14. SAN ANTONIO HEALTH SCIENCE CENTER: EXPANSION OF BASIC SCIENCE TEACHING SPACE - LECTURE HALLS - REQUEST FOR PROJECT AUTHORIZATION FOR COMPLETION OF THE LOWER LEVEL, APPOINTMENT OF PROJECT ARCHITECT TO PREPARE PRELIMINARY PLANS, AND APPROPRIATION THEREFOR

RECOMMENDATIONS

President Harrison and Chancellor Walker recommend that the Board:

- a. Authorize Completion of the Lower Level of the Lecture Halls at an estimated total project cost of \$800,000
- b. Appoint the original Project Architect, Chumney, Jones & Kell, San Antonio, Texas (formerly Bartlett Cocke & Associates), to prepare the preliminary plans and cost estimate to be presented at a future Board meeting for consideration
- c. Appropriate \$15,000 from San Antonio Unexpended Plant Funds for fees and related project expenses through completion of preliminary plans.

BACKGROUND INFORMATION

The 65th Legislature authorized Expansion of Basic Science Teaching Space and appropriated \$9,262,500 toward the estimated total cost. As part of this phased construction, a contract was awarded by the Board in February 1979 for the construction of two Lecture Halls together with excavation of approximately 14,250 square feet for future completion of a lower level. The Lecture Hall contract is approximately 70% complete and has a scheduled completion date of January 1981. It is now timely to authorize preparation of the preliminary plans for Completion of the Lower Level of the Lecture Halls.

It is considered to be appropriate to use the services of the Architectural firm which designed the Lecture Halls, since the design contemplated and provided for future expansion. The San Antonio Health Science Center Administration and the Office of Facilities Planning and Construction support this appointment.

15. SAN ANTONIO HEALTH SCIENCE CENTER: ADDITIONAL SURFACE PARKING - REPORT OF AWARD OF CONTRACT TO TOLTEC CONSTRUCTION COMPANY, SCHERTZ, TEXAS

Report

In accordance with authorization at the December 1979 meeting of the Board of Regents, the San Antonio Health Science Center Administration awarded a construction contract for Additional Surface Parking to the lowest responsible bidder, Toltec Construction Company, Schertz, Texas, in the amount of \$149,759 for the base bid and Alternates Nos. 1 and 2.

BACKGROUND INFORMATION

On December 7, 1979, the Board of Regents authorized construction of additional surface parking for approximately 406 cars; appropriated \$198,800 for the estimated total project cost; authorized the Physical Plant Department to prepare final plans and specifications; authorized submission of the project to the Coordinating Board; and authorized advertisement, bidding and award of a construction contract by the San Antonio Health Science Center Administration. The Coordinating Board, Texas College and University System, approved the project in January 1980.

Bids were called for and were received, opened and tabulated on April 22, 1980 as shown on the attached sheet.

In accordance with Board authorization, the San Antonio Health Science Center Administration has awarded a construction contract for Additional Surface Parking to the lowest responsible bidder, Toltec Construction Company, Schertz, Texas as indicated below. This contract award was made within previously appropriated funds.

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

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO  
 Bids Received April 22, 1980 at 2:00 p.m. C.S.T., Office of the Physical Plant Director at  
 The University of Texas Health Science Center at San Antonio  
 San Antonio, Texas

<u>Bidder</u>	<u>Base Bid</u>	<u>Add Alternates</u>		<u>Bid Bond</u>
		<u>Alternate No. 1 Lighting System</u>	<u>Alternate No. 2 Additional Sidewalks</u>	
Kunz Construction Company	\$149,900.00	\$19,300 00	\$11,100.00	5%
Mission Contractors, Inc.	174,650.00	15,645.00	5,988.00	5%
Keith A. Nelson Company	154,000.00	15,600.00	8,050.00	5%
Olmos Equipment Company	131,206.05	15,829.75	7,963.20	5%
J. R. Ramon & Sons, Inc.	133,980.00	12,620.00	10,185.00	5%
Robbins Paving Company	142,638.00	14,864.00	7,976.00	5%
Toltec Construction Company	129,850.00	13,613.00	6,296.00	5%

BAG-31

16. UNIVERSITY CANCER CENTER: CENTRAL FOOD SERVICE FACILITY - REQUEST TO REDESIGNATE THIS FACILITY AS THE BIOMEDICAL RESOURCES BUILDING AND RECOMMENDATION FOR MODIFICATION OF EXISTING BUILDING PLAQUE

RECOMMENDATIONS

President LeMaistre and Chancellor Walker recommend that the Board:

- a. Approve redesignation of the previously named Central Food Service Facility as the Biomedical Resources Building
- b. Authorize modification of the existing building plaque to reflect the name change through action of the University Cancer Center.

BACKGROUND INFORMATION

Conversion of Central Food Service Facility for clinical investigation and other programs was authorized by the Board in April 1980. The University Cancer Center has requested a name change that is more descriptive of the new function.

17. UNIVERSITY CANCER CENTER: ADDITIONAL OUTPATIENT CLINIC FACILITIES - REQUEST FOR FEASIBILITY STUDY, APPOINTMENT OF CONSULTING ARCHITECT AND APPROPRIATION THEREFOR

RECOMMENDATIONS

President LeMaistre and Chancellor Walker recommend that the Board:

- a. Authorize a feasibility study for Additional Outpatient Clinic Facilities to serve the growing needs of the University Cancer Center
- b. Appoint a Consulting Architect from a list to be submitted at the meeting to work with a Planning Committee from 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 at a future Board meeting for consideration
- c. Appropriate \$30,000 from General Funds Unappropriated Balances Account for the feasibility study including fees and related expenses.

BACKGROUND INFORMATION

The University Cancer Center long range construction program has listed a high priority need for the expansion of outpatient clinic facilities. In a letter to Chancellor Walker, the need has been summarized by Dr. LeMaistre as follows:

"The present clinic facilities were designed to accommodate 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 additional outpatient clinic facilities."

The feasibility study will determine the area of outpatient clinic expansion space needed, the most economical construction cost, and the optimum location for efficient patient care while maintaining a minimal disruption of ongoing outpatient care activities during the construction phase. Upon completion and review of the feasibility study, recommendations of the University Cancer Center will be reported to the Board with a request for a specific project authorization.

18. UNIVERSITY CANCER CENTER: CONSTRUCTION OF A NEW RESEARCH BUILDING - REQUEST FOR PROJECT AUTHORIZATION; APPOINTMENT OF PROJECT ARCHITECT TO PREPARE PRELIMINARY PLANS; AND APPROPRIATION THEREFOR

RECOMMENDATIONS

President LeMaistre and Chancellor Walker recommend that the Board:

- a. Authorize construction of a new research building at an estimated total project cost of \$12,500,000
- b. Appoint a Project Architect from a list to be submitted at the meeting to prepare preliminary plans and cost estimate to be presented at a future Board meeting for consideration
- c. Appropriate \$130,000 from General Funds Unappropriated Balances for fees and related expenses through completion of preliminary plans.

BACKGROUND INFORMATION

The Long Range Campus Development Plan for the University Cancer Center includes projections for additional laboratory space to support both basic and clinical research programs required for expanded inpatient and outpatient care facilities.

A serious deficit now exists at the Cancer Center where 512 active research projects of basic and clinical research now occupy less than a total of 125,000 net square feet of actual laboratory space. Functional studies indicate a need for 119,000 net square feet for clinical research space and 162,500 net square feet for basic research. A major research program is only temporarily housed in Hermann Hospital space. The potential conversion of approximately 46,000 net square feet now under development in the Biomedical Resources Building (former Central Food Service Facility) cannot resolve the dire need for additional laboratory space.

Expansion of ongoing programs will continue to be severely limited and the addition of new programs will continue to be curtailed without the construction of additional laboratory space to support excellence in both basic and clinical research.

The University Cancer Center Administration has proposed new construction of approximately 100,000 net square feet in a new Research Building estimated to cost \$12,500,000. This proposed building will permit re-assignment of much less than 80,000 existing net square feet for clinical research. Funding of a future phase added to the Research Building is anticipated to alleviate the critical condition of shortage in laboratory space at the University Cancer Center.

19. U. T. AUSTIN - LYNDON BAINES JOHNSON LIBRARY: REQUEST FOR AUTHORIZATION TO CONSTRUCT MODIFICATIONS AND FURNISHINGS, APPOINT PROJECT ARCHITECT TO PREPARE PRELIMINARY PLANS, AND APPROPRIATE FUNDS THEREFOR; PROPOSED PLAQUE AND INSCRIPTION. --

RECOMMENDATIONS

President Flawn and Chancellor Walker recommend that the Board:

- a. Authorize 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. Appoint the architectural firm of Graeber, Simmons & Cowan, in Association with R. Max Brooks as 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. Appropriate \$30,000 from Interest on Permanent University Fund Bond Proceeds for fees and related project expenses through completion of preliminary plans.
- d. Approve 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 on Page B & G - 35.

## LYNDON BAINES JOHNSON LIBRARY

Major Modifications - 1980

### BOARD OF REGENTS

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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

### BACKGROUND

On August 6, 1965, the Board of Regents of The University of Texas System delivered to President Lyndon Johnson a written proposal, which (in pertinent part) provided:

- a. That the Board of Regents, at its expense, would design, construct, furnish and equip a building on a 14-acre tract on the campus of The University of Texas at Austin to be used and known as The Lyndon Baines Johnson Library.
- b. That upon completion of the construction and furnishing of the building, the Board of Regents would turn over, dedicate and make available to the United States Government for its use in perpetuity as a presidential library at least 100,000 square feet of the building, but without transfer of title of such space or furnishings.
- c. That the United States Government would administer, operate, protect, maintain and staff in perpetuity the space and facilities occupied by the presidential library at the expense of the United States.

In October, 1965, Board of Regents' approval was given to an agreement between The University of Texas and the United States of America to utilize as a Presidential Archival Depository, Land, Buildings and Equipment of The University of Texas as a part of the National Archives System. Following this approval, planning was initiated for the design and construction of the Lyndon Baines Johnson Library on the U. T. Austin campus. Construction was started in September of 1967 and the facility was completed in 1971. The Library was dedicated and officially opened on May 22, 1971.

In nine years of operation the Lyndon Baines Johnson Library has served the University and the State of Texas with an outstanding record of achievements. With the establishment of the Lyndon Baines Johnson School of Public Affairs, the facility offers unlimited resources in the fields of history, government, economics and public administration.

With growing collections and exhibits in recent years, the operation of the building by the General Services Administration and the use by The University of Texas has 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, 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 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.

BUILDINGS AND GROUNDS COMMITTEE  
REVISED DOCUMENTATION AND  
EMERGENCY ITEMS

July 10-11, 1980

Page  
B & G

U. T. AUSTIN

4. (REVISED) Student Family Housing - Phase 1A: Presentation of Preliminary Plans, Request to Prepare Final Plans and Additional Appropriation Therefor 38

U. T. ARLINGTON

20. Renovation of Science Building: Recommended Contract Award to Hallman & Keele, Inc., Garland, Texas, and Additional Appropriation Therefor; Proposed Inscription for Plaque 39

U. T. AUSTIN

21. Student Family Housing - Phase 1A - Demolition: Report of Contract Award to Clarence Cullen Company, Buda, Texas, and Recommended Additional Appropriation Therefor 41

U. T. EL PASO

22. Expansion of Union Facilities: Recommended (a) Award of Contracts for Furniture and Furnishings to (1) Abel Contract Furniture & Equipment Company, 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; and (b) Appropriation Therefor 42

U. T. TYLER

23. Single Student Housing: Request for Adoption of a Resolution Authorizing the Filing and Processing of College Housing Loan Application in Federal Fiscal Year 1980 50

HOUSTON HEALTH SCIENCE CENTER AND  
UNIVERSITY CANCER CENTER

24. Remodeling of Prudential Building - Facilities Control and Monitoring System and Fire Alarm System: Recommended Contract Awards to Mid-West Electric Company, Houston, Texas, and Foxboro/Adec, Inc., Santa Ana, California 51

TYLER HEALTH CENTER

25. Chapel Addition: Recommended Contract Award for Furniture and Furnishings to Rockford Business Interiors, Austin, Texas 55

## Documentation

### REVISED

4. U. T. AUSTIN: STUDENT FAMILY HOUSING - PHASE IA (PROJECT NO. 102-445) - PRESENTATION OF PRELIMINARY PLANS, REQUEST TO PREPARE FINAL PLANS AND ADDITIONAL APPROPRIATION THEREFOR

#### RECOMMENDATIONS

President Flawn and Chancellor Walker recommend that the Board:

- a. Approve the preliminary plans and specifications for the Student Family Housing - Phase IA at the Brackenridge site at an estimated total project cost of \$8,900,000
- b. Authorize the Project Architect to prepare final plans and specifications for consideration of the Board of Regents at a future meeting
- c. Appropriate additional funds in the amount of \$240,000 from interest on proceeds for fees and related project expenses through completion of final plans and specifications, \$119,000 having been previously appropriated from Auxiliary Enterprises Unallocated Funds and Interest on Proceeds.

#### BACKGROUND INFORMATION

In accordance with authorization of the Board of Regents on February 28, 1980, preliminary plans and specifications for Student Family Housing - Phase IA at the Brackenridge site have been prepared by the Project Architect, Wilson-Stoeltje-Martin, Inc., Austin, Texas. The initial construction, Phase IA of Student Family Housing, will provide 228 units replacing 189 existing units. The project includes fifty-six 1-bedroom apartments, one hundred forty 2-bedroom apartments, thirty-two 3-bedroom apartments and three structures for support functions for a laundry room, mail room and shuttle bus shelter.

Based on the U. T. Austin Housing and Food Service Fiscal Year 1979 costs of Colorado and Gateway Apartments, the maintenance, operation and external utilities for public areas of these new units are estimated to cost \$1.78 per square foot per year.

20. U. T. ARLINGTON: RENOVATION OF SCIENCE BUILDING (PROJECT NO. 301-429) - RECOMMENDED AWARD OF CONTRACT TO HALLMAN & KEELE, INC., GARLAND, TEXAS, ADDITIONAL APPROPRIATION THEREFOR AND RECOMMENDED PLAQUE INSCRIPTION

RECOMMENDATIONS

President Nedderman and Chancellor Walker recommend that the Board:

- a. Award the construction contract for the Renovation of the Science Building to the lowest responsible bidder, Hallman & Keele, Inc., Garland, Texas, as follows:

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

- b. Authorize a revised total project cost of \$3,500,000 to cover the recommended construction contract award, equipment, air balancing, fees and related project expenses (previously estimated \$3,377,484)
- c. Appropriate additional funds in the amount of \$122,516 from Unappropriated Balances to provide for the total project cost
- d. Approve the recommended inscription as set out below for the plaque to be placed on the U. T. Arlington Renovation of the Science Building.

This inscription follows the standard pattern approved by the Board at the meeting held June 1, 1979.

RENOVATION OF SCIENCE BUILDING

1980

BOARD OF REGENTS

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 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

BACKGROUND INFORMATION

In accordance with authorization of the Board of Regents at its meeting on May 29, 1980, bids were called for and were received, opened and tabulated on July 1, 1980, as shown on the attached sheet, for the Renovation of the Science Building.

The 66th Legislature appropriated \$3,377,484 toward the renovation of the building.

RENOVATION OF THE SCIENCE BUILDING, THE UNIVERSITY OF TEXAS AT ARLINGTON  
 Bids Received July 1, 1980, 2:00 p.m., C.D.S.T., Administration Building, E. E. Davis Hall  
 The University of Texas at Arlington

B & G - 40

<u>Bidder</u>	<u>Base Bid</u>	<u>Add Alt. #1</u>	<u>Add Alt. #2</u>	<u>Add Alt. #3</u>	<u>Add Alt. #4</u>	<u>Add Alt. #5</u>	<u>Add Alt. #6</u>	<u>Add Alt. #7</u>	<u>Bid Bond</u>
B & B Developers, Moody, Texas	\$2,617,777.00	\$350,000.00	\$191,000.00	\$137,000.00	\$ 39,000.00	\$ 17,000.00	\$ 20,900.00	\$ 17,000.00	5%
Hallman & Keele, Inc., Garland, Texas	2,570,000.00	221,000.00	160,400.00	128,600.00	44,500.00	12,000.00	12,000.00	13,000.00	5%
Industrotech Southwestern, Inc., Fort Worth, Texas	2,896,400.00	275,000.00	195,000.00	211,000.00	40,500.00	7,000.00	13,000.00	14,500.00	5%
NICO INDUSTRIES, INC., Dallas, Texas	2,722,000.00	158,000.00	133,000.00	102,000.00	37,000.00	6,000.00	13,000.00	10,000.00	5%
Walker Construction Company, Fort Worth, Texas	3,076,000.00	290,000.00	183,000.00	141,000.00	36,000.00	14,000.00	25,000.00	13,000.00	5%

- Alternates No. 1    Equipping designated rooms  
 2    Equipping designated rooms  
 3    Equipping designated rooms  
 4    Construction of hazardous reaction lab  
 5    Refinishing existing doors  
 6    Ground fault interrupters  
 7    Best Lock System

21. U. T. AUSTIN: STUDENT FAMILY HOUSING, PHASE IA - DEMOLITION (PROJECT NO. 102-445) - REPORT OF AWARD OF CONTRACT TO CLARENCE CULLEN COMPANY, BUDA, TEXAS, AND RECOMMENDED ADDITIONAL APPROPRIATION THEREFOR

President Flawn and Chancellor Walker hereby report the award of the demolition contract for the Student Family Housing Phase IA to the lowest responsible bidder Clarence Cullen Company, Buda, Texas, in the amount of \$63,495.00.

In accordance with authorization given at the Regents' meeting held February 28, 1980, bids were called for and were received, opened and tabulated on June 24, 1980, as shown below for the demolition of the existing student family housing duplex units at the Brackenridge site of The University of Texas at Austin.

<u>Bidder</u>	<u>Base Bid</u>	<u>Bid Bond</u>
Clarence Cullen Company, Buda, Texas	\$ 63,495.00	\$5,000.00
Boegner & Associates, Bryan, Texas	73,462.00	5,000.00
Q. S. Franks Wrecking Company, Austin, Texas	93,000.00	5,000.00
Vic Padilla Excavation, Austin, Texas	153,000.00	5,000.00
Southwest - Rathgeber Company, Austin, Texas	114,111.70	5,000.00
VENTURON, INC., Austin, Texas	64,500.00	5,000.00

President Flawn and Chancellor Walker recommend that the Board appropriate \$84,000.00 from Auxiliary Enterprises Administrative Unallocated Account to cover the amount of contract award, fees and miscellaneous expenses.

22. U. T. EL PASO: EXPANSION OF UNION FACILITIES (PROJECT NO. 201-240) - RECOMMENDED AWARD OF CONTRACTS FOR FURNITURE AND FURNISHINGS TO ABEL CONTRACT FURNITURE & EQUIPMENT COMPANY, INC., AUSTIN, TEXAS; M. J. BELBOT, INC., EL PASO, TEXAS; FINGER OFFICE FURNITURE, HOUSTON, TEXAS; GOETTING BROTHERS, EL PASO, TEXAS; IMPERIAL FURNITURE COMPANY, INC., EL PASO, TEXAS; STEIN FURNITURE & FIXTURES, INC., FREDERICKSBURG, TEXAS; AND APPROPRIATION THEREFOR

RECOMMENDATIONS

President Templeton and Chancellor Walker recommend that the Board:

- a. Award contracts to the following lowest responsible bidders:

Abel Contract Furniture &  
Equipment Co., Inc.,  
Austin, Texas

Alternate Proposal "P" (Pkgs. "A", "F", "G", "I" & "J")	\$204,643.00
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M. J. Belbot, Inc., El Paso, Texas

Base Proposal "B" (Reupholstered Furniture)	95,799.48
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Finger Office Furniture,  
Houston, Texas

Base Proposal "C" (Wood Game Chairs)	1,980.40
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Goetting Brothers, El Paso, Texas

Base Proposal "H" (Refinished Tables)	\$28,484.00
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Base Proposal "L" (Remodeled Book- store Fixtures)	50,974.00
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Base Proposal "M" (Post Office Millwork)	<u>7,660.00</u>
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Total Contract Award to Goetting Brothers	87,118.00
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Imperial Furniture Company, Inc.,  
El Paso, Texas

Base Proposal "N" (Carpet)	\$79,349.97
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Base Proposal "O" (Draperies)	<u>21,226.60</u>
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Total Contract Award to Imperial Furniture Company, Inc.	100,576.57
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Stein Furniture & Fixtures, Inc.,  
Frederickburg, Texas

Base Proposal "K" (New Bookstore Fixtures)	<u>15,482.58</u>
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GRAND TOTAL RECOMMENDED CONTRACT AWARDS	<u>\$505,600.03</u>
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- b. Appropriate \$585,000 from Unexpended Proceeds of Combined Fee Revenue Bonds Series 1979 to provide the recommended contract awards and the remaining estimated furnishings and equipment items needed for the Expansion of Union Facilities at U. T. El Paso.

In accordance with Board of Regents' authorization on October 12, 1979, bids were called for and were received, opened and tabulated on June 26, 1980, as shown on the attached sheets, for Furniture and Furnishings for the Expansion of Union Facilities.

The following comments are provided concerning several of the packages bid upon:

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.

FURNITURE AND FURNISHINGS FOR EXPANSION OF UNION FACILITIES

THE UNIVERSITY OF TEXAS AT EL PASO, EL PASO, TEXAS

Bids Received at 2:00 p.m., Central Daylight Saving Time, Thursday, June 26, 1980 at the  
Office of Facilities Planning and Construction, The University of Texas System, Austin, Texas

Bidder	Bid Bond	Base Proposal "A" (New Wood Furniture)	Base Proposal "B" (Re-upholstered Furniture)	Base Proposal "C" (Wood Game Chairs)	Base Proposal "D" (Lounge Chairs)	Base Proposal "E" (Landscaping)
Abel Contract Furniture & Equipment Co., Inc. Austin, Texas	10%	\$146,344.88	No Bid	No Bid	No Bid	No Bid
M. J. Belbot, Inc. El Paso, Texas	10%	No Bid	\$ 95,799.48	No Bid	No Bid	No Bid
Carpet Services, Inc. Austin, Texas	10%	No Bid	No Bid	No Bid	No Bid	No Bid
Environ, Inc. Dallas, Texas	Cashier's Check \$16,951.11	No Bid	169,511.14	No Bid	No Bid	No Bid
Finger Office Furniture Houston, Texas	10%	No Bid	No Bid	\$1,980.40	No Bid	No Bid
Goetting Brothers El Paso, Texas	10%	No Bid	No Bid	No Bid	No Bid	No Bid
Highland Interiors, Inc. Lubbock, Texas	Cashier's Check \$12,713.84	No Bid	No Bid	No Bid	No Bid	No Bid

Bidder	Bid Bond	Base Proposal "A" (New Wood Furniture)	Base Proposal "B" (Re-upholstered Furniture)	Base Proposal "C" (Wood Game Chairs)	Base Proposal "D" (Lounge Chairs)	Base Proposal "E" (Landscaping)
House of Carpets, Inc. El Paso, Texas	10%	No Bid	No Bid	No Bid	No Bid	No Bid
Imperial Furniture Co., Inc. El Paso, Texas	10%	No Bid	No Bid	No Bid	No Bid	No Bid
E. G. Jenkins Dallas, Texas	Cashier's Check \$2,284.90	No Bid	No Bid	No Bid	No Bid	No Bid
Rockford Business Interiors Austin, Texas	10%	\$156,044.68	\$160,794.84	\$1,846.96	No Bid	\$11,872.52
San Antonio Floor Finishers, Inc. San Antonio, Texas	10%	No Bid	No Bid	No Bid	No Bid	No Bid
Stein Furniture & Fixtures, Inc. Fredericksburg, Texas	10%	No Bid	No Bid	No Bid	No Bid	No Bid





Bidder	Base Proposal "L" (Remd. Book Store Fixtures)	Base Proposal "M" (Post Office Millwork)	Base Proposal "N" (6,369 S.Y. Carpet)	Base Proposal "O" (Draperies)	Alternate Proposal "P" ("A", "F", "G", "I", & "J")
Abel Contract Furniture & Equipment Co., Inc. Austin, Texas	No Bid	No Bid	No Bid	No Bid	\$204,643.00
M. J. Belbot, Inc. El Paso, Texas	No Bid	No Bid	No Bid	\$22,705.90	No Bid
Carpet Services, Inc. Austin, Texas	No Bid	No Bid	\$95,256.00	No Bid	No Bid
Environ, Inc. Dallas, Texas	No Bid	No Bid	No Bid	No Bid	No Bid
Finger Office Furniture Houston, Texas	No Bid	No Bid	No Bid	No Bid	No Bid
Goetting Brothers El Paso, Texas	\$50,974.00	\$7,660.00	No Bid	No Bid	No Bid
Highland Interiors Lubbock, Texas	No Bid	No Bid	94,148.55	32,989.87	No Bid

Bidder	Base Proposal "L" (Remd. Book Store Fixtures)	Base Proposal "M" (Post Office Millwork)	Base Proposal "N" (6,369 S.Y. Carpet)	Base Proposal "O" (Draperies)	Alternate Proposal "P" ("A", "F", "G", "I", & "J")
House of Carpets, Inc. El Paso, Texas	No Bid	No Bid	\$82,291.00	No Bid	No Bid
Imperial Furniture Co., Inc. El Paso, Texas	No Bid	No Bid	79,349.97	\$21,226.60	No Bid
E. G. Jenkins Dallas, Texas	No Bid	No Bid	No Bid	23,349.02	No Bid
Rockford Business Interiors Austin, Texas	No Bid	No Bid	No Bid	No Bid	\$218,814.90
San Antonio Floor Finishers, Inc. San Antonio, Texas	No Bid	No Bid	85,778.00	No Bid	No Bid
Stein Furniture & Fixtures, Inc. Fredericksburg, Texas	No Bid	No Bid	No Bid	No Bid	No Bid

23. U. T. TYLER: SINGLE STUDENT HOUSING - REQUEST FOR ADOPTION OF A RESOLUTION AUTHORIZING THE FILING AND PROCESSING OF COLLEGE HOUSING LOAN APPLICATION IN FEDERAL FISCAL YEAR 1980 FOR SINGLE STUDENT HOUSING

RECOMMENDATION

Chancellor Walker recommends that the Board adopt the following resolution related to filing an application and processing documents under the College Housing Program for Single Student Housing at The University of Texas at Tyler.

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.

BACKGROUND INFORMATION

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 due to inadequate available funds. It is the desire of the U. T. Tyler administration to update and resubmit this application in Federal Fiscal Year 1980.

New proposed rules for the making of College Housing Loan Applications in Federal Fiscal Year 1980 appear to require a separate resolution for each application made under the College Housing Program. In order to avoid the possibility of delay, a resolution specifically authorizing R. S. Kristoferson, Director of the Office of Facilities Planning and Construction, to file an application and process the relevant documents for Single Student Housing at U. T. Tyler is deemed appropriate.

24. HOUSTON HEALTH SCIENCE CENTER AND UNIVERSITY CANCER CENTER - REMODELING OF PRUDENTIAL BUILDING - FACILITIES CONTROL AND MONITORING SYSTEM AND FIRE ALARM SYSTEM: RECOMMENDED AWARD OF CONTRACTS TO MID-WEST ELECTRIC COMPANY, HOUSTON, TEXAS AND FOXBORO/ADEC, INC., SANTA ANA, CALIFORNIA

RECOMMENDATIONS

President Bulger, President LeMaistre and Chancellor Walker recommend that the Board:

- a. Award the contracts for a New Fire Alarm System to Mid-West Electric Company, Houston, Texas, and a New Energy Monitoring and Control System to Foxboro/Adec, Inc., Santa Ana, California, as follows:

Mid-West Electric Company

Base Bid	\$264,074	
Recommended Contract Award		\$264,074

Foxboro/Adec, Inc.

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>4,025</u>	
Recommended Contract Award		<u>\$405,016</u>
Total Recommended Contract Awards		<u>\$669,090</u>

- b. Authorize 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.

BACKGROUND INFORMATION

In February, 1980, the Board authorized rebidding several parts of the fire alarm and facilities control and monitoring systems for the Prudential Building for the Houston Health Science Center and University Cancer Center in Houston.

Bids for these systems were called for and received, opened and tabulated on June 10, 1980, as shown on the attached tabulation. Based on evaluation criteria established prior to bid opening, the bids were evaluated by a committee consisting of the designer, his consultants, OFPC and Cancer Center representatives. It was the recommendation of the committee that the fire alarm system (including basic electrical work) be awarded to Mid-West Electric Company, Houston, Texas, as the lowest responsible bidder.

Evaluation of the responsiveness of the electronic controls system bids 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 that the bid submitted by Foxboro/Adec, Inc.,

the apparent second low bid, was, in fact, the lowest responsible bid in that it was totally compliant, had the least recurring maintenance cost and the shortest delivery and completion time. The evaluation committee recommended award of the energy monitoring and control system to Foxboro/Adec, Inc.

The funds necessary to cover the recommended contract awards, fees, miscellaneous expenses and contingencies are available in funds previously appropriated by the 65th Legislature for Remodeling the Prudential Building.

A NEW FIRE ALARM SYSTEM FOR THE PRUDENTIAL BUILDING FOR  
 THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON AND THE UNIVERSITY CANCER CENTER  
 Bids Received June 10, 1980 at 10:00 a.m., C.D.S.T. at the Prudential Building, Houston, Texas

<u>Bidder</u>	<u>Base Bid</u>	<u>Bid Bond or Cashier's Check</u>
Fowler Engineering Company, Inc., Houston, Texas	\$297,656.00	B.B. 5%
Bill Hagerman Electric, Inc., Houston, Texas	334,800.00	B.B. 5%
Mid-West Electric Company, Houston, Texas	264,074.00	C.C. \$13,534.00
Alan Cooke Company, Houston, Texas	275,000.00	B.B. 5%

B & G - 53

A NEW ENERGY MONITORING AND CONTROL SYSTEM FOR THE PRUDENTIAL BUILDING AT  
 THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON AND THE UNIVERSITY CANCER CENTER  
 Bids Received June 10, 1980 at 2:00 p.m., C.D.S.T. at the Prudential Building, Houston, Texas

B & G - 54

<u>Bidder</u>	<u>Base Bid</u>	<u>Add Alt. 1 Temp. Sensors</u>	<u>Add Alt. 2 Chiller Optimization</u>	<u>Add Alt. 3 Additional Software</u>	<u>Add Alt. 4 System Expansion</u>	<u>Bid Bond or Cashier's Check</u>
Energy Conservation Management, Inc., Mobile, Alabama	\$541,972.16	\$87,410.00	\$33,650.00	\$30,000.00	\$ N/C	C.C. \$34,650.60
Environmental Management Systems, Inc., San Diego, California	316,972.00	26,288.00	52,589.00	5,250.00	N/C	B.B. 5%
Foxboro/Adec, Inc., Santa Ana, California	307,425.00	34,769.00	51,773.00	7,024.00	4,250.00	B.B. 5%
Johnson Controls, Inc., Milwaukee, Wisconsin	336,025.00	19,238.00	28,964.00	10,900.00	30,766.00	B.B. 5%
MCC Powers, St. Paul, Minnesota	255,330.00	40,456.00	130,908.00	39,596.00	22,829.00	B.B. 5%

25. TYLER HEALTH CENTER: CHAPEL ADDITION (PROJECT NO. 801-412) - RECOMMENDED AWARD OF CONTRACT FOR FURNITURE AND FURNISHINGS TO ROCKFORD BUSINESS INTERIORS, AUSTIN, TEXAS

RECOMMENDATIONS

It is recommended by Director Hurst and Chancellor Walker that the Board award the contract to the following lowest responsible bidder:

Rockford Business Interiors,  
Austin, Texas

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

BACKGROUND INFORMATION

In accordance with the Board of Regents' authorization on October 12, 1979, bids were called for and were received, opened and tabulated on June 26, 1980, as shown below:

<u>Bidder</u>	<u>Base Bid</u>	<u>Bid Bond</u>
Finger Office Furnishings, Houston, Texas	\$20,953.64	5%
Rockford Business Interiors, Austin, Texas	19,692.18	5%

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

BUILDINGS AND GROUNDS COMMITTEE

EMERGENCY ITEM

July 10-11, 1980

U. T. AUSTIN

- 26. Townes Hall (Law School Building) Alterations and Additions: Recommended Award of Contract to Faulkner Construction Company, Austin, Texas, for Remodeling Phase; Additional Appropriation Therefor; and Proposed Inscription for Plaque. --

RECOMMENDATIONS

President Flawn and Chancellor Walker recommend that the Board:

- a. Award a construction contract for the Remodeling Phase of the Alterations and Additions to Townes Hall (Law School Building) to the lowest responsible bidder, Faulkner Construction Company, Austin, Texas, in the amount of the base bid of \$6,475,000
- b. Authorize a revised total project cost of \$8,128,041 to cover the recommended construction contract award, movable furnishings and equipment, air balancing, landscaping, fees and related project expenses; a total project cost of \$6,800,000 was previously estimated in November 1978
- c. Appropriate 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. Approve the recommended inscription as set out below for the plaque to be placed on the Remodeling Phase of the Alterations and Additions to Townes Hall.

This inscription follows the standard pattern approved by the Board at the meeting held June 1, 1979.

TOWNES HALL

REMODELING

1980

BOARD OF REGENTS

Dan C. Williams, Chairman  
 Thos. H. Law, Vice-Chairman  
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 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

BACKGROUND INFORMATION

In accordance with authorization of the Board of Regents on November 30, 1978, bids were called for and were received, opened and tabulated on July 3, 1980, as shown below, for the Remodeling Phase of the project entitled Alterations and Additions to Townes Hall.

<u>Bidder</u>	<u>Base Bid</u>	<u>Bid Bond</u>
B-F-W Construction Co., Inc., Temple, Texas	\$7,075,000	5%
Faulkner Construction Company, Austin, Texas	6,475,000	5%
Kunz Construction Company, Inc., San Antonio, Texas	7,118,520	5%
Rio Construction Company, Austin, Texas	6,595,956	5%
Wilmac Constructors, Inc., Houston, Texas	7,174,000	5%

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.

**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. Frith, 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-Stablization 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 Cegon & 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:

Rehabilitation of Ashbel Smith Building  
The University of Texas Medical Branch at Galveston  
Page Two

1. Remove the "dead house", fire escapes, passageways to the toilets, wooden porch on the west side of the boiler room and wooden 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 as required to expose brickwork and structural connections including interior brick bearing walls.
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 replacement 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 mater from the interior fabric.
10. Remove all existing lintels and replace with new painted galvanized steel lintels.

*Rehabilitation of Ashbel Smith Building  
The University of Texas Medical Branch at Galveston  
Page Three*

- 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/stablization treatment to all masonry, stucco and stone.*

*A proposed schedule to perform this work is shown on the attached chart 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.).*



# Health Affairs Committee

HEALTH AFFAIRS COMMITTEE  
Committee Chairman Fly

Date: July 11, 1980

Time: Following the meeting of the Academic and Developmental Affairs Committee (If the Buildings and Grounds Committee reconvenes on July 11, the Health Affairs Committee will meet thereafter.)

Place: 2nd Floor Hallway, Main Building  
Marine Science Institute (Port Aransas)

	<u>Page</u> <u>HAC</u>
1. U. T. System: Proposed Affiliation Agreement with the Texas Department of Mental Health and Mental Retardation, Austin, Texas (Nullification of Previous Agreements)	3
2. U. T. Arlington: Proposed Affiliation Agreement with Tarrant County Hospital District, Fort Worth, Texas	10
3. U. T. Austin: Proposed Affiliation Agreement with Holy Cross Hospital, Austin, Texas	10
4. U. T. San Antonio: Proposed Memorandum of Agreement with Brooke Army Medical Center, San Antonio, Texas	10
5. U. T. San Antonio: Proposed Affiliation Agreements with:	16
a. Hot Springs Rehabilitation Center Hot Springs, Arkansas	
b. Paul Bonarrigo, LPT, P.C. Bryan, Texas	
6. Dallas Health Science Center: Proposed Affiliation Agreement with Children's Medical Center of Dallas, Dallas, Texas	16
7. Dallas Health Science Center: Proposed Affiliation Agreements with:	19
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	
e. Y.M.C.A., Fort Worth, Texas	

8. Galveston Medical Branch: Proposed Affiliation Agreements with: 19
  - a. MacGregor Medical Clinic Association  
Houston, Texas
  - b. United Way of Galveston, Inc.  
Galveston, Texas
9. Houston Health Science Center: Proposed Increase in (a) Health Fee for Full-Time Students and (b) Late Registration Fee (Catalog Change) 20
10. San Antonio Health Science Center (San Antonio Dental School): Proposed Bylaws for the Dental Service, Research and Development Plan 20
11. University Cancer Center (M. D. Anderson): Proposed Appointment to the Mesa Petroleum Company Professorship in Cancer Prevention Effective August 1, 1980 40

NOTE: The agreements recommended for approval by the Health Affairs Committee have been approved by an attorney of the Office of General Counsel unless otherwise indicated and are based on the model agreement adopted December 16, 1977. If the proposed agreements are not based on the model, then the documents are included in this volume.

1. U. T. System: Proposed Affiliation Agreement with the Texas Department of Mental Health and Mental Retardation, Austin, Texas (If Approved, All Current Agreements with MHMR Nullified -- See List Below). --

#### RECOMMENDATION

Chancellor Walker recommends that approval be given to the affiliation agreement set out on Pages HAC 4-9 by and between The University of Texas System and the Texas Department of Mental Health and Mental Retardation, Austin, Texas. This agreement, based on the standard form, has been reviewed and approved as to form by the Office of General Counsel. All existing affiliation agreements between U.T. System components and Mental Health-Mental Retardation facilities are herewith terminated.

#### BACKGROUND INFORMATION

This agreement will provide for affiliations between The University of Texas System components and the Texas Department of Mental Health and Mental Retardation facilities. Upon approval of this agreement, no additional individual affiliation agreements will be required between U.T. System components and Mental Health-Mental Retardation facilities. Program agreements will continue to be required to specify operational details, and program agreements in effect under existing affiliation agreements between U.T. System components and Mental Health-Mental Retardation facilities will continue in operation under this System-wide agreement.

This agreement will provide educational experiences for U.T. System students involved in various academic and professional programs related to mental health care.

NOTE: If this agreement is approved, all contracts previously executed between the Department of Mental Health and Mental Retardation and U. T. System components (listed below) will be nullified, and there will be no individual affiliation agreements required between the components and MHMR.

#### 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

(continued)

U.T. San Antonio

Austin State Hospital

San Antonio State Hospital

The University of Texas Medical Branch at Galveston

Austin-Travis County MMR

Bexar County MMR Center

Texas Research Institute of Mental Sciences

Gulf Coast MMR Center

The University of Texas Health Science Center at Houston

MMR 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 facility 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)

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

FORM APPROVED:

*M. Lynn Taylor*  
General Counsel of the System

DEPARTMENT

By *John J. Kavanaugh MD*  
(Title) Commissioner

ATTEST:

*W. Kemp ...*  
(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.

2. U. T. Arlington: Proposed Affiliation Agreement with Tarrant County Hospital District, Fort Worth, Texas.--

RECOMMENDATION

President Nedderman and Chancellor Walker recommend that approval be given to the affiliation agreement by and between The University of Texas at Arlington and Tarrant County Hospital District, Fort Worth, Texas. The agreement was executed by the appropriate officials on May 9, 1980, to be effective upon approval by the Board of Regents.

PURPOSE

This agreement will provide health care related educational experiences for students at U.T. Arlington.

3. U. T. Austin: Proposed Affiliation Agreement with Holy Cross Hospital, Austin, Texas.--

RECOMMENDATION

President Flawn and Chancellor Walker recommend that approval be given to the affiliation agreement by and between The University of Texas at Austin and the Holy Cross Hospital, Austin, Texas. The agreement was executed by the appropriate officials on May 7, 1980, to be effective upon approval by the Board of Regents.

PURPOSE

This agreement will provide health care related educational experiences for students at U.T. Austin.

4. U. T. San Antonio: Proposed Memorandum of Agreement with Brooke Army Medical Center, San Antonio, Texas.--

RECOMMENDATION

President Wagener and Chancellor Walker recommend that approval be given to the Memorandum of Agreement set out on Pages HAC 11-15 by and between The University of Texas at San Antonio and the Brooke Army Medical Center, San Antonio, Texas. The agreement has been executed by the appropriate officials and will be effective upon approval by the Board of Regents.

PURPOSE

This agreement, which provides 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, does not precisely follow the standard affiliation agreement format approved by the Board of Regents and has been approved as to form by the Office of General Counsel.

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.

BAMC Form 375 NS  
1 Apr 76

Edition of 1 Apr 75 is obsolete.

*Imc-1*

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, Sections 5351, 5352, <sup>5353</sup>/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:

[Signature]  
General Counsel of the System

\_\_\_\_\_  
Chairman, Board of Regents

UNIVERSITY

By [Signature]  
President,  
The University of Texas at San Antonio

FACILITY

By [Signature]  
(Title) Commander,  
Brooke Army Medical Center

CONTENT APPROVED:

[Signature]  
Vice Chancellor for Academic Affairs

[Signature]  
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

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

RECOMMENDATION

President Wagener and Chancellor Walker recommend that approval be given to affiliation agreements by and between The University of Texas at San Antonio and the following facilities. The agreements were executed by the appropriate officials on the dates indicated below to be effective upon approval by the Board of Regents.

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

PURPOSE

Each of these agreements will provide facilities for health care related educational experiences for students at U.T. San Antonio.

6. Dallas Health Science Center: Proposed Affiliation Agreement with Children's Medical Center of Dallas, Dallas, Texas.--

RECOMMENDATION

President Sprague and Chancellor Walker recommend that approval be given to the affiliation agreement set out on Pages HAC 17-18 by and between The University of Texas Health Science Center at Dallas and Children's Medical Center of Dallas, Dallas, Texas. This agreement was executed by the appropriate officials on May 5, 1980, to be effective upon approval by the Board of Regents. The agreement is in a form acceptable to the Children's Medical Center of Dallas and has been approved by the Office of General Counsel.

PURPOSE

This agreement will provide additional clinical facilities for students in the dietetics program of the School of Allied Health Sciences.

CLINICAL AFFILIATION AGREEMENT

This agreement is entered into this 5 day of May, 1987, 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.



7. Dallas Health Science Center: Proposed 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.--

RECOMMENDATION

President Sprague and Chancellor Walker recommend approval of affiliation agreements between the Dallas Health Science Center and the following facilities. The agreements are on the standard form and were executed by the appropriate officials on the dates indicated below to be effective upon approval by the Board of Regents.

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

PURPOSE

Each of these affiliation agreements will benefit students in allied health programs.

8. Galveston Medical Branch: Proposed Affiliation Agreements with (a) MacGregor Medical Clinic Association, Houston, Texas, and (b) United Way of Galveston, Inc., Galveston, Texas.--

RECOMMENDATION

President Levin and Chancellor Walker recommend that approval be given to affiliation agreements by and between The University of Texas Medical Branch at Galveston and the following facilities. These agreements have been executed by the appropriate officials and are to be effective upon approval by the Board of Regents:

Facility

- a. MacGregor Medical Clinic Association  
Houston, Texas

This agreement will afford allied health sciences students the opportunity to participate in the administration and management of medical record services in a nontraditional setting.

- b. United Way of Galveston, Inc.  
Galveston, Texas

This agreement will afford allied health sciences students several opportunities to enhance community development and community health education skills.

9. Houston Health Science Center: Proposed Increase in (a) Health Fee for Full-Time Students and (b) Late Registration Fee (Catalog Change).---

RECOMMENDATION

President Bulger and Chancellor Walker recommend that the Board of Regents:

- a. Approve an increase in the health fee for 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.
- b. Approve an increase in the late registration fee from \$5 to \$15 per student.

These increased fees will be effective for the Fall 1980 registration.

BACKGROUND INFORMATION

The increase in the health fee is needed to cover the increased cost of the operation of the Student Health Service.

The increase in the late registration fee is to cover the added costs of processing late registration.

**SECRETARY'S NOTE:** If this recommendation is approved, the minute order will provide that the next appropriate catalog published will be amended to reflect this action.

10. San Antonio Health Science Center (San Antonio Dental School): Proposed Bylaws for the Dental Service, Research and Development Plan.---

RECOMMENDATION

President Harrison and Chancellor Walker recommend approval of the Dental Service Research and Development Plan (DSRDP) set out on **Pages HAC 21-39**. This Plan will apply to full-time faculty members of the School of Dentistry. All full-time faculty will be members of the DSRDP and will sign the participation agreement approved by the Board of Regents at their meeting on December 7, 1979. However, only those members of the full-time faculty actually engaged in the treatment of patients will be considered a participating member. Only participating members shall be entitled to participate in the deliberations of the Plan and be eligible for benefits therefrom.

The Plan provides for collection of fees for patient services to be deposited in an Institutional Trust Fund. From this fund, payment will be made for billing and collecting expenses and for funding fringe benefits and augmentation of participating faculty members. Other expenditures in accordance with The University of Texas System policy and as approved by the Chancellor will be permitted.

This Plan was developed by a committee of the faculty after review of the MSRDP Plan and similar plans at other dental schools in the United States. Should it be approved, the Plan will become operational on September 1, 1980.

A similar plan is under development at the Houston Dental School and will be presented at a later meeting.

**BYLAWS**

THE UNIVERSITY OF TEXAS DENTAL SCHOOL AT SAN ANTONIO

DENTAL SERVICE, RESEARCH, AND DEVELOPMENT PLAN

TABLE OF CONTENTS

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

SECTION NUMBER AND TITLE	PAGE	Page <u>HAC</u>
1. PURPOSE	1	23
2. DEFINITIONS	2	24
2.1 TOTAL COMPENSATION FOR FACULTY	2	24
2.2 SALARY	2	24
2.3 AUGMENTATION	2	24
3. ORGANIZATION OF THE PLAN	3	25
3.1 MEMBERSHIP	3	25
3.2 MEETINGS OF MEMBERSHIP	3	25
3.3 EXECUTIVE DIRECTOR	4	26
3.4 BOARD OF DIRECTORS	4	26
3.5 BUSINESS OPERATIONS	6	28
4. INSTITUTIONAL TRUST FUND	7	29
4.1 COMPOSITION	7	29
4.2 SOURCES OF INCOME	7	29
4.3 BUSINESS OPERATION FUND	7	29
4.4 DEVELOPMENT FUND	8	30
4.5 FRINGE BENEFIT FUND	8	30
4.6 FACULTY FUND	9	31
FIGURE 1		
5. GENERAL PROVISIONS	11	34
5.1 ETHICS	11	34
5.2 AGREEMENT	11	34
5.3 DISSOLUTION	11	34
5.4 AMENDMENT OF <b>Bylaws</b>	11	34
EXHIBIT A - PARTICIPATION AGREEMENT	12	35

# 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 Any Member of the full-time faculty who is engaged in the treatment of patients and who renders a bill for such professional treatment will be considered 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 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

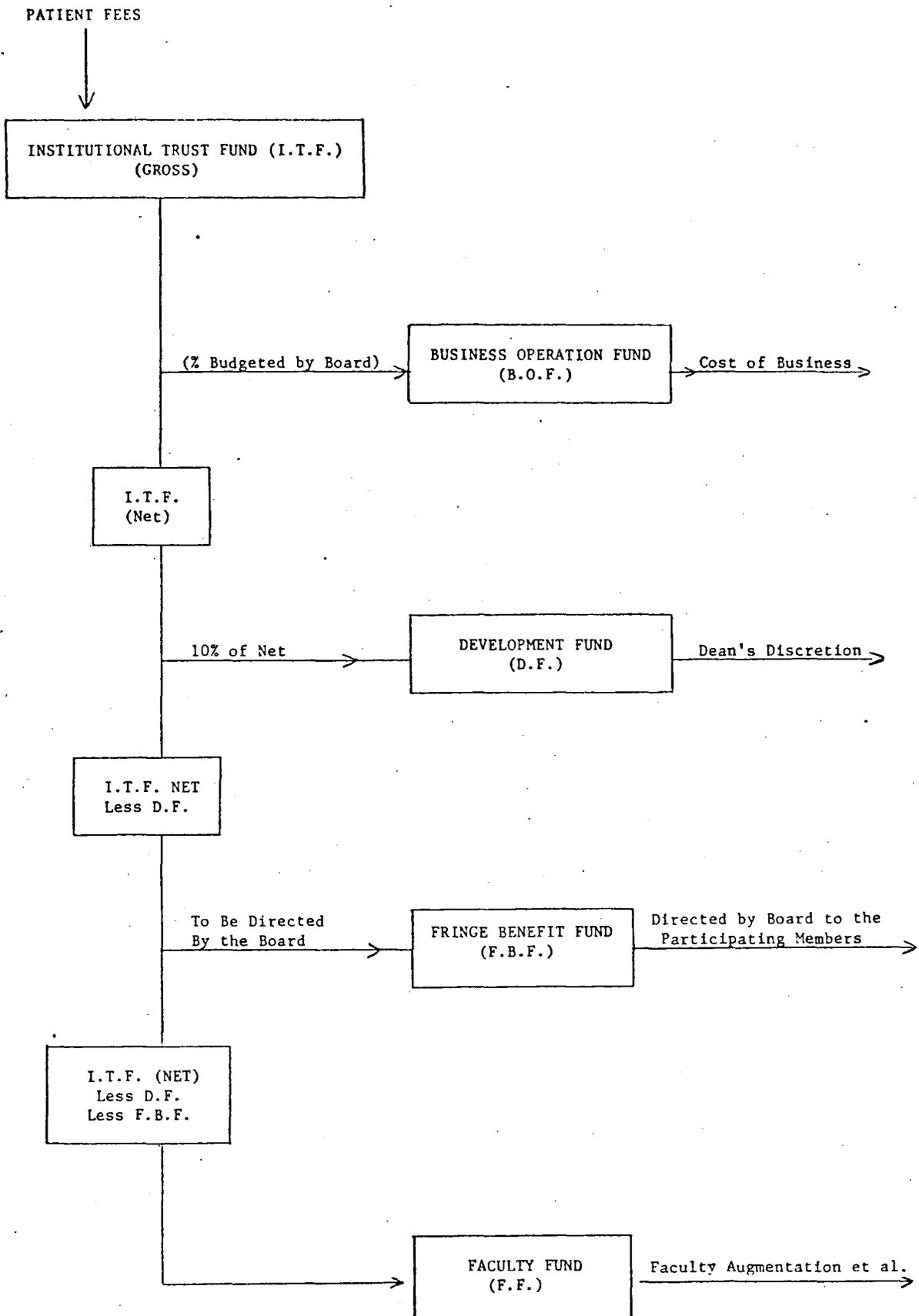


Figure 1

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.

EXHIBIT A  
PARTICIPATION AGREEMENT

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:

\_\_\_\_\_  
DEAN

\_\_\_\_\_  
PRESIDENT

**11. University Cancer Center (M. D. Anderson): Proposed Appointment to the Mesa Petroleum Company Professorship in Cancer Prevention Effective August 1, 1980.--**

RECOMMENDATION

President LeMaistre and Chancellor Walker recommend the appointment of Guy R. Newell, M.D., to the Mesa Petroleum Company Professorship in Cancer Prevention. This professorship is subject to approval at this meeting of the Board of Regents.\* It is proposed that the appointment become effective August 1, 1980 and that Dr. Newell's present compensation be increased in the amount of \$5,000 per annum to a total of \$63,500 with the source of this increase being the Mesa Petroleum Professorship Fund.

BACKGROUND INFORMATION

A faculty committee has recommended that the nominee be appointed to the newly created Mesa Petroleum Company Professorship in Cancer Prevention to be effective August 1, 1980. He has performed in an outstanding manner in the organization and development of a Cancer Prevention program at the University Cancer Center during the past year.

He has been a member of the staff of the University Cancer Center since August 15, 1979. For the eight year period prior to that time he served as Deputy Director of the National Cancer Institute of the National Institutes of Health. He also served as Acting Director of the National Cancer Institute for approximately ten months during the 1976 and 1977 calendar years. He obtained his M.D. degree from Tulane University Medical School in 1962 and he also received an M.S. degree from the Harvard University School of Public Health in Epidemiology in 1968. Postgraduate experience was obtained by the nominee through training positions at Johns Hopkins Hospital, the National Cancer Institute, Peter Bent Brigham Hospital, and the Harvard School of Public Health. He has previously been employed in various capacities at the National Cancer Institute and the School of Public Health and Tropical Medicine at Tulane University. He is board certified in Internal Medicine.

He has held many important appointments as consultant and to distinguished committees. Recent such appointments have included that of Chairman, U.S.-Japan Joint Agreement for Cancer Research and as a member of the Epidemiology Delegation, U.S.-U.S.S.R. Joint Agreement for Cancer Research. He presently has committee assignments with the American Cancer Society, National Division; is a member of the Board of Directors of the American Cancer Society, Texas Division; is a member of the External Review Committee of the Northern California Cancer Program; and holds active committee assignments with the Association of American Cancer Institutes.

(\*See Item 15, Page L&I - 35 for recommendation to establish this Professorship.)

## Land and Investment Com.

LAND AND INVESTMENT COMMITTEE  
Committee Chairman Hay

Date: July 11, 1980  
Time: Following the Meeting of the Health Affairs Committee  
Place: 2nd Floor Hallway, Main Building  
Marine Science Institute (Port Aransas)

	<u>Page</u> <u>L &amp; I</u>
I. <u>Permanent University Fund</u>	
A. Investment Matters	
1. 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	4
2. Permanent University Fund Investment Advisory Committee: Recommendation to Reappoint Member to Five-Year Term	5
B. Land Matters	
1. Easements and Surface Leases, Water Contract, Material Source Permits, Assignment of Easement and Flexible Grazing Leases	
a. Easements and Surface Leases Nos. 5180-5201	6
b. Water Contract No. 180	8
c. Material Source Permits Nos. 588-590	8
d. Assignment of Easement No. 4878	8
e. Flexible Grazing Leases Nos. 38-62	9
2. Proposed Uranium (and Other Fissionable Minerals) Prospecting Permit No. 2 Covering Lands in Andrews County, Texas	12
3. Proposed Uranium (and Other Fissionable Minerals) Prospecting Permit No. 3 Covering Lands in Andrews and Gaines Counties, Texas	13

4. Proposed Water Contract No. 181,  
City of Crane, Block 31, University  
Lands, Crane County, Texas 14

II. Trust and Special Funds

A. Gifts, Bequests and Estates

1. U. T. Austin: Recommendation to Estab-  
lish (a) Chair in Civil Engineering and  
(b) Endowed Presidential Scholarship in  
College of Engineering 27
2. U. T. Austin: Recommendation to Accept  
Bequest from Estate of Minelma Brown  
Lockwood, Deceased, to be Added to the  
Morton Brown, Nellie Lea Brown and  
Minelma Brown Lockwood Scholarship  
Fund in Drama 27
3. U. T. Austin: Recommendation to Accept  
Gift of Undivided 1/3 Interest in 1.75 Acre  
Tract in Houston, Harris County, Texas  
(No Publicity) 28
4. U. T. Austin: Recommendation to Estab-  
lish Endowment Fund in Petroleum  
Geology in College of Geological Sciences 29
5. U. T. Austin: Recommendation to Estab-  
lish Electrical Engineering Scholarship  
Fund in College of Engineering 29
6. U. T. Austin: Recommendation to Accept  
Pledge and to Establish Excellence Fund  
in Marketing Administration in College  
of Business Administration 30
7. U. T. Austin: Recommendation to Accept  
Bequest from Estate of Carroll Candee Wild,  
Deceased 30
8. U. T. Austin: Report of Withdrawal of Pro-  
posed Unitrust (No Publicity) 31
9. U. T. Austin: Recommendation to Accept  
Bequest from Estate of Eva Stevenson Woods,  
Deceased, and to Establish Endowed Presi-  
dential Scholarship 31
10. U. T. El Paso: Recommendation to Accept  
Gifts and a Pledge and to Establish Pro-  
fessorship 32

	<u>Page</u> <u>L &amp; I</u>
11. Galveston Medical Branch: Recommendation to Accept Gift of Two Tracts of Land in the City and County of Galveston, Texas, to be Used for Site of New Physical Plant	33
12. University Cancer Center (M. D. Anderson): Recommendation to Establish Clinical Professorship	33
13. University Cancer Center (M. D. Anderson): Recommendation to Accept Bequest Under Terms of Will of Mr. and Mrs. Alfred Brugger, Deceased	33
14. University Cancer Center (M. D. Anderson): Recommendation to Accept Pledge and to Establish Professorship in Cancer Prevention	34
B. Real Estate Matters	
1. U. T. System - Hogg Foundation for Mental Health - W. C. Hogg Memorial Fund and Thomas E. Hogg Fund: Proposed Oil and Gas Lease on Land in J. H. Bell League, Brazoria County, Texas	35
2. U. T. El Paso - Josephine Clardy Fox Estate: Recommendation to Renew Lease with Allright Auto Parks, Inc., at 222 South Oregon Street, El Paso, Texas	35
III. <u>Other Matters</u>	
PUF and Trust and Special Funds: Report of Securities Transactions for Month of April 1980	35
* * * * *	
FOUNDATION MATTERS	
Ima Hogg Foundation Agenda	36

I. PERMANENT UNIVERSITY FUND

A. INVESTMENT MATTERS

1. 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, are submitted by the Executive Director for Investments and Trusts:

<u>Permanent University Fund</u>	<u>April, 1980</u>	<u>May, 1980</u>	<u>Cumulative This Fiscal Year</u>	<u>Cumulative Pre- ceding Fiscal Year</u>	<u>Per Cent Change</u>
Royalty					
Oil	\$6,139,216.25	\$ 7,677,437.55	\$56,187,368.73	\$32,111,189.16	74.98%
Gas	2,110,841.85	3,977,338.17	26,745,498.35	21,800,931.29	22.68%
Sulphur	285,104.97	387,742.45	2,677,938.76	433,965.08	517.09%
Water	58,261.88	46,217.43	239,847.45	140,289.94	70.97%
Brine	2,786.62	5,637.58	31,253.56	24,172.88	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	( 60.55%)
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%)
<b>TOTAL CLEARANCES</b>	<u><u>\$8,686,832.67</u></u>	<u><u>\$12,464,392.07</u></u>	<u><u>\$88,429,125.60</u></u>	<u><u>\$67,476,744.93</u></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

2. Permanent University Fund Investment Advisory Committee:  
Recommendation to Reappoint Member to Five-Year Term. --

Recommendation

Executive Director Lobb, Vice Chancellor Boyd and Chancellor Walker recommend that Mr. Thomas B. McDade, Vice Chairman of the Board of Texas Commerce Bancshares, Inc., Houston, Texas, be reappointed to the Investment Advisory Committee for a five year period, September 1, 1980, through August 31, 1985. The Investment Advisory Committee members' terms will then be as follows:

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

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.--It is recommended by the Vice Chancellor for Business Affairs that the following applications for easements and surface leases, water contract, material source permits, assignment of easement, and flexible grazing leases be approved. All have been approved as to content by the appropriate officials. Payment for each has been received in advance unless otherwise indicated, and each document is on the University's standard form and is at the standard rate effective August 1, 1979, (adopted June 1, 1979):

a. Easements and Surface Leases Nos. 5180-5201

9-181

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	200.00 (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.

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	\$ 4,408.32
5201	Amoco Production Company	Pipe Line Water line	Andrews	1	1,260.10 rods 16 inch	6/1/80- 5/31/90	10,080.80

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 15¢ 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 Permit 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

e. Flexible Grazing Lease Nos. 38 - 62

No.	Lessee	Location		Acreage	Period	Minimum Annual Rental	Minimum Annual Rental	Semi-Annual Rental
		County	Block			Per Acre	Annual Rental	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 1158-1165-1140 be cancelled in order that they may be combined with FGL #'s 40-43-44 consecutively.

6-187

No.	Lessee	Location County	Block	Acreage	Period	Minimum Annual 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

\*\*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.

2. Proposed Uranium (and Other Fissionable Minerals) Prospecting Permit No. 2 Covering Lands in Andrews County, Texas.--

RECOMMENDATION

Vice Chancellor Boyd and Chancellor Walker recommend that a uranium prospecting permit, with an option to lease, be granted to William P. Castleman, Jr., et al., of Midland, Texas. The permit follows the exact form of Uranium Prospecting Permit No. 1 approved by the Board of Regents at its May 29-30, 1980 meeting.

- 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. 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 \$2,000.00 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 \$50,000.00 performance bond. Several safeguards are included for the adequate payment of surface damages and for the restoration of the surface.

BACKGROUND INFORMATION

The Board of Regents on February 29, 1980, authorized the Acting Manager of University Lands - Oil, Gas and Mineral Interests, to enter into negotiations for uranium prospecting permits with option to lease with interested parties on University Lands. This is the second permit that has been negotiated under this authority.

3. Proposed Uranium (and Other Fissionable Minerals) Prospecting Permit No. 3 Covering Lands in Andrews and Gaines Counties, Texas. --

RECOMMENDATION

Vice Chancellor Boyd and Chancellor Walker recommend that a uranium prospecting permit, with an option to lease, be granted to Energy Reserves Group, Inc., a Delaware Corporation, of Golden, Colorado. The permit follows the exact form of Uranium Prospecting Permit No. 1 approved by the Board of Regents at its May 29-30, 1980 meeting.

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. 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 \$2,000.00 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 \$50,000.00 performance bond. Several safeguards are included for the adequate payment of surface damages and for the restoration of the surface.

BACKGROUND INFORMATION

The Board of Regents on February 29, 1980, authorized the Acting Manager of University Lands - Oil, Gas and Mineral Interests, to enter into negotiations for uranium prospecting permits with option to lease with interested parties on University Lands. This is the third permit that has been negotiated under this authority.

4. Proposed Water Contract No. 181, City of Crane, Block 31, University Lands, Crane County, Texas.--

RECOMMENDATION

Vice Chancellor Boyd and Chancellor Walker recommend that a water contract, covering 2,240 acres, be granted to the City of Crane. (This contract will replace Water Contract No. 55, which has expired.) A copy of the proposed lease is set out on Pages L&I 15-26\* The principal terms of the agreement are as follows:

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.

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 proposed lease at the end of any ten-year term.

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\*This lease is included in the agenda since we have no standard form for water contracts with cities or municipalities.

BACKGROUND INFORMATION

In July of 1952 the City of Crane contracted with the Board of Regents of The University of Texas System to purchase water from Permanent University Lands located in Crane County, Texas. This contract has now expired, and the proposed contract with current royalty rates will replace the old contract.

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 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:

Approved as to Content:

  
University Attorney

  
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 \_\_\_\_\_)

PUBLIC

SCHOOL LAND

19	20	21	22	23
Gulf H.B.P.	ORBIOS Gulf	Gulf	BLK. B-25	
30	29	28	27	26
Cleary Pet.	Gulf H.B.P.	Gulf	UNIV WADDELL	

12	7	5	4	3	2	1
Superior	Cleary Pet.	Amoco	Amoco	Amoco	Amoco	Amoco
13	18	17	16	15	14	13
Harper Oil	Harper Oil	Tex Pacific	Tex Pacific	Continental	Murphy Oil	Murphy Oil
24	19	20	21	22	23	24
Equiland	AR Co.	AR Co.	AR Co.	AR Co.	AR Co.	AR Co.

UNIVERSITY LANDS

BLK. 31

24	19	20	21	22	23	24
Equiland	AR Co.					
25	30	29	28	27	26	25
Equiland	AR Co.					

Consumer Price Index  
of the United States  
Department of Labor  
for April, 1980

(To be inserted when published)

Exhibit "B"

## II. Trust and Special Funds

### A. Gifts, Bequests and Estates

1. U. T. Austin: Recommendation to Establish (a) Chair in Civil Engineering and (b) Endowed Presidential Scholarship in College of Engineering.--

#### Recommendation

President Flawn and Chancellor Walker recommend the establishment of the Nasser I. Al-Rashid Chair in Civil Engineering and the Nasser I. Al-Rashid Endowed Presidential Scholarship in the College of Engineering at U. T. 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 previously been reported to the Board of Regents.

#### Background Information

Mr. Al-Rashid, who received his B.S.C.E. and Ph.D. degrees from U. T. Austin, was named a 1980 Distinguished Graduate of the College of Engineering. His firm, Rashid Engineering, is the largest consulting firm in Saudi Arabia.

2. U. T. Austin: Recommendation to Accept Bequest from Estate of Minelma Brown Lockwood, Deceased, to be Added to the Morton Brown, Nellie Lea Brown and Minelma Brown Lockwood Scholarship Fund in Drama.--

#### Recommendation

President Flawn and Chancellor Walker recommend acceptance of a bequest of the residuary estate of Minelma Brown Lockwood valued at approximately \$550,000 to be added to the Morton Brown, Nellie Lea Brown and Minelma Brown Lockwood Scholarship Fund in Drama at U. T. Austin. The Capital National Bank of Austin, Texas, is the independent executor of the estate. The will of Mrs. Lockwood in part states:

"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 dated September 22, 1975, 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 at a later date.

#### Background Information

The Morton Brown, Nellie Lea Brown, and Minelma Brown Lockwood Scholarship Fund in Drama evolved through gifts and bequests from Morton Brown, Nellie Lea Brown and Minelma Brown Lockwood, brother and sisters. The fund was initiated by Mrs. Lockwood with a gift of \$1,000 accepted by the Board of Regents April 19, 1968.

The residuary estate of Morton Brown was accepted and added to the fund on November 11, 1977. The final estate distribution with the exception of the trust was reported to the Board of Regents June 1, 1979. The trust is in the process of being liquidated and a final report will be submitted to the Board upon receipt. Current book value of the scholarship fund is \$446,079.39, excluding the bequest from Mrs. Lockwood.

3. U. T. Austin: Recommendation to Accept Gift of Undivided 1/3 Interest in 1.75 Acre Tract in Houston, Harris County, Texas (No Publicity). --

#### Recommendation

President Flawn and Chancellor Walker recommend the acceptance of a gift of an undivided one-third (1/3) interest in a 1.75 acre tract of land from Mr. Fred T. Couper and wife, Mary Frances Bowles Couper of Houston, Texas. This interest is valued in excess of \$200,000. The tract is located in the John D. Taylor Survey, Abstract 72, Houston, Harris County, Texas. Recommendation for specific use of this gift will be submitted to the Board for consideration at a later date.

#### Background Information

Mr. Couper is a 1930 BA graduate of U. T. Austin and a 1932 graduate of the School of Law. Mrs. Couper attended U. T. Austin from 1931 to 1936 and currently serves on the Fine Arts Advisory Council. The Coupers over the past few years have given in excess of \$4,570 to the University.

NO PUBLICITY

~~Department~~

4. U. T. Austin: Recommendation to Establish Endowment Fund in Petroleum Geology in College of Geological Sciences. --

Recommendation

President Flawn and Chancellor Walker recommend the establishment of the Morgan J. Davis Endowment Fund in Petroleum Geology in the College of Geological Sciences at U. T. Austin. Funding will be provided by gifts totaling approximately \$11,400 now being held in the Geology Foundation's various donors account. The Geology Foundation Advisory Council plans to raise additional funds to convert this endowment fund to a Professorship and eventually to a Chair, therefore, it is requested that the income be reinvested until the endowment reaches \$100,000.

Background Information

The late Mr. Davis, who graduated from U. T. Austin in 1925, was a charter member of the Geology Foundation and served as its first Chairman. During his distinguished career with Humble Oil and Refining Company, Mr. Davis served as Chief Geological Exploration Manager, Chairman of the Board and Chief Executive Officer. He was also President of both the American Association of Petroleum Geologists and the Geological Society of America.

5. U. T. Austin: Recommendation to Establish Electrical Engineering Scholarship Fund in College of Engineering. --

Recommendation

President Flawn and Chancellor Walker recommend the establishment of the B. N. Gafford Electrical Engineering Scholarship Fund in the College of Engineering at U. T. Austin with gifts from various donors totaling \$10,219. The income from the fund will provide scholarships for undergraduate Electrical Engineering students who are U. S. citizens.

Background Information

Professor Gafford, who received his BSEE and MSEE degrees from U. T. Austin, joined the faculty as an instructor in 1923. He served as Chairman of the Department of Electrical Engineering from 1945 to 1964 and was well known for his work in the field of protective relay design for power systems.

Since Professor Gafford's death in April 1976, the College of Engineering has received gifts in his honor and the funds are held in a current restricted account. Gifts were reported in the U. T. Austin Quarterly Gift Report.

6. U. T. Austin: Recommendation to Accept Pledge and to Establish Excellence Fund in Marketing Administration in College of Business Administration. --

Recommendation

President Flawn and Chancellor Walker recommend the acceptance of a pledge of \$4,800 from the College of Business Administration Foundation and the establishment of the W. T. "Tommy" Tucker Excellence Fund in Marketing Administration in the College of Business Administration at U. T. Austin. The College of Business Administration Foundation has pledged to match gifts on hand on a one-to-one basis to bring the total to \$10,000. Currently \$5,200 from various donors, business organizations and interest income is being held in a current restricted account.

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.

Background Information

Dr. W. T. "Tommy" Tucker, a long-time professor of marketing, taught at U. T. Austin from 1959 to 1978 and served as Chairman of the Department of Marketing Administration.

Donations to this fund have been reported in the Quarterly Gift Report.

7. U. T. Austin: Recommendation to Accept Bequest from Estate of Carroll Candee Wild, Deceased. --

Recommendation

President Flawn and Chancellor Walker recommend the acceptance of a bequest under the terms of the Will of Carroll Candee Wild, deceased. One of the specific bequests under the terms of the Will, as it pertains to U. T. Austin, is as follows:

- "(i) In the event I own or have the right to dispose of any real estate in the State of Texas at the time of my death, I hereby will, devise and bequeath all such real estate, together with all tangible personal property located thereon, including livestock, if any, which I may then own or have the right to dispose of to the University of Texas, Austin, Texas, it being my desire that the property now known as the Gilbert Ranch be kept intact as the "Gilbert Ranch", that the ranch house, barn and barbeque pits be maintained as historical landmarks and for the enjoyment of officials, faculty and students of

the University of Texas; and that the land be used for agricultural and ranch purposes, both commercial and experimental, to provide income for the preservation and maintenance of the Gilbert Ranch, all in remembrance of the pioneer Gilbert family and their love for and contributions to the State of Texas."

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, is the sole real estate related holding that will pass to U. T. Austin. The mineral interest is currently leased to Houston Domestic Oil Company, Houston, Texas. Annual projected income is \$2,200.00. Any interest Miss Wild was entitled to regarding the "Gilbert Ranch" did not materialize as she predeceased the current owners.

A specific bequest of \$1,000.00 to The University of Texas at Austin, College of Liberal Arts and Sciences, was not funded because of insufficient assets in the Estate.

A final report and recommendation for use of the funds will be submitted for the Board's consideration at a later date.

#### Background Information

Miss Carroll Candee Wild, resident of Marion County, Indiana, died March 12, 1978. Miss Wild's maternal grandparents, the Gilbert Family, were pioneers of Texas.

8. U. T. Austin: Report of Withdrawal of Proposed Unitrust (No Publicity). --

#### Report

President Flawn and Chancellor Walker report that an offer by Mr. Joseph H. Wofford to establish a unitrust as reported to and accepted by the Board of Regents at their meeting of October 10 - 11, 1979, has been withdrawn. The unitrust was to be funded by holding title to a mobile radio communications company.

Mr. Wofford changed his mind during the negotiation of the transfer of the gift and decided instead to give the company to one of his children.

NO PUBLICITY

9. U. T. Austin: Recommendation to Accept Bequest from Estate of Eva Stevenson Woods, Deceased, and to Establish Endowed Presidential Scholarship. --

#### Recommendation

President Flawn and Chancellor Walker recommend the acceptance of a bequest of an undivided one-third surface and mineral interest in 2,580.4 acres under the terms of the Will of Eva Stevenson Woods, deceased, and the establishment of the Eva Stevenson Woods Endowed Presidential Scholarship at U. T. Austin. Terms of the Will relating to U. T. Austin follow:

"All of my undivided interest in and to four sections of land located in Reagan County,

Texas, I give, outright, to The University of Texas System, the purpose of this devise being to provide scholarships for students in financial need at The University of Texas at Austin."

The Frost National Bank of San Antonio, Texas, is the Independent Executor of the estate as prescribed by the Will.

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 1, 1983, for \$1,792 annually. One-third, \$597, will accrue to the University for a total annual royalty and surface income of \$8,097. It is requested that the annual income less an amount needed to award one Endowed Presidential Scholarship 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.

#### Background Information

Mrs. Woods, a resident of San Antonio, Texas, died August 29, 1979. The outstanding two-thirds interest in the real estate is held by Mrs. Woods' sisters, Miss Eddie Stevenson, of Corpus Christi, Texas, and Mrs. Bertie Boone, of Midland, Texas. Miss Eddie Stevenson, a retired school teacher, is a U. T. Austin graduate.

#### 10. U. T. El Paso: Recommendation to Accept Gifts and a Pledge and to Establish Professorship.--

##### Recommendation

Chancellor Walker recommends the acceptance of gifts from various donors totaling \$13,000, a pledge of \$20,000 from the Hervey Foundation of El Paso and a transfer of \$30,000 from the U. T. El Paso President's Associates for a total of \$63,000 and the establishment of the Arleigh B. Templeton Professorship at U. T. El Paso. The balance of \$37,000 required to complete the funding of the professorship will be raised during the 1980 Fund Development Program at U. T. El Paso. A request for activation of the Professorship will be submitted when the required funding of \$100,000 has been attained.

##### Background Information

The Development Board of U. T. El Paso, in conjunction with the Alumni Fund Advisory Committee, The Executive Committee of the Matrix Society and the President's Associates dedicated their 1980 Annual Fund Campaign to the creation and endowment of a professorship at U. T. El Paso in honor of President Arleigh B. Templeton. President Templeton is retiring as of August 31, 1980. Fund raising activities are currently in progress and completion of funding is hoped to be reached prior to his retirement date.

11. Galveston Medical Branch: Recommendation to Accept Gift of Two Tracts of Land in the City and County of Galveston, Texas, to Be Used for Site of New Physical Plant. --

Recommendation

*Branch*

President Levin and Chancellor Walker recommend the acceptance of a gift of two tracts of land appraised at \$324,320 from The Sealy & Smith Foundation for The John Sealy Hospital to be used by The University of Texas Medical School as the site for the new Physical Plant Building and additional parking facilities. The tracts totaling 92,663 square feet are located in Blocks 724, 725 and 726 of the City and County of Galveston, Texas, which 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 School.

Background Information

The new Physical Plant Building was approved by the Board of Regents at their meeting of July 25 - 26, 1979.

12. University Cancer Center (M. D. Anderson): Recommendation to Establish Clinical Professorship. --

Recommendation

President LeMaistre and Chancellor Walker recommend the establishment of the Helen Buchanan and Stanley Joseph Seeger Clinical Professorship at the University Cancer Center. Initial funding of this professorship will be provided by use of a gift of \$50,000 made by Mrs. Wirt Davis, II, of Dallas, Texas, which was reported on the February 28 - 29, 1980, docket and \$50,000 to be transferred from The University Cancer Foundation - Anderson Clinical Faculty Professorship Fund for a total of \$100,000. A goal of \$200,000 has been set by The University Cancer Foundation for funding of this professorship.

Background Information

Mrs. Helen Buchanan (Seeger) and Mr. Stanley Joseph Seeger were the parents of Mrs. Wirt Davis, II, of Dallas, Texas. Mrs. Davis is a former associate member of the Board of Visitors of The University Cancer Foundation. Her interest and support have been very beneficial to M. D. Anderson.

13. University Cancer Center (M. D. Anderson): Recommendation to Accept Bequest Under Terms of Will of Mr. and Mrs. Alfred Brugger, Deceased. --

Recommendation

President LeMaistre and Chancellor Walker recommend the acceptance of a bequest under the terms of the joint Will of Mr. and Mrs. Alfred Brugger, deceased, of La Grange, Texas, of one-fifth of their residuary estate. The total

residuary estate is estimated to be \$200,000. Terms of the Will relating to the University are as follow:

"1/5 thereof to The University Cancer Foundation to be used by said Foundation for such purposes as the governing body thereof in its discretion sees fit."

The First National Bank of LaGrange, LaGrange, Texas, is the Independent Executor of the estate.

Recommendation for specific use of the bequest will be submitted for consideration by the Board at a later date accompanied by a final report.

#### Background Information

Mrs. Esther Brugger died on February 17, 1970, and Mr. Alfred Brugger died on February 13, 1979. Both were long-time residents of LaGrange, Texas.

14. University Cancer Center (M. D. Anderson): Recommendation to Accept Pledge and to Establish Professorship in Cancer Prevention.--

#### Recommendation

President LeMaistre and Chancellor Walker recommend the acceptance of a pledge of \$300,000 from Mesa Petroleum Company, Amarillo, Texas, and the establishment of the Mesa Petroleum Company Professorship in Cancer Prevention. Mesa Petroleum Company has agreed to pay the pledge of \$300,000 in installments of \$100,000 each during 1980, 1981 and 1982. The 1980 installment will be paid in June, 1980.

#### Background Information

Mesa Petroleum Company has proposed this professorship at the recommendation of Mr. T. Boone Pickens, Jr., President and Chairman of the Board of Mesa. Mr. Pickens is a member of The Board of Visitors of The University Cancer Foundation.

Mesa Petroleum Company has made previous gifts to U. T. components. The latest gift funded The Mesa Petroleum Fund in Sedimentary Geology at U. T. Austin and was reported to and accepted by the Board of Regents at the February 29, 1980, meeting.

B. Real Estate Matters

1. U. T. System - Hogg Foundation for Mental Health - W. C. Hogg Memorial Fund and ~~Thomas F. Hogg Fund~~: Proposed Oil and Gas Lease on Land in J. H. Bell League, Brazoria County, Texas. --

Recommendation

Vice Chancellor Boyd and Chancellor Walker recommend approval of an oil and gas lease covering an undivided seven-twelfths (7/12th) of the minerals to a depth of 1,550 feet in 5 acres of the Hogg Subdivision, J. H. Bell League, Abstract 40, Brazoria County, Texas, to Sue Ann Operating Company of Houston, Texas. The proposed lease provides for one-fourth (1/4th) royalty, \$50 per acre bonus, \$10 per acre delay rental and a term of three (3) years.

Background Information

The undivided seven-twelfths minerals below a depth of 1,550 feet are owned by the Ima Hogg Foundation for which an identical lease is being recommended to the Trustees of the Ima Hogg Foundation. The undivided five-twelfth (5/12th) remaining is owned by Miss Alice C. Simkins and is leased on the aforementioned terms.

2. U. T. El Paso - Josephine Clardy Fox Estate: Recommendation to Renew Lease with Allright Auto Parks, Inc., at 222 South Oregon Street, El Paso, Texas. --

Recommendation

Vice Chancellor Boyd and Chancellor Walker recommend the renewal of lease at 222 South Oregon Street, El Paso, Texas, a part of the Josephine Clardy Fox Estate for the benefit of U. T. El Paso, to Allright Auto Parks, Inc. The lease will be for a two-year period beginning August 1, 1980, and expiring July 31, 1982, at a rental of \$505.00 per month.

Background Information

This property has been leased to Allright Auto Parks, Inc., for a number of years, the most recent lease being for a term of two years at \$425.00 per month. The size of the lot is about 200 feet by 220 feet and is used for open parking.

III. Other Matters

PUF and Trust and Special Funds: Report of Securities Transactions for Month of April 1980. --In accordance with present procedure, the Report of Securities Transactions for the Permanent University Fund and Trust and Special Funds for the month of April 1980 was mailed on June 16, 1980 by Secretary Thedford to the members of the Board of Regents. If any questions regarding this material have been submitted, the Secretary will so report at the meeting of the Land and Investment Committee.

\* \* \* \* \*

## FOUNDATION MATTERS

### Ima Hogg Foundation Agenda. --

#### Recommendation

A brief meeting of the members of the Board of Regents as Trustees of the Ima Hogg Foundation at the July 10 - 11, 1980, meeting of the Board of Regents is recommended for action on the following agenda:

1. Approval of Minutes of the previous meeting held on February 28 - 29, 1980. Copies were distributed earlier.
2. Assistant Secretary-Treasurer Lobb recommends granting an oil and gas lease covering an undivided seven-twelfths (7/12th) of the minerals below 1,550 feet in five acres of the Hogg Subdivision, J. H. Bell League, Abstract 40, Brazoria County, Texas, to Sue Ann Operating Company of Houston, Texas. The proposed lease provides for one-fourth (1/4th) royalty, \$50 per acre bonus, \$10 per acre delay rental and a term of three (3) years.

The Hogg Foundation for Mental Health holds the undivided seven-twelfths mineral rights above 1,550 feet and an identical lease has been proposed to the Board of Regents as Trustees. The undivided five-twelfths (5/12th) remaining is owned by Miss Alice C. Simkins and is leased on the aforementioned terms.

LAND AND INVESTMENT COMMITTEE

EMERGENCY ITEMS

July 10-11, 1980

L & I

II. Trust and Special Funds

A. Gifts, Bequests and Estates

- |     |   |       |
|-----|---|-------|
| 16. | U. T. Austin: Request to Establish Chair of Business Law in School of Law   | Below |
| 17. | Galveston Medical Branch: Recommendation to Accept Gift to be Added to the Robertson-Poth Charitable Remainder Trust Number Two | 39    |

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Documentation

II. TRUST AND SPECIAL FUNDS

A. GIFTS, BEQUESTS AND ESTATES

16. U. T. Austin: Request to Establish Chair of Business Law in School of Law. --

RECOMMENDATION

Chancellor Walker reports that The Law School Foundation (an external foundation) has expressed the desire that the Benno C. Schmidt Chair of Business Law be established in the School of Law at The University of Texas at Austin. President Flawn and Chancellor Walker recommend that this chair to be funded by The Law School Foundation be established in accordance with the Regents' Rules and Regulations. The funds for the chair will be held and administered by The Law School Foundation.

BACKGROUND INFORMATION

Mr. Benno C. Schmidt, a 1936 Law School graduate, has conveyed to The University of Texas Law School Foundation securities valued in excess of \$500,000 for the purpose of establishing the endowed Benno C. Schmidt Chair of Business Law. 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.

Mr. Schmidt is currently Managing Partner, J. H. Whitney and Company of New York and Chairman of the Board of Freeport Minerals. He serves in the capacity of Director for Schlumberger, Ltd., CBS Inc., and Memorex Corp. among other companies. Mr. Schmidt was elected a Distinguished Alumnus in 1969.

17. Galveston Medical Branch: Recommendation to Accept Gift to be Added to the Robertson-Poth Charitable Remainder Unitrust Number Two. --

Recommendation

President Levin and Chancellor Walker recommend the acceptance of a gift received on March 31, 1980 from Drs. Edgar J. and Gaynell Robertson Poth, the latter demised in early April. This gift of various common stocks valued at \$119,343.75 is to be added to the Robertson-Poth Charitable Remainder Unitrust Number Two which will increase the book value of the trust to more than \$418,000.

Background Information

The Robertson-Poth Charitable Remainder Trust Number Two was accepted by the Board of Regents at the February 9, 1979, meeting. The trust assets will ultimately pass to the Robertson-Poth Foundation with the income therefrom to be used for grants-in-aid in ophthalmology and general surgery.

# Committee of the Whole

COMMITTEE OF THE WHOLE  
Presiding: Chairman Williams

Date: July 11, 1980  
Time: Following the Meeting of the Land and Investment Committee  
Place: 2nd Floor Hallway, Main Building  
Marine Science Institute (Port Aransas)

Page  
C of W

I. SPECIAL ITEMS

A. BOARD OF REGENTS

1. Proposed Amendments to Regents' Rules and Regulations, Part One, Chapter I, Section 7.2 (Board for Lease of University Lands) and Section 8.5 (Communications to the Board) 4
2. Proposed Amendments to Regents' Rules and Regulations, Part One, Chapters II and VI (Concerning Responsibilities of Position of Assistant to the Chancellor) 5
3. Proposed Amendments to Regents' Rules and Regulations, Part One, Chapter II, Sections 3.31 and 3.41 (Equal Opportunity Office) 7
4. Proposed Amendments to Regents' Rules and Regulations, Part One, Chapter III, Section 5.33 (Nepotism Rule) and Section 16.3 (Leave of Absence Without Pay) 7
5. Proposed Amendments to Regents' Rules and Regulations, Part One, Chapter III, Section 32 (Faculty and Staff Organizations) and Chapter VI, Section 4.3 (Concerning Student Organizations) 8
6. Proposed Amendment to Regents' Rules and Regulations, Part One, Chapter VI, Section 6.6 by Adding a New Subsection 6.65 (Concerning Special Use Facilities) 10
7. Proposed Amendment to Regents' Rules and Regulations, Part Two, Chapter III, Section 7 (Outstanding Checks) 11
8. Proposed Amendments to Regents' Rules and Regulations, Part Two, Chapter X, Sections 8, 9 and 10 (Concerning Student Publications, Student Union Facilities and Intercollegiate Athletics Programs) 11

	<u>Page</u> <u>C of W</u>
B. U. T. SYSTEM	
9. Proposed 1980-81 Operating Budget Other than Personnel	12
9a. Request for Approval to Submit Legislative Budget Requests for 1981-83 to Governor, Legislative Budget Board and Coordinating Board	12
9b. Chancellor's Report on Review of Efficiency of U. T. System Operations	12
9c. Proposed Increase in Service Charge for Returned Checks Effective Fall Semester 1980 (Catalog Change)	12
10. Request for Approval of Amendment to The University of Texas System Minimum Faculty Teaching Requirement	13
C. U. T. AUSTIN	
11. Request for Approval to Grant Leave of Absence Without Pay	13
12. Recommendation to Accept Pledge and to Rename the International Geological Map Library Fund and the Geological Map Collection in the Department of Geological Sciences	14
13. Request for Individual to Serve on Board of the Texas Guaranteed Student Loan Corporation	14
D. U. T. DALLAS, U. T. PERMIAN BASIN AND U. T. SAN ANTONIO	
14. Request to Establish Utility Revolving Funds Pursuant to Authorization Under Section 18, Article IV, House Bill No. 558, 66th Legislature, R.S.	15
E. GALVESTON MEDICAL BRANCH	
15. Request for Authorization to Acquire After Coordinating Board Approval 2.9755 Acres of Land Located Along Ferry Road, Galveston, Texas (Site for Staff Housing, Texas Department of Corrections Hospital)	15
F. SAN ANTONIO HEALTH SCIENCE CENTER	
16. Recommendation to Accept Sculpture and Request for Approval to Install on Campus	16
G. UNIVERSITY CANCER CENTER	
17. Proposed Contract with Medical Arts Publishing Foundation and Request for Waiver of Section 4.6, Chapter III of Part One of the Regents' <u>Rules and Regulations</u>	17

II. DEVELOPMENT MATTERS

A. U. T. AUSTIN

1. (a) Recommendation to Dissolve College of Arts and Sciences Foundation and Advisory Council; (b) Request to Establish College of Liberal Arts Foundation and Advisory Council and College of Natural Sciences Foundation and Advisory Council; and (c) Proposed Nominees Thereto 22

B. HOUSTON HEALTH SCIENCE CENTER

2. Development Board: Proposed Nominees 23

C. UNIVERSITY CANCER CENTER

3. Board of Visitors of the University Cancer Foundation: Proposed Nominees Resulting from Increase in Authorized Membership 23

III. SCHEDULED MEETINGS AND EVENTS

24

I. SPECIAL ITEMS

A. BOARD OF REGENTS

1. Proposed Amendments to Regents' Rules and Regulations, Part One, Chapter I, Section 7.2 (Board for Lease of University Lands) and Section 8.5 (Communications to the Board). --Chairman Williams recommends that Sections 7.2 and 8.5 of Chapter I of Part One of the Regents' Rules and Regulations be amended as set out below:

7.2 Board for Lease of University Lands.--Pursuant to Section 66.62, Texas Education Code, t[¶]wo 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 of Lands Management and his staff.

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 [Nothing-herein-shall-be-construed-to prevent] members of the Board have the right and

authority to inform ~~[from informing]~~ themselves as to their duties, responsibilities and obligations in such a manner as they may deem proper. ~~[However,]~~ T [t]he 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. Proposed Amendments to Regents' Rules and Regulations, Part One, Chapters II and VI (Concerning Responsibilities of Position of Assistant to the Chancellor).--

RECOMMENDATION

Chancellor Walker recommends the following amendments to the Regents' Rules and Regulations:

- a. amend Section 2.21 of Chapter II of Part One 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. renumber present Sections 3.12, 3.13, and 3.14 of Chapter II as appropriate and add a new Section 3.12 to read as follows:

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. amend Section 6.4(b)(2) of Chapter VI of Part One 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;

BACKGROUND

The amendments are needed to accurately reflect the increased responsibility accorded to the position of Assistant to the Chancellor as the workload increases throughout System offices.

3. Proposed Amendments to Regents' Rules and Regulations, Part One, Chapter II, Sections 3.31 and 3.41 (Equal Opportunity Office). --

RECOMMENDATION

To reflect a change in the reporting relationship for the Equal Opportunity Office, Chancellor Walker recommends modification of Regents' Rules and Regulations, Part One, Chapter II, Sections 3.31 and 3.41 as indicated below:

1. Deletion of Equal Opportunity Office under 3.41 (Vice Chancellor for Business Affairs)  
  
3.47(12) Supervising and coordinating the affairs of the Office of ~~Equal-Employment-Opportunity-and~~ Employee Relations.
2. Addition of new section under 3.31 (Vice Chancellor for Administration)  
  
3.314 Supervising and coordinating the affairs of the Office of Equal Opportunity.
3. Renumber current 3.314  
  
~~3.314~~ 3.315 Performing other duties and assignments as delegated by the Chancellor.

BACKGROUND INFORMATION

Most of the activities of the Office of Equal Opportunity are carried out in response to and under the provisions of Title VI of the Federal Higher Education Act. In addition, all higher education institutions operate under the close scrutiny of the Office for Civil Rights of the U. S. Department of Education. It seems appropriate, therefore, to have the Director of the Office of Equal Opportunity reporting directly to the officer of the U. T. System who is the System's principal liaison with the Federal Government: The Vice Chancellor for Administration.

4. Proposed Amendments to Regents' Rules and Regulations, Part One, Chapter III, Section 5.33 (Nepotism Rule), and Section 16.3 (Leave of Absence Without Pay). --

RECOMMENDATION

Chancellor Walker recommends the following amendments to The University of Texas System Board of Regents' Rules and Regulations:

- a. That Section 5.33, Chapter III, Part One, under Appointment of Relatives (Nepotism Rule), be amended as follows:

Sec. 5.33 All situations covered by Section 5.31 shall be reported annually through the institution's docket or with the annual operating budget.

RATIONALE: This revision provides that the appointment of relatives which are not prohibited by statutes and which comply with the provisions of the Regents' Rules and Regulations may be reported with other budgetary and appointment matters at the time the annual operating budget is presented for the component institution for regental approval.

- b. That Section 16.3, Chapter III, Part One, under Leave of Absence Without Pay, be revised as follows:

Sec. 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.

~~[A second consecutive year of leave should not be requested except for military service, reasons of health, or continued graduate study.-- This provision will be interpreted liberally in the case of junior staff members working on advanced degrees.]~~

RATIONALE: This revision provides for the opportunity for a second year leave of absence without pay in rare instances when there are unusual circumstances which reflect credit on the institution and will enhance a person's subsequent contributions to the institution. The current rules imply that the only reasons justifying a second year leave of absence without pay are military service, health problems or continued graduate study.

5. Proposed Amendment to Regents' Rules and Regulations, Part One, Chapter III, Section 32 (Faculty and Staff Organizations) and Chapter VI, Section 4.3 (Concerning Student Organizations). --

RECOMMENDATION

Chancellor Walker recommends the following amendments to The University of Texas System Board of Regents' Rules and Regulations:

- a. That Chapter III, Part One, be amended by adding a new Section 32 on Faculty and Staff Organizations, to read as follows, and to renumber the current Section 32 as Section 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.

Sec. 33. [Sec:-32:] Staff Benefits.--For other staff benefits, see Part Two hereof.

RATIONALE: The Regents' Rules and Regulations do not address the issue of registration of faculty and staff organizations, although the registration of student organizations is covered. This addition provides general policy and directs the component to adopt procedures for registration of faculty and staff organizations. The provisions also stipulate that a registered organization must not imply or suggest that it is acting with the authority or as an agency of the institution. Also, the condition that a faculty and staff organization cannot use the name of the university as a part of its official name or use the official seal of the institution is provided.

- b. That Section 4.3 of Chapter VI, Part One, concerning registered student organizations, be amended as follows:

Sec. 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.

RATIONALE: This change clarifies the provisions regarding the use of the institution name and official seal as a part of the student organization's name or activities.

6. Proposed Amendment to Regents' Rules and Regulations, Part One, Chapter VI, Section 6.6 by Adding a New Subsection 6.65 (Concerning Special Use Facilities).--

#### RECOMMENDATION

President Flawn and Chancellor Walker recommend that Section 6.6, Chapter VI, Part One, of the Rules and Regulations of the Board of Regents relating to Special Use Facilities be amended to allow the sale or rental of advertising space in connection with the operation of a Special Use Facility under certain circumstances, by adding a new Subsection 6.65, to read as follows:

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.

#### BACKGROUND

Presently, Subsection 6.12 of Section 6, Chapter VI, Part One, of the Rules and Regulations of the Board of Regents prohibits commercial advertising within any building, structure, or facility of a component institution. Because Special Use Facilities have been authorized by the Rules and Regulations to be operated as an exception to the use regulations applicable to other facilities of the component institutions, it is felt that the proposed amendment is appropriate because the display of commercial advertising under the circumstances and in the manner permitted is compatible with and promotes the operation of Special Use Facilities as now permitted by the Rules and Regulations and will also provide an additional source of revenue to defray operating costs of such Facilities.

7. Proposed Amendment to Regents' Rules and Regulations, Part Two, Chapter III, Section 7 (Outstanding Checks).--

#### RECOMMENDATION

Vice Chancellor Boyd and Chancellor Walker recommend that the Board of Regents approve the following amendment to Regents' Rules and Regulations, Part Two, Chapter III, Section 7:

Sec. 7. Outstanding Checks. --Outstanding checks shall be carried on the official accounting records for one year from the date of issue [~~the two fiscal years following the year in which they are issued~~].

#### BACKGROUND INFORMATION

Checks that have not cleared the bank in one year will generally not be presented for payment. The policy of writing off a check after one year will facilitate preparation of bank reconciliations.

8. Proposed Amendments to Regents' Rules and Regulations, Part Two, Chapter X, Sections 8, 9, and 10 (Concerning Student Publications, Student Union Facilities and Intercollegiate Athletics Programs).--

#### RECOMMENDATION

Chancellor Walker recommends that Sections 8, 9, and 10 in Chapter X, Part Two of the Regents' Rules and Regulations, which now deal only with the student publications, student union facilities and intercollegiate athletics at U.T. Austin, be broadened to cover all components by eliminating the existing Sections 8, 9, and 10 and adding the following:

Sec. 8. 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. 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. 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.

#### BACKGROUND INFORMATION

At the present time, the Regents' Rules and Regulations discuss the administration and operation of student publications, student union facilities, and intercollegiate athletics programs only as they exist at U.T. Austin. The revised sections apply to any U.T. System component which establishes, administers and operates student publications, student union facilities, and/or intercollegiate athletics programs. The detailed rules will be included in the institution's Handbook of Operating Procedures and these rules will be approved in the manner prescribed for all Handbook items.

#### B. U. T. SYSTEM

9. Proposed 1980-81 Operating Budget Other than Personnel. --
- 9a. Request for Approval to Submit Legislative Budget Requests for 1981-83 to Governor, Legislative Budget Board and Coordinating Board. --
- 9b. Chancellor's Report on Review of Efficiency of U. T. System Operations. --
- 9c. Proposed Increase in Service Charge for Returned Checks Effective Fall Semester 1980 (Catalog Change). --

#### RECOMMENDATION

Vice Chancellor Boyd and Chancellor Walker recommend that the Board of Regents approve a service charge of \$10.00 for handling returned checks. This service charge will apply to all institutions in the System and will be effective with the fall semester 1980.

#### BACKGROUND INFORMATION

At the present time, the service charge for returned checks at the institutions in the System ranges from \$2.00 to \$5.00. These charges do not cover the costs necessary to process and collect returned checks. The Chief Financial Officers of the institutions concur in this recommendation.

Secretary's Note: If this recommendation is approved, the next appropriate catalog published at each of the component institutions will be revised to conform.

10. Request for Approval of Amendment to The University of Texas System Minimum Faculty Teaching Requirement. --

RECOMMENDATION

Chancellor Walker recommends an amendment to the final paragraph in the section entitled MINIMUM FACULTY TEACHING LOAD of The University of Texas System Minimum Faculty Teaching Requirement. The paragraph with the proposed amendment is paragraph 3 on page 4 and is presented in Congressional form.

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 non-compliance in the future.

BACKGROUND INFORMATION

The University of Texas System Minimum Faculty Teaching Requirement was approved by the Board of Regents on August 4, 1978, and amended on February 9, 1979. The proposed amendment is necessary to clarify the matter of compliance with the U.T. System's Minimum Faculty Teaching Requirement and the individual workload policies developed by each institution. The Coordinating Board staff has advised that such a provision is necessary in view of the non-compliance section and Faculty Workload Requirements in Section 20(c), Article IV, of the Appropriations Bill of the Sixty-Sixth Legislature, Regular Session.

C. U. T. AUSTIN

11. Request for Approval to Grant Leave of Absence Without Pay. --

RECOMMENDATION

President Flawn and Chancellor Walker request approval to grant Dr. Victor L. Arnold, Associate Professor in the Lyndon B. Johnson School of Public Affairs, a leave of absence without pay for the academic year 1980-81, so that he may 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.

BACKGROUND INFORMATION

Dr. Arnold's participation as director of the "Texas 2000" project will be of substantial benefit both to The University of Texas at Austin and to the State of Texas and will enhance his future teaching, research, and public service contributions. Dean Elspeth Rostow endorses this request. This position of honor in governmental service in the Governor's office justifies the granting of a leave of absence without pay in accordance with Section 16.4, Chapter III, Part One, of the Regents' Rules and Regulations. This appointment presents no conflict regarding Dr. Arnold's future U.T. Austin duties when the leave of absence without pay terminates and he returns to the Lyndon B. Johnson School of Public Affairs.

12. Recommendation to Accept Pledge and to Rename the International Geological Map Library Fund and the Geological Map Collection in the Department of Geological Sciences. --

Recommendation

President Flawn and Chancellor Walker recommend the acceptance of a pledge of \$50,000 from Tobin Surveys, Inc., and renaming of the International Geological Map Library Fund to the Tobin International Geological Map Collection Fund within the Geology Foundation at U. T. Austin. It is also recommended that the Geological Map Collection currently held by the Department of Geological Sciences be named the Tobin International Geological Map Collection to reflect this generous contribution and to recognize Tobin's contribution to society in the area of geological maps. Tobin Surveys, Inc., has agreed to make annual payments of \$12,500 commencing in June 1980, through June 1983, for a total of \$50,000 in satisfaction of their pledge. The annual payments will be reported in the U. T. Austin docket.

Background Information

The International Geological Map Library Fund was approved and established by the Board of Regents at their meeting of July 25 - 26, 1979, with funding from various donors of \$12,201. The pledge of \$50,000 by Tobin Surveys, Inc., will place the fund balance near the goal of \$100,000 set by the Geology Foundation Advisory Council.

Tobin Surveys, Inc., has been a pioneer in the aerial photograph and map-making industry, not only in Texas but nationally as well.

13. Request for Individual to Serve on Board of the Texas Guaranteed Student Loan Corporation. --

RECOMMENDATION

President Flawn and Chancellor Walker recommend approval for Mrs. Shirley Binder, Director of Student Financial Aid at U.T. Austin, to serve as a member of the Board of the Texas Guaranteed Student Loan Corporation as nominated by Governor Clements. Mrs. Binder's appointment would be to an unexpired term ending January 31, 1981.

BACKGROUND INFORMATION

As a member of the Board of the Texas Guaranteed Student Loan Corporation, Mrs. Binder will assist in the development of policies pertaining to the Guaranteed Student Loan Program as administered in this state. This appointment will enhance her work with students at U.T. Austin. This recommendation 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, Section 13.(10) and 13.(11) of the Regents' Rules and Regulations. Board members receive no compensation for their service, but are reimbursed for any expenses incurred in the conduct of their responsibilities.

D. U. T. DALLAS, U. T. PERMIAN BASIN AND U. T. SAN ANTONIO

14. Request to Establish Utility Revolving Funds Pursuant  
Authorization Under Section 18, Article IV, House Bill  
No. 558, 66th Legislature, R.S. --

RECOMMENDATION

As authorized by Section 18, Article IV, House Bill No. 558, Acts of the 66th Legislature, R. S., the following Utility Revolving Funds are 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 and for the purpose indicated:

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.

BACKGROUND INFORMATION

At its meeting on May 31 - June 1, 1979, the Board authorized issuance of Utility Revenue Bonds for the three institutions named above in order to acquire existing Thermal Energy Plants. Such bonds for U.T. Dallas and U.T. San Antonio are to be sold at the July 10-11, 1980 meeting. It is anticipated that bonds will be issued to acquire the plant at U.T. Permian Basin at a later date.

In order to use funds appropriated for utilities by the Legislature to operate these plants, including the payment of debt service, it is necessary that Utility Revolving Funds be established in the manner authorized in the cited Section 18 from the Appropriation Act. Such a Utility Revolving Fund was previously established for U.T. Austin by the Board at its meeting on January 31, 1969.

E. GALVESTON MEDICAL BRANCH

15. Request for Authorization to Acquire After Coordinating Board  
Approval 2.9755 Acres of Land Located Along Ferry Road,  
Galveston, Texas (Site for Staff Housing, Texas Department  
of Corrections Hospital). --

RECOMMENDATION

President Levin and Chancellor Walker recommend that the Board:

- a. Authorize the acquisition of 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
- b. Authorize the Galveston Medical Branch Administration, in consultation with the Office of General Counsel and with the concurrence of the Texas Department of Corrections, to take all necessary actions to purchase the 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.). Cost of purchase of the property will be paid from the Texas Department of Corrections Hospital project

## BACKGROUND INFORMATION

As part of the Board's authorization for construction of the Texas Department of Corrections Hospital, funds have been reserved to provide staff and guard housing for Texas Department of Corrections personnel. The Galveston Medical Branch and the Texas Department of Corrections have mutually agreed to investigate off-campus locations for staff housing for the married guard personnel to be assigned to the Texas Department of Corrections Hospital. The proposed 2.9755 acre site is six blocks northeast of the campus. The site is acceptable to both the Texas Department of Corrections and the Galveston Medical Branch.

### F. SAN ANTONIO HEALTH SCIENCE CENTER

#### 16. Recommendation to Accept Sculpture and Request for Approval to Install on Campus. --

##### RECOMMENDATION

President Harrison and Chancellor Walker recommend that the Board:

- a. Accept the donation of a piece of sculpture offered as a gift by the San Antonio Medical Foundation
- b. Grant approval for this piece of art to be located on the northeast corner of the San Antonio Health Science Center as a permanent and public memorial
- c. Authorize 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.

##### BACKGROUND INFORMATION

President Harrison has received notification from the San Antonio Medical Foundation of its desire to provide a piece of sculpture for a permanent installation on the campus as a public memorial honoring private citizens and business contributors who provided over one million dollars toward the purchase of over 600 acres of land now comprising most of the South Texas Medical Center.

In the San Antonio Foundation letter to President Harrison, Trustee W. L. Matthews described the proposed location on the campus as follows:

"As the Health Science Center is the focus of the South Texas Medical Center and the area at the corner of Medical and Floyd Curl Drives is the most logical and prominent location in the Center, the Foundation desires to locate the sculpture on that area of The University of Texas Health Science Center property. The Foundation is advised that, in order to have the sculpture located on U. T. System property, it must be approved by the Board of Regents."

The San Antonio Health Science Center Administration will provide an exhibit for review at the Board meeting.

## G. UNIVERSITY CANCER CENTER

### 17. Proposed Contract with Medical Arts Publishing Foundation and Request for Waiver of Section 4.6 of Chapter III of Part One of the Regents' Rules and Regulations. --

#### RECOMMENDATION

President LeMaistre and Chancellor Walker recommend that the Contract set out on pages CofW 18-21 between The University of Texas System Cancer Center and the Medical Arts Publishing Foundation be approved. President LeMaistre and Chancellor Walker further recommend that the provisions of Section 4.6 of Chapter III of Part One of the Regents' Rules and Regulations 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 be waived so that the Contract may be executed even though Dr. R. Lee Clark is both a part-time employee of the University and a director of the Medical Arts Publishing Foundation.

#### BACKGROUND

This Contract formalizes and in some respects changes a long-standing relationship between Medical Arts Publishing Foundation, a Texas non-profit corporation, and the Cancer Center by which the Cancer Center PRS funds the publication of The Cancer Bulletin. Previously, the Foundation was sole owner of the copyright to The Cancer Bulletin. Under this Contract, the copyright will be owned jointly by the Foundation and the Cancer Center. Previously, the Cancer Center had no formal rights to audit expenditures by the Foundation. Under this Contract, the Cancer Center will be entitled to audit all expenditures and revenues. Under this Contract, no full-time employee of the Cancer Center may serve as a director of the Foundation, and no employee of the Cancer Center may receive any sort of compensation from the Foundation in connection with the publication of The Cancer Bulletin. Dr. R. Lee Clark, a part-time employee of the Cancer Center, will continue to serve on the board of directors of the Foundation.

Medical Arts Publishing Foundation was chartered July 14, 1949. The Board of Regents of The University of Texas System, on recommendation of President Painter, approved the creation of the Foundation at its October 21-22, 1949, meeting. The Foundation was granted tax exempt status in 1950. The by-laws of the Foundation provide that upon dissolution of the corporation all of its properties, assets, and liabilities will be turned over to the M. D. Anderson Hospital for Cancer Research.

STATE OF TEXAS  
COUNTY OF HARRIS

AGREEMENT

This AGREEMENT is made by and between the Medical Arts Publishing Foundation (herinafter 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,

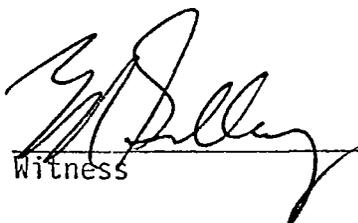
NOW, THEREFORE the parties hereto do mutually agree as follows:

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.

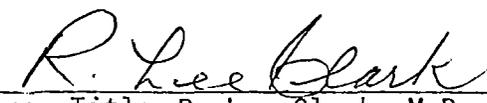
4. The Foundation will be responsible for the maintenance of mailing lists and for expanding such lists as may be necessary to effectively disseminate the journal and/or other materials agreed upon, in accordance with state laws governing the distribution of information.
5. The Foundation agrees to make 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 25<sup>th</sup> day of April, 1980.

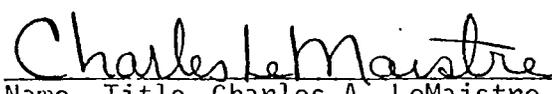
  
 \_\_\_\_\_  
 Witness

Medical Arts Publishing Foundation, by

  
 \_\_\_\_\_  
 Name, Title R. Lee Clark, M.D.  
 Board Chairman

The University of Texas System Cancer Center  
 M. D. Anderson Hospital and Tumor Institute,  
 by

  
 \_\_\_\_\_  
 Witness

  
 \_\_\_\_\_  
 Name, Title Charles A. LeMaistre, M.D.  
 President

## II. DEVELOPMENT MATTERS

### A. U. T. AUSTIN

1. (a) Recommendation to Dissolve College of Arts and Sciences Foundation and Advisory Council; (b) Request to Establish College of Liberal Arts Foundation and Advisory Council and College of Natural Sciences Foundation and Advisory Council; and (c) Proposed Nominees Thereto (No Publicity). --

#### Recommendation

President Flawn and Chancellor Walker recommend that effective September 1, 1980:

1. The College of Arts and Sciences Foundation and the associated Advisory Council be dissolved.
2. There be established the College of Liberal Arts Foundation with an associated Advisory Council, and the College of Natural Sciences Foundation with an associated Advisory Council. The foundation to be dissolved, and those to be established are all internal foundations.
3. The membership of the new advisory councils and the initial nominees thereto be approved as set forth below. Those nominees indicated by an asterisk (\*) are current members of the Arts and Sciences Foundation Advisory Council.

#### THE UNIVERSITY OF TEXAS AT AUSTIN

#### Recommended Appointments to Membership

#### College of Liberal Arts Foundation Advisory Council

##### a. Membership

Authorized None

Recommended 36

##### b. Reappointments

None

##### c. New Appointments

For one year terms ending 1981

- \* Mrs. Robert B. Brinkerhoff, Houston, Business: Civic Leader
- \* Mrs. Trammell Crow, Dallas, Business: Civic Leader
- Frank Hudlock, M.D., Houston, Business: Physician/Radiology
- \* Mr. Hall S. Hammond, San Antonio, Business: Wholesale Jeweler
- \* The Honorable Harry Lee Hudspeth, El Paso, Business: U. S. Judge of the Western District
- \* Mrs. Radcliffe Killam, Laredo, Business: Civic Leader
- \* Mrs. William D. Seybold, Houston, Business: Civic Leader
- Mr. Robert F. Strange, Houston, Business: Retired
- \* Mr. James H. Young, Corpus Christi, Business: Real Estate

For two year terms ending 1982

- \* Mr. Donald C. Duncan, Burnet, Business: Rancher and Banker, First State Bank, Burnet
- Mr. Wilson S. Jaeggli, Dallas, Business: T. J. Electronics
- \* Mr. Lenoir Moody Josey II, Houston, Business: Attorney, Josey Oil Company
- \* Mr. Barron U. Kidd, Dallas, Business: Investor
- \* Mr. Lowell H. Lebermann, Jr., Austin, Business: Lebermann Motors
- \* Mrs. Alice K. Reynolds Meyer, San Antonio, Business: Civic Leader
- \* Mrs. Clyde E. Parker, Kerrville, Business: Civic Leader
- \* Mrs. William H. Snyder III, Dallas, Business: Civic Leader
- \* Mrs. Roger C. Sullivan, Dallas, Business: Civic Leader
- Darrell Willerson, M.D., San Antonio, Business: Private Practice

For three year terms ending 1983

- \* Mr. Thomas D. Anderson, Houston, Business: Attorney, Anderson, Brown, Orn, and Jones
- \* Mr. R. Gordon Appleman, Fort Worth, Business: Attorney, Bird and Appleman
- \* Mrs. John S. Cargile, San Angelo, Business: Civic Leader
- \* Mr. Kenneth D. Carr, Austin, Business: Real Estate Developer
- \* Mrs. Amon G. Carter, Jr., Fort Worth, Business: Civic Leader
- \* Miss Nancy E. Lake, Tyler, Business: Vice President, Lake Ronel Oil Company
- \* Mrs. Wales H. Madden, Jr., Amarillo, Business: Civic Leader
- \* Mr. Sterling W. Steves, Fort Worth, Business: Attorney, Steves and Morgan
- \* Mrs. Theodore H. Strauss, Dallas, Business: Civic Leader
- \* Mrs. Larry E. Temple, Austin, Business: Civic Leader
- \* Mrs. James C. Wynne, Jr., Tyler, Business: Civic Leader

d. Unfilled Terms

Terms Expire

Six

To be determined when filled

THE UNIVERSITY OF TEXAS AT AUSTIN

Recommended Appointments to Membership

College of Natural Sciences Foundation Advisory Council

a. Membership

Authorized None

Recommended 24

b. Reappointments

None

c. New Appointments

For one year terms ending 1981

- Dr. Malcolm Brachman (Ph.D.), Dallas, Business: Banker and Businessman
- Mrs. Margaret Cannon Brown, Waco, Business: Civic Leader
- Mr. Walter B. Dossett, Jr., Waco, Business: President and Director of the Central Texas Compress Company

- Mr. Ben T. Head, Austin, Business: President, Texas State Bank
- \* Mr. Ralph T. Hull, Houston, Business: Attorney
- \* Dr. Gordon K. Teal, Dallas, Business: Retired

For two year terms ending 1982

- \* Dr. Roland K. Blumberg, Seguin, Business: Independent Oil Producer and Investments
- Mr. Blaine P. Kerr, Houston, Business: President, Pennzoil Company
- Mr. Alfred King, Austin, Business: Computer software
- \* Mr. Richard M. Lucas, Berclair, Business: Rancher
- Mr. Harold David Medley, New York, Business: Celanese Corporation
- Mr. B. E. Quinn, Jr., Hunt, Business: Rancher and Oil Operator

For three year terms ending 1983

- \* Mr. James D. Dannenbaum, Houston, Business: Dannenbaum Engineering Corporation
- \* Mrs. Alice K. Reynolds Meyer, San Antonio, Business: Civic Leader
- Mr. Rom Rhome, Houston, Business: Denka Chemical Corporation
- Mr. W. F. Roden, Kerrville, Business: Oil Operator

For three year terms ending 1983 -- Cont'd.

- Mr. Albert Sanders, Richardson, Business: Executive in Sun Oil Company
- Mr. James M. Vaughn, Jr., Houston, Business: Investments

d. Unfilled Terms

Terms Expire

Six

To be determined when filled

In accordance with usual procedures, no publicity will be given to these nominations until acceptances are received and reported for the record at a subsequent meeting of the Board of Regents.

Background

The Arts and Sciences Foundation was approved by the Board of Regents in 1955, and, since that time, the organization of the related advisory council or councils has followed the academic organization used to administer the schools and colleges which make up the "arts and sciences". Since Regental approval in April 1979 of the College of Liberal Arts, which combined into a single unit the College of Humanities, College of Social and Behavioral Sciences and Division of General and Comparative Studies, the Arts and Sciences Foundation Advisory Council has, in effect, been responsible for the private fund efforts of the College of Liberal Arts and the College of Natural Sciences.

The current recommendation, which was approved by the Arts and Sciences Foundation Advisory Council in April 1980, requests the dissolution of that group and the establishment of a College of Liberal Arts Foundation Advisory Council and a College of Natural Sciences Foundation Advisory Council. In accordance with his or her preference, each of the existing members of the Arts and Sciences Foundation Advisory Council is being recommended for a comparable term on one of the new advisory councils.

The approval of this recommendation will allow a more clearly defined and concentrated private fund development effort and be consistent with the existing organization of these academic units.

B. HOUSTON HEALTH SCIENCE CENTER

2. Development Board: Proposed Nominees (No Publicity). --

Recommendation

President Bulger and Chancellor Walker recommend that the individuals listed below be approved as nominees to the Houston Health Science Center Development Board to terms which expire in 1983:

Mr. Prentis B. Tomlinson, Houston, Business: Tomlinson Interests

Mr. Clifford Francis Tuttle, Houston, Business: Vice President,  
First City National Bank

In accordance with usual procedures, no publicity will be given to these nominations until acceptances are received and reported for the record at a subsequent meeting of the Board of Regents.

Background

These terms are available since the previously approved nominees declined to serve.

C. UNIVERSITY CANCER CENTER

3. Board of Visitors of the University Cancer Foundation:  
Proposed Nominees Resulting from Increase in Authorized  
Membership (No Publicity). --

Recommendation

President LeMaistre and Chancellor Walker recommend that the four individuals set forth below be approved as nominees to fill vacancies created by the recently approved increase of membership on the Board of Visitors of the University Cancer Foundation. The expiration dates were selected to equalize the number of members whose terms expire each year.

For one year term ending 1981

Mr. Roy H. Cullen, Houston, Business: Vice President, Quintana  
Petroleum Corporation

For two year terms ending 1982

Mrs. Austin McCloud, Eastland, Business: Housewife and art  
gallery owner

Mr. Ben J. Rogers, Beaumont, Business: Optical laboratories,  
real estate development and investments

Mr. W. R. Smith, Houston, Business: Attorney

In accordance with usual procedures, no publicity will be given to these nominations until acceptances are received and reported for the record at a subsequent meeting of the Board of Regents.

Background

At the May 30, 1980 meeting of the Board of Regents, the Administration recommended that the membership of the Board of Visitors of the University Cancer Foundation be increased by one (1) to twenty-six (26). Following discussion, regental authorization was given for a membership of thirty (30) and these nominations are to fill those additional four (4) vacancies.

III. SCHEDULED MEETINGS AND EVENTS. -- Below is a schedule of meetings and events that have been reported to the Office of the Secretary:

Board of Regents' Meetings

September 4-5, 1980, Richardson (U. T. Dallas)  
 October 23-24, 1980, Austin  
 December 11-12, 1980, Austin

# 1980

Commencement 1980

August 8 U. T. Tyler (Summer)  
 August 22 Galveston Medical Branch  
 (Allied Health Sciences  
 School)

Other Events

Oct. 24, 1980 U. T. Austin - Awards  
 to Distinguished Alumni

April 10-11, 1981 Galveston Medical Branch  
 - Homecoming

JULY

S	M	T	W	T	F	S
			1	2	3	4 5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

AUGUST

S	M	T	W	T	F	S
						1 2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

SEPTEMBER

S	M	T	W	T	F	S
			1	2	3	4 5 6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

OCTOBER

S	M	T	W	T	F	S
						1 2 3 4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

NOVEMBER

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

DECEMBER

S	M	T	W	T	F	S
						1 2 3 4 5 6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

See Page C of W - 27 for 1980 Football Schedules:  
 U. T. Arlington  
 U. T. Austin  
 U. T. El Paso

### 1980 Football Schedule for U. T. Arlington

September 6	7:30 p. m.	North Texas State	at Maverick Stadium
September 13	7:30 p. m.	Northwestern Louisiana	at Natchitoches
September 27	7:30 p. m.	SMU	at Texas Stadium
October 4	7:30 p. m.	Drake (Parents Day)	at Maverick Stadium
October 11	7:30 p. m.	West Texas State	at Maverick Stadium
October 18	7:30 p. m.	New Mexico State	at Maverick Stadium
October 25	7:30 p. m.	*Louisiana Tech	at Ruston
November 1	7:30 p. m.	*McNeese State	at Lake Charles
November 8	2:00 p. m.	*Southwestern Louisiana**	at Maverick Stadium
November 15	7:30 p. m.	*Arkansas State	at Maverick Stadium
November 22	7:30 p. m.	*Lamar	at Beaumont

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\*Southland Conference game

\*\*Homecoming

### 1980 Football Schedule for U. T. Austin

September 1	8:10 p. m.	Arkansas	at Austin
September 20	7:00 p. m.	Utah State	at Austin
September 27	7:00 p. m.	Oregon State	at Austin
October 4	7:30 p. m.	Rice	at Houston
October 11	2:00 p. m.	Oklahoma	at Dallas
October 25	1:00 p. m.	SMU	at Austin
November 1	2:00 p. m.	Texas Tech	at Lubbock
November 8	1:00 p. m.	Houston	at Austin
November 15	2:00 p. m.	TCU	at Fort Worth
November 22	2:00 p. m.	Baylor	at Waco
November 29	1:00 p. m.	A&M	at Austin

### 1980 Football Schedule for U. T. El Paso

September 6	7:30 p. m.	Texas Tech	at Lubbock
September 13	7:30 p. m.	New Mexico State	at Las Cruces
September 20	7:30 p. m.	North Texas State	at El Paso
September 27	7:30 p. m.	Univ. of the Pacific	at Stockton
October 4	7:30 p. m.	Univ. of Hawaii	at Honolulu
October 11	7:30 p. m.	Univ. of Utah	at El Paso
October 18	7:30 p. m.	Univ. of Nevada-Las Vegas	at Las Vegas
October 25	7:30 p. m.	Univ. of New Mexico	at El Paso*
November 1	1:30 p. m.	Brigham Young University	at Provo
November 8	1:00 p. m.	Colorado State	at Fort Collins
November 15	7:30 p. m.	San Diego State	at El Paso
November 22	7:30 p. m.	Univ. of Wyoming	at El Paso

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\*Homecoming

COMMITTEE OF THE WHOLE

EMERGENCY ITEMS

July 10-11, 1980

	<u>Page</u> <u>C of W</u>
U. T. AUSTIN	
18. Proposed Contract with Instituto Mexicano del Petroleo	Below
19. Request for Approval for President Peter T. Flawn to Serve on National Science Board	36

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Documentation

U. T. AUSTIN

18. Proposed Contract with Instituto Mexicano del Petroleo. --

RECOMMENDATION

President Flawn and Chancellor Walker recommend that the Contract set out on Pages C of W 29-35 between The University of Texas at Austin and the Instituto Mexicano del Petroleo be approved.

BACKGROUND INFORMATION

The Petroleum Extension Service (PETEX) at The University of Texas at Austin develops and distributes training materials which are used in many facets of the petroleum industry. In the past, the Instituto Mexicano del Petroleo (IMP) has used certain Petroleum Extension Service publications in their training of Mexican petroleum workers without prior approval. This Contract should accomplish two purposes:

1. It will eliminate the unauthorized use of PETEX material;
2. It will allow PETEX and IMP to develop new training materials in a cooperative way.

In exchange for assistance in developing Spanish language materials, PETEX will sell to IMP any training materials at a 35 percent discount.

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 (herinafter "PETEX") and the Mexican Petroleum Institute (herinafter "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.

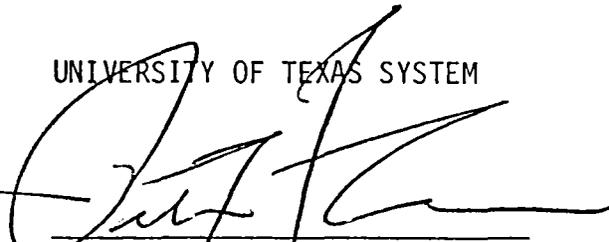
15. Effective Date

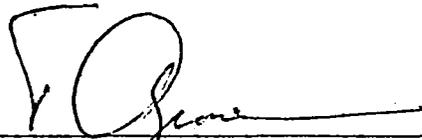
The present contract will become effective on the day after it is approved by the Board of Regents of The University of Texas System. It will be signed, in duplicate in both Spanish and English, in Mexico City, Federal District, and Austin, Texas, USA, and copies of the contract in both Spanish and English with the original signatures, shall be handed over to each party.

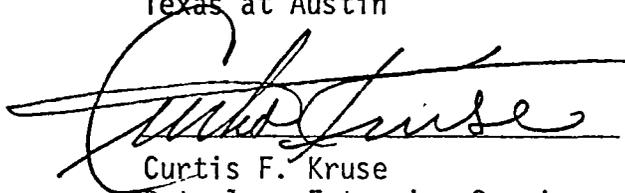
MEXICAN PETROLEUM INSTITUTE

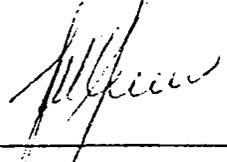
UNIVERSITY OF TEXAS SYSTEM

  
Ing. Agustín Straffon Arteaga  
General Director

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

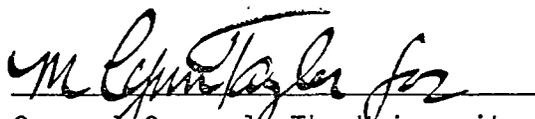
  
Ing. Tabaré Azcona Pavón  
Assistant Director, Training

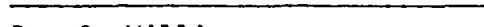
  
Curtis F. Kruse  
Petroleum Extension Service  
The University of Texas at Austin

  
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 (H<sub>2</sub>S) 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 Protectivo  
    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

page one of two

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 H<sub>2</sub>S 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.

page two of two

19. Request for Approval for President Peter T. Flawn to  
Serve on National Science Board. --

RECOMMENDATION

Chancellor Walker recommends approval for Dr. Peter T. Flawn, President of The University of Texas at Austin, to serve as a member of the National Science Board. Dr. Flawn's nomination was made by President Carter, and is pending confirmation by the U.S. Senate.

BACKGROUND INFORMATION

The National Science Board meets approximately eight times a year and oversees the operation of the National Science Foundation. President Flawn's service on this very prestigious board is an honor for The University of Texas and the State of Texas. This recommendation 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.

**NOTE:** 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.

# Executive Session of the Board

COMMITTEE OF THE WHOLE - EXECUTIVE SESSION  
Pursuant to Vernon's Texas Civil Statutes  
Article 6252-17, Sections 2(e), (f) and (g)

Date and Time:

- July 10, 1980 - Following the Buildings and Grounds Committee Meeting (if time permits)
- July 11, 1980 - Following the Open Session of the Committee of the Whole

Place: Room 303, 3rd Floor, Main Building  
Marine Science Institute (Port Aransas)

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

## Documentation

### 1. Pending and/or Contemplated Litigation - Section 2(e)

U. T. System: Settlement with Texas Oil and Gas Corporation. --

#### RECOMMENDATION

Chancellor Walker recommends that the Board of Regents approve a settlement with Texas Oil and Gas Corporation of \$300,000 for disputed claims from September 1, 1974 through May 31, 1980, with authority for the Chairman of the Board to execute the Settlement Agreement and Release. 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.

#### BACKGROUND INFORMATION

The Attorney General, in 1973, filed 27 lawsuits against oil and gas companies that produced gas from state leases to collect "market value" on state gas royalty. All these suits were settled by agreed judgments by June, 1977.

The University staff has continued to review its records to determine if additional gas royalties should be collected under the Supreme Court's decision that permitted current market price to be paid on gas royalties instead of the original contract price agreed upon by the producer and pipe line purchaser.

Additional royalty payments were collected from companies that did not dispute the University's demand for additional monies.

Texas Oil and Gas Corporation was one of the oil companies that was contacted for additional gas royalties. The company took the position, however, that the gas it produced from University Lands was not of such similar quality to other gas selling in other areas to warrant a higher price than that received under its contract.

Texas Oil and Gas Corporation pointed out that the gas involved was: (1) sour gas in some instances, which required extensive treating and dehydration; (2) low pressure gas requiring costly compression to meet pipe line delivery requirements; (3) small gas reserves; and, (4) long distance to markets. Texas Oil and Gas offered the University \$85,000 to settle all past claims.

This offer was refused, and the University demanded payment of \$430,000.

After additional negotiations, Texas Oil and Gas agreed to pay \$300,000 for settlement of all past claims down and through May 31, 1980, and to pay its gas royalty in the future based on the price provided by the Natural Gas Policy Act of 1978, instead of its contract prices for the next five years. This will mean that the University will receive an additional \$800,000 as part of the overall settlement for a total dollar amount in excess of \$1,000,000.00.

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:

Seeward Shivers  
University Attorney

Benjamin J. Campbell  
Benjamin J. Campbell,  
Director, University Lands  
Accounting Office

ATTEST:

TEXAS OIL & GAS CORP.

Assistant Secretary

By: \_\_\_\_\_

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. --

RECOMMENDATION

Chancellor Walker recommends that the Board of Regents:

- a. Change 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.
  
- b. Change 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.
  
- b. U. T. System: Personnel in 1980-81 Operating Budget  
 Personnel matters relating to the following component institutions of The University of Texas System will be discussed:
  - (1) System Administration and Available University Fund
  - (2) The University of Texas at Arlington
  - (3) The University of Texas at Austin
  - (4) The University of Texas at Dallas
  - (5) The University of Texas at El Paso
  - (6) The University of Texas of the Permian Basin
  - (7) The University of Texas at San Antonio
  - (8) The University of Texas Institute of Texan Cultures  
at San Antonio
  - (9) The University of Texas at Tyler
  - (10) The University of Texas Health Science Center at Dallas
  - (11) The University of Texas Medical Branch at Galveston
  - (12) The University of Texas Health Science Center at Houston
  - (13) The University of Texas Health Science Center at San Antonio
  - (14) The University of Texas System Cancer Center
  - (15) The University of Texas Health Center at Tyler

# Meeting of the Board

(continued)

MEETING OF THE BOARD OF REGENTS

THE UNIVERSITY OF TEXAS SYSTEM

Date: July 11, 1980

Time: Following Completion of All Committee Meetings

Place: 2nd Floor Hallway, Main Building  
Marine Science Institute (Port Aransas)

A.-I. (Pages B of R 1 - 5)

J. RECONVENE

K. REPORTS OF STANDING COMMITTEES

1. System Administration Committee  
by Committee Chairman Sterling
2. Academic and Developmental Affairs Committee  
by Committee Chairman (Mrs.) Blumberg
3. Buildings and Grounds Committee  
by Committee Chairman Law
4. Health Affairs Committee  
by Committee Chairman Fly
5. Land and Investment Committee  
by Committee Chairman Hay

L. REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS

M. REPORTS OF SPECIAL COMMITTEES, IF ANY

N. REPORT OF COMMITTEE OF THE WHOLE - OPEN SESSION

O. CONSIDERATION OF THE ITEMS REFERRED TO EXECUTIVE SESSION OF THE COMMITTEE OF THE WHOLE. --Chairman Williams will report the items discussed in the Executive Session of the Committee of the Whole pursuant to V. T. C. S., Article 6252-17, Sections 2(e), (f) and (g) and ask for action thereof, if any:

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

P. OTHER MATTERS

Q. ADJOURNMENT