

MATERIAL SUPPORTING THE AGENDA

VOLUME XLc

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

June 10 1993  
August 12, 1993

The material is divided according to the standing committees and the meetings that were held and is color coded as follows:

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

Blue paper - all items submitted to the Executive Session and distributed only to the Regents, Chancellor and Executive Vice Chancellors of the System.

Yellow paper - emergency items distributed at the meeting.

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 Executive Secretary was furnished a copy, then that material goes into the appropriate subject file.



**Material Supporting the Agenda  
of the  
Board of Regents  
The University of Texas System**

Meeting No.: 871

Date: August 12, 1993

Location: Austin, Texas



BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS SYSTEM

CALENDAR

**Place:** Regents' Meeting Room, Ninth Floor  
Ashbel Smith Hall  
201 West Seventh Street  
Austin, Texas

Thursday, August 12, 1993

9:30 a.m.

Convene in Open Session with  
recess to Executive Session  
as per the agenda

See Pages B of R 1 - 40  
Items A - Q

Telephone Numbers

Office of the Board of Regents	(512) 499-4402
Chancellor Cunningham	(512) 499-4201
Executive Vice Chancellor Burck	(512) 499-4560
Executive Vice Chancellor Duncan	(512) 499-4233
Executive Vice Chancellor Mullins	(512) 499-4224

**Meeting of  
the Board**

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

**Date:** Thursday, August 12, 1993

**Time:** 9:30 a.m. Convene in Open Session with  
recess to Executive Session  
as per the agenda

**Place:** Regents' Meeting Room (Open Session) and  
Regents' Conference Room (Executive Session)  
Ninth Floor, Ashbel Smith Hall

- A. CALL TO ORDER
- B. APPROVAL OF MINUTES OF REGULAR MEETING HELD  
JUNE 10, 1993
- C. RECESS FOR MEETINGS OF THE STANDING COMMITTEES AND  
COMMITTEE REPORTS TO THE BOARD

The Standing Committees of the Board of Regents of The University of Texas System will meet as set forth below to consider recommendations on those matters on the agenda for each Committee listed in the Material Supporting the Agenda. At the conclusion of each Standing Committee meeting, the report of that Committee will be formally presented to the Board for consideration and action.

Executive Committee: Chairman Rapoport  
Vice-Chairman Temple, Vice-Chairman Lebermann  
MSA Page Ex.C - 1

Business Affairs and Audit Committee: Chairman  
Loeffler, Regent Cruikshank, Regent Smiley  
MSA Page BAAC - 1

Academic Affairs Committee: Chairman Holmes  
Regent Lebermann, Regent Ramirez  
MSA Page AAC - 1

Health Affairs Committee: Chairman Ramirez  
Regent Coneway, Regent Cruikshank, Regent Temple  
MSA Page HAC - 1

Facilities Planning and Construction Committee:  
Chairman Temple, Regent Holmes, Regent Lebermann,  
Regent Smiley  
MSA Page FPCC - 1

Asset Management Committee: Chairman Cruikshank  
Regent Coneway, Regent Loeffler, Regent Smiley  
MSA Page AMC - 1

- D. RECONVENE AS COMMITTEE OF THE WHOLE

E. ITEMS FOR THE RECORD

1. U. T. System: Report of Resignation of Mr. Monroe M. Luther, Houston, Texas, from the Investment Advisory Committee.--

REPORT

It is reported for the record that Mr. Monroe M. Luther, Houston, Texas, who was appointed to a three-year term on the U. T. System Investment Advisory Committee in August 1992, resigned from that position effective March 17, 1993. Mr. Luther is an executive with Eagle Management & Trust Company, Houston, Texas, and since that firm has been retained as a manager for the Permanent University Fund, his resignation is to avoid any possible conflict of interest.

2. U. T. System: Report on Opportunity for General Academic Institutions to Participate in the National Student Exchange Program.--

REPORT

The 73rd Texas Legislature passed Senate Bill 846 by Senator Gonzalo Barrientos authorizing general academic teaching institutions in Texas to participate in the National Student Exchange (NSE) program. The bill became effective on May 20, 1993, when it was signed by Governor Ann Richards.

NSE is a not-for-profit educational association with headquarters in Fort Wayne, Indiana, and functions as a consortium of more than 100 member colleges and universities in 46 states and three United States territories.

NSE facilitates exchange opportunities for undergraduate students among its member institutions and has placed over 36,000 students in its 25-year history. The program permits students to experience differences in geography and culture in the United States and allows for utilization of academic resources of other colleges and universities in the consortium.

The NSE program is voluntary and at the discretion of the institutions who become members of the association. Students participating in the program pay tuition and fees at applicable rates at their home institution or the in-state fees of their host institution.

Enabling legislation in Texas was necessary to allow tuition and fee reciprocity. In addition, the new statute (Texas Education Code, Section 51.929) exempts a nonresident from the requirement to take the Texas Academic Skills Program (TASP) test unless the student transfers to a Texas university at the end of the

exchange period. The Texas Higher Education Coordinating Board is authorized to establish rules for participation by Texas universities. Rules are expected primarily to address safeguards against having an imbalance of nonresident students coming to Texas with its relatively low tuition and fees.

U. T. System component institutions which have expressed an initial interest in the NSE program include U. T. Arlington, U. T. Austin, U. T. El Paso, U. T. Pan American, and U. T. San Antonio. The U. T. System Administration will review initial agreements between participating U. T. component institutions and NSE and, upon administrative approval, the agreements will be submitted for Regental approval via the institutional docket.

F. REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS

G. REPORT OF SPECIAL COMMITTEES

U. T. Board of Regents: Report from Santa Rita Award Committee

H. FOUNDATION MATTERS

As set forth in the Regents' Rules and Regulations, Part One, Chapter VII, Section 5, there are three Trust Foundations created by testamentary or inter vivos trust instruments which are controlled by the members of the Board of Regents acting in their capacities as Trustees for these Foundations.

1. Ima Hogg Foundation Agenda.--

RECOMMENDATION

It is recommended that the members of the U. T. Board of Regents convene as Trustees of the Ima Hogg Foundation to act on the following agenda:

- a. Approval of the Minutes of the meeting held on April 1, 1993, as set forth on Page B of R - 5
- b. Receipt of report from the U. T. System Vice Chancellor for Asset Management as set forth on Page B of R - 6 that pursuant to the terms of the revised Investment Agency Agreement approved at the April 1993 meeting of the Trustees of the Ima Hogg Foundation, the funds of the Foundation will be invested in the U. T. System Common Trust Fund as of September 1, 1993
- c. Approval of renegotiated farming lease covering 396.13 acres in the Thomas Todd and Juan Garcia Surveys, San Patricio County, Texas, with Mr. Douglas O. Hart, as set forth on Pages B of R 7 - 15.

The previous lease allowed the Foundation to receive crop relief payments from the Federal Government. With the impending dissolution of the Foundation, federal guidelines do not permit direct payment of federal funds to a state agency, therefore a net lease is appropriate.

- d. Authorization for the U. T. System Office of Endowment Real Estate to offer at a sealed bid sale substantially on the terms as set forth on Pages B of R 16 - 27 the Foundation's undivided interest in surface real estate described as Lots 1-4, 7-9 W. H. Bailey Subdivision, James Strange Survey, Abstract 695, Harris County, Texas.

Title to this property is clouded. Approximately \$8,000 has been spent to date on environmental assessments on the property due to the old landfill located on the tract along with inactive oil wells. The other owners have been unwilling to take action to resolve the problems that exist with the tract. At least two of the adjacent owners have expressed interest in purchasing this tract. It is anticipated that the total value of the Foundation and U. T.'s interest may be \$2,000. Results of the sale will be reported at a future date.

#### BACKGROUND INFORMATION

The Ima Hogg Foundation was incorporated on June 26, 1964, as a charitable and educational foundation with the U. T. Board of Regents as Trustees. At the April 1993 meeting, the Trustees of the Foundation authorized its dissolution, as soon as is reasonably practical, with the various corporate assets to be held as the Ima Hogg Endowment to be invested in the U. T. System Common Trust Fund for purposes of conformance with the donor's expressed wishes.



IMA HOGG FOUNDATION

Minutes of the Trustees

April 1, 1993

The members of the Board of Regents of The University of Texas System who serve as Trustees of the Ima Hogg Foundation met on April 1, 1993, in Room 1.220, Nursing School Building, U. T. Health Science Center - San Antonio, San Antonio, Texas, with all Trustees present.

On motions duly made and seconded and by unanimous vote of the Trustees, the following actions were taken:

1. Minutes of the meeting held on October 11, 1991 were approved.
2. The Chairman of the Board of Regents, Bernard Rapoport, was elected President of the Board of Trustees; the Vice-Chairman of the Board of Regents, Ellen Clarke Temple, was elected Vice-President of the Board of Trustees; the President of the Office of the Hogg Foundation for Mental Health, Wayne H. Holtzman, was elected Secretary of the Board of Trustees; and the Executive Vice Chancellor for Business Affairs, R. D. Burck, was elected Treasurer of the Board of Trustees.  
(Mr. Holtzman will be succeeded by the Executive Director of the Office of the Hogg Foundation for Mental Health effective September 1, 1993.)
3. Approved the revised Investment Agency Agreement between the Ima Hogg Foundation, Inc. and the U. T. Board of Regents.
4. Authorized the Secretary of the Ima Hogg Foundation, Inc. to execute such agreement for the Foundation.
5. Authorized the dissolution of the Ima Hogg Foundation, Inc. as soon as is reasonably practical and, upon dissolution and court approval, authorized holding the various corporate assets as the Ima Hogg Endowment to be invested in the U. T. System Common Trust Fund for purposes in conformance with the donor's expressed wishes.
6. Authorized the President of the Ima Hogg Foundation, Inc. to take action as necessary to implement dissolution, working with U. T. System Administration Executive Officers and U. T. Austin Administration.

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Wayne H. Holtzman  
Secretary

Academic Component Institutions:  
The University of Texas at Arlington  
The University of Texas at Austin  
The University of Texas at Dallas  
The University of Texas at El Paso  
The University of Texas-Pan American  
The University of Texas-Pan American at Brownsville  
The University of Texas at the Permian Basin  
The University of Texas at San Antonio  
The University of Texas Institute of Texan Cultures at San Antonio  
The University of Texas at Tyler



Health Component Institutions:  
The University of Texas Southwestern Medical Center at Dallas  
The University of Texas Medical Branch at Galveston  
The University of Texas Health Science Center at Houston  
The University of Texas Cancer Center at San Antonio  
The University of Texas M.D. Anderson Cancer Center  
The University of Texas Health Center at Tyler

**THE UNIVERSITY OF TEXAS SYSTEM**  
210 WEST SIXTH STREET AUSTIN, TEXAS 78701

*Office of Asset Management*  
*(512) 499-4337*

**MEMORANDUM**

**TO: Trustees of the Ima Hogg Foundation**  
**FROM: Thomas G. Ricks** *T. G. Ricks*  
**Vice Chancellor for Asset Management**  
**DATE: July 6, 1993**  
**RE: Investment of Foundation Assets**

Paragraph 3 of the Investment Agency Agreement approved at the April 1993 meeting of the Trustees delegates to the U.T. Board of Regents discretion to invest the Foundation's assets in accordance with "The Common Trust Fund Investment Policy Statement." Pursuant to that authority, the Foundation's assets will be invested in the U.T. System Common Trust Fund as of the September 1, 1993 buy in date.

FARMING LEASE

THE STATE OF TEXAS           §  
  §     KNOW ALL PERSONS BY THESE PRESENTS:  
COUNTY OF SAN PATRICIO   §

This FARMING LEASE (this "Lease") is entered into effective as of October 1, 1993, by and between IMA HOGG FOUNDATION ("Lessor") and DOUGLAS O. HART ("Lessee").

WITNESSETH

1. **Premises.** Lessor, in consideration of the rental to be paid and the other covenants and agreements to be performed by Lessee and upon the terms hereinafter stated, does hereby lease to Lessee and Lessee hereby leases from Lessor that certain real Property (the "Property") containing 396.13 acres of land, more or less, in San Patricio County, Texas, being more particularly described in Exhibit "A" attached hereto and incorporated herein for all purposes.

2. **Term.** This Lease shall continue in force and effect for one term of five (5) years commencing on the 1st day of October, 1993, and terminating on the 30th day of September, 1998 (the "Primary Term"), unless extended or sooner terminated as hereinafter provided.

3. **Rent.** In consideration of this Lease, Lessee agrees to pay as annual rental on or before October 1 of each year during the Primary Term of this Lease, commencing October 1, 1993, the amount of TWENTY-FIVE THOUSAND and NO/100 DOLLARS (\$25,000.00) at the address specified in Paragraph 15.

4. **Renewal Options.** Lessee shall have and is hereby granted, the option to renew and extend the term of this Lease for five (5) period(s) of one (1) year each, provided Lessee is not in default hereunder at the time each such option is exercised. Each extension term shall begin on the expiration of the then current term of this Lease. All terms, covenants, and provisions of this Lease (except for rent) shall apply to each such extension term. If Lessee shall elect to exercise any such option, Lessee shall do so by written notice to Lessor not later than thirty (30) days prior to the expiration of the then current term of this Lease. The rent for each such extension term shall be equal to the fair rental value of the Property as mutually agreed by Lessor and Lessee, and shall be due and payable upon the commencement of such extension term. In the event Lessor and Lessee fail to agree on the fair rental value of the Property on or before the expiration of the then current term of this Lease, this Lease shall automatically terminate and Lessee's exercise

of such renewal option shall be null and void. Notwithstanding anything to the contrary contained in this Paragraph, in no event shall the rent for any extension term of this Lease be less than the annual rental paid during the Primary Term nor less than the rent that was in effect as of the exercise of the option to extend.

5. Use.

(a) Lessee agrees to continuously use and occupy the Property for the purpose of farming crops and for purposes incidental thereto, and for no other purpose; provided, however, that housing on the Property may be used as single family residences. Lessee shall not use the Property for grazing livestock.

(b) Lessee's farming practices shall be consistent with first-class farming and conservation practices and as recommended by the San Patricio County Extension Service.

(c) Lessee shall have the right to use and consume water, if any, existing on the Property to water Lessee's crops on the Property. Lessee agrees not to drill any water wells on the Property.

(d) During the term of this Lease, Lessee shall be entitled to use any improvements now located on the Property for the purposes specified above.

(e) Lessee shall not use the Property in any way which might cause the taxing authorities in San Patricio County, Texas, to change the Property's current agricultural exemption status.

6. Repair, Maintenance, and Improvements.

(a) Lessee is fully familiar with the Property, its condition, state of repair and everything connected therewith from Lessee's own investigation of same and accepts the Property in its present "AS IS" condition with no warranties (express or implied) as to the condition, habitability, or fitness for any particular purpose of the Property.

(b) Lessor shall not be required to make any repairs to or improvements on the Property during the term of this Lease. Lessee agrees to keep and maintain the Property, including improvements thereon, in its present condition and state of repair, normal wear and tear and natural deterioration excepted.

(c) Lessee shall not cause any improvements to be installed on the Property without the prior written consent of Lessor. Any improvements installed by Lessee shall be the property of Lessor, shall remain on the Property, and shall be surrendered as part thereof upon termination of this Lease, unless such improvements are removed by Lessee as otherwise expressly permitted herein.

(d) Lessee agrees to remove all refuse, litter and debris from the Property and to maintain the Property in a clean condition; provided, however, that Lessee shall not be required to remove the remains of any improvements currently on the Property. Lessee shall not remove or damage any existing improvements on the Property; commit or permit any waste; or allow any nuisance to exist on the Property.

(e) Lessee shall be entitled, at Lessee's expense, to replace any lock on any gate or building on the Property; provided, however, that in such event Lessee shall immediately provide to Lessor, at Lessor's address set forth in Paragraph 15, a key to any lock installed by Lessee on or about the Property.

(f) Lessee agrees to pay promptly before same is due, all electrical and other utility charges relating to the Property and any improvements thereon used by Lessee or Lessee's subtenants. Lessee shall cause all accounts for utilities to be placed in Lessee's name.

(g) Lessee shall not remove or destroy any vegetation on the Property, including trees of any variety, without the written consent of Lessor, except as otherwise expressly permitted herein. Lessee may remove certain vegetation, including trees with a trunk diameter of less than four (4) inches in connection with planting crops and in connection with maintaining the Property in a clean condition. Lessee shall comply with all ordinances of applicable governmental entities in connection with the removal of all such vegetation.

(h) Lessee agrees to restrict any fires built on the Property to areas that will not pose fire hazards and to take every reasonable precaution to ensure that Lessee will not cause grass fires or other mishaps.

(i) Lessee shall not permit the Property to be used for the conduct of any offensive, noisy, or dangerous activities including any use which violates local, state, or federal environmental laws; and shall not create or maintain a nuisance.

7. Assignment and Subletting. Lessee shall not sublet the Property or any part thereof, or assign this Lease or any interest therein for any purpose; provided, however, Lessee may sublet the improvements on the Property and any rentals received therefrom shall belong solely to Lessee. Any sublease of the improvements on the Property shall be (i) to an employee of Lessee only; (ii) in writing; (iii) shall be expressly subject to the terms and conditions of this Lease, and Lessee shall remain primarily liable to Lessor. Lessee shall provide to Lessor a copy of all such subleases within seven (7) days after execution of same.

8. Access. Lessor and authorized representatives of Lessor shall have the right to enter upon the Property at any time to (i) inspect same or make repairs or improvements as Lessor may deem necessary, but without any obligation to do so, or (ii) show the Property to prospective tenants, purchasers or lenders.

9. **Holding Over.** In the event Lessee occupies the Property or any part thereof after the expiration of the term hereof or the earlier termination of this Lease, unless otherwise agreed in writing by Lessor, Lessee shall hold the Property as a tenant at will only at a daily rental equal to two (2) multiplied by the rental specified in Paragraph 3 of this Lease calculated on a per diem basis. It is expressly agreed that in no event shall such holding over constitute or be construed as a renewal or extension of this Lease and, that upon the expiration of the term hereof or the earlier termination of this Lease, Lessee shall immediately surrender the Property to Lessor on demand by Lessor.

10. **Indemnity and Insurance.**

(a) Lessor shall not be liable for any damage, loss or injury to any person or property, suffered in, on or about the Property arising from or out of the condition of the Property, the occupancy or use thereof by Lessee or any sublessees, or any other cause whatsoever, including, without limitation, any activity thereon, or the negligence of, Lessee or any of Lessee's agents, subtenants, employees, contractors, guests, or invitees. Lessee shall indemnify, defend and hold harmless Lessor from and against any and all fines, suits, claims, demands, losses, liabilities, actions, and costs including, without limitation, court costs and attorney's fees arising in any way from Lessee's use or occupancy of the Property or from any activity thereon by Lessee or Lessee's agents, subtenants, employees, contractors, guests, or invitees, regardless of the negligence of Lessor.

(b) Upon execution of this Lease by Lessor and Lessee, Lessee shall obtain and maintain throughout the term of this Lease general liability insurance and property damage insurance, the combined single limit of such insurance to be in an amount of at least \$1,000,000.00, with an insurance carrier and in a form reasonably acceptable to Lessor. Such insurance policy shall name Lessor as an additional insured with regard to the Property. Lessee shall obtain a written obligation on the part of such insurance carrier to notify Lessor at least thirty (30) days' prior to the cancellation or modification of such insurance policy. Lessee assumes all risk of damage or loss from whatever cause to any of Lessee's property or crops on the Property. Lessee waives any claim or cause of action, and further agrees to obtain from its insurance carrier an endorsement to all applicable policies waiving such insurance carrier's rights of recovery, whether in the nature of subrogation or otherwise, against Lessor in connection with any such loss or damage. Lessee agrees to furnish to Lessor certificates of all insurance required by this Lease and evidence of all such endorsement(s).

11. **Condemnation.** In the event the Property, or any part or portion thereof, shall be condemned or threatened with condemnation by any authority having the legal power to condemn real estate for public purposes, Lessor or Lessee shall have the right to terminate this Lease by giving the other party thirty (30) days' written notice of intention to terminate this Lease. It is agreed and expressly provided that Lessor shall have and be entitled to all proceeds resulting from such condemnation, and Lessee hereby assigns its interest in any such proceeds to Lessor.

12. **Remedies.** In the event Lessee fails to perform any of Lessee's obligations under this Lease within ten (10) days after notice from Lessor to Lessee specifying wherein Lessee has failed to perform such obligations, Lessor may enforce the provisions of this Lease in any manner provided herein or by law. At Lessor's option, Lessor may terminate this Lease and re-enter upon the Property and expel Lessee without being guilty of any manner of trespass, without liability for any damage or loss occasioned thereby, and without prejudice to any remedies available to Lessor for collection of amounts due, breach of contract, or otherwise. If Lessor terminates this Lease, Lessor shall not be obligated to reimburse Lessee for any prepaid rent. With respect to any amounts due to Lessor hereunder and collected by an attorney after default or through judicial, bankruptcy, or probate proceedings, Lessee agrees to pay all costs of collection, including reasonable attorneys' fees and all court costs.

13. **Matters Affecting the Property.**

(a) This Lease covers only the surface of the Property and Lessor retains and reserves all oil, gas and mineral interests in the Property and the right and privilege to execute and deliver oil, gas and mineral leases covering all or any part of the Property. This Lease is expressly subject to any existing or future pipeline, road or utility easements and oil, gas or mineral leases covering the Property, and the rights of the parties thereunder. All monies received by Lessor from oil, gas or other minerals shall be the property of Lessor.

(b) Lessee shall not permit any mechanic's or materialman's lien or liens to be placed upon the Property during the term of this Lease or any extension thereof caused by or resulting from any work performed, materials furnished or obligation incurred by or at the request of Lessee, and in the case of the filing of any such lien, Lessee will promptly pay, bond off or obtain the release of same to the satisfaction of Lessor. If Lessee's failure to comply with the provisions of this subparagraph shall continue for (20) days, Lessor shall have the right and privilege, at Lessor's option, of paying the same or any portion thereof without inquiry as to the validity thereof, and any amounts so paid, including expenses and interest, shall be repaid by Lessee to Lessor immediately on rendition to Lessee of a bill therefor.

(c) This Lease is expressly made and accepted subject to any and all valid and subsisting restrictions, covenants, conditions, easements, liens, rights-of-way and mineral leases, if any, affecting the Property, and the rights of the parties thereunder.

(d) Should any changes in the rules and regulations of the United States Department of Agriculture effect the terms of this Lease, Lessor and Lessee shall amend this Lease according to terms agreed upon between the parties.

(e) Any payments provided by the Agricultural Stabilization and Conservation Service in connection with the farming of the Property shall be payable solely to Lessee.

(f) Lessor shall have the right to terminate all or part of this Lease during any extension term hereof by providing Lessee thirty (30) days' prior written notice in the event Lessor elects to sell all or a part of the Property; provided, however, that if Lessee has already planted but not yet harvested the year's crops at the time Lessee receives Lessor's notice of termination and Lessee shall notify Lessor in writing within fifteen (15) days after receipt of Lessor's termination notice that crops have been planted and not yet harvested, then this Lease shall terminate when harvest is completed, or, at Lessor's option, this Lease shall terminate as provided in the notice and Lessor shall reimburse Lessee for the estimated value of any planted crops in an amount as the parties may agree, or, in the absence of an agreement, such value shall be computed according to the current yield and price information as may be provided by the Agricultural Stabilization and Conservation Service. If Lessor elects to terminate this Lease as to only a portion of the Property, and Lessee determines that the remainder of the Property is not suitable for Lessee's intended use hereunder, then Lessee may, provided that Lessee is not in default hereunder, elect to terminate this Lease in its entirety by giving Lessor written notice of such election within fifteen (15) days after Lessor's notice of termination is delivered to Lessee. In the event of such total or partial termination, Lessee agrees to vacate that portion of the Property with respect to which the Lease is terminating and to surrender possession of same to Lessor as of the termination date specified in Lessor's notice letter. Lessor shall return to Lessee a prorata portion of any unearned rental accruing to the portion of the Property with respect to which the Lease is terminated.

14. Notices.

(a) All rent and other payments required to be made by Lessee to Lessor hereunder shall be payable to Lessor at the address set forth below.

(b) All notices required by this Lease shall be delivered by hand or sent by United States mail, postage prepaid, certified or registered mail, addressed as follows:

To Lessor:           The Board of Regents of The University  
  of Texas System  
  c/o Office of Endowment Real Estate  
  P.O Box 7968  
  Austin, Texas 78713  
  Attention: M. E. Cook  
  Telephone No. (512) 499-4333  
  Fax No. (512) 499-4365



With a copy to:     The University of Texas System  
                          c/o Office of General Counsel  
                          201 West 7th Street  
                          Austin, Texas 78701  
                          Attention: Pamela S. Bacon  
                          Telephone No. (512) 499-4462  
                          Fax No. (512) 499-4523

To Lessee:             Douglas O. Hart  
                          P.O. Box 237  
                          317 Reynolds Avenue  
                          Taft, Texas 78390

or at such other address as any of said parties have theretofore specified by written notice delivered in accordance herewith. Any notice or document (excluding rent and other payment) required to be delivered hereunder shall be deemed to be delivered upon receipt if personally delivered, and whether or not received, when deposited in the United States mail, postage prepaid, certified or registered mail (with or without return receipt requested), addressed as indicated above.

15. **Miscellaneous.**

(a) Seller's obligations to perform are conditioned upon final written approval of this Lease by The Board of Trustees of Ima Hogg Foundation.

(b) This Lease shall be construed and interpreted in accordance with the laws of the State of Texas.

(c) In case any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Lease shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

(d) This Lease constitutes the sole and entire agreement between the parties and shall not be amended except by written instrument signed by all parties.

(e) Lessee shall, at his own cost and expense, obtain any necessary licenses and permits, and shall comply with all governmental laws, ordinances and regulations applicable to the Property and Lessee's use thereof.

(f) This Lease shall be binding upon and shall inure to the benefit of Lessor and Lessee, and their respective heirs, successors, assigns, and legal representatives. This provision does not constitute consent by Lessor to any assignment or subletting by Lessee.

(g) The relationship created hereby shall be Lessor and Lessee and shall not be deemed in any manner to constitute a partnership between the parties hereto, and neither party shall have authority to bind the other, except as expressly provided herein.

(h) Words of any gender used in this Lease shall be held and construed to include any other gender and words in the singular number shall be held to include the plural, unless the context otherwise requires.

IN WITNESS WHEREOF, the parties have executed this Lease to be effective as of the date first written above.

**LESSOR:**

**IMA HOGG FOUNDATION**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
**Bernard Rapaport**  
**President of the Board of Trustees**

**LESSEE:**

Date: 7-2-93

  
\_\_\_\_\_  
**Douglas O. Hart**

pbecon\contract\hart.lee  
6/21/93

EXHIBIT "A"

Farm 2, Taft, being a tract of land out of the Thos. Todd & Juan Garcia Surveys in San Patricio County, Texas.

Beginning at a concrete post set on the Southern Right-of-Way line of the S. P. Railroad, being also the N. W. corner of Tract "A" Taft.

Thence S.  $30^{\circ} 07' 45''$  W. 3950.3 feet, a concrete post, a corner of a tract in the name of Dalton Green, and at 5270 feet a concrete post for a witness, and at 5272.3 feet an iron pipe for corner.

Thence N.  $60^{\circ} 04' 30''$  W. with said Dalton Green Tract at 1417.0 feet a concrete post, and at 1661.75 feet, set a concrete post for a corner of this tract.

Thence N.  $30^{\circ} 05' 10''$  E. 5274.9 feet to the said Railroad Right-of-Way and set a concrete post for corner.

Thence with said Right-of-Way S.  $60^{\circ}$  E. 1665.2 feet to the place of beginning and containing 201.39 acres of land, more or less.

Farm 4, Taft, being a tract out of the Thos. Todd and Juan Garcia Surveys in San Patricio County, Texas.

Beginning at the S.E. corner of Farm No. 6 whence a concrete post bears S.  $60^{\circ} 04' 30''$  E. 51 feet.

Thence N.  $30^{\circ} 03'$  E. 5277.4 feet with said Farm 6 to the Right-of-Way of the S. P. Railroad, a long drift bolt for corner.

Thence with said Right-of-Way S.  $60^{\circ}$  E. 1609.7 feet, to a concrete post the N.W. corner of Farm 2.

Thence with said Farm 2, S.  $30^{\circ} 05' 10''$  W. 5274.9 feet, to a concrete post, the S.W. corner of said Farm 2, for the S.E. corner of this tract.

Thence N.  $60^{\circ} 04' 30''$  W. 1606.25 feet to the place of beginning and containing 194.74 acres of land, more or less.

**BID NO.** \_\_\_\_\_

**SEALED BID SALE  
OF  
UNIVERSITY PROPERTY**

**An Undivided Interest In Lots One (1) through Four (4)  
and Seven (7) through Nine (9) of the  
W. H. Bailey Subdivision as Platted in  
Volume 169, Page 400 of the Deed Records of  
Harris County, Texas**

**TUESDAY, SEPTEMBER 7, 1993**

**12:00 NOON**

**Office of Endowment Real Estate  
The University of Texas System  
Austin, Texas**

NOTICE TO PROSPECTIVE BIDDERS

CAUTION

The Office of Endowment Real Estate maintains a record of the name and address of all parties issued copies of this Invitation for Bids. A nonresponsive bidder may not receive additional bid supplements or future bid invitations.

Any notice required or permitted to be delivered by bidder pursuant to this Invitation for Bids shall be deemed received when sent by United States mail, postage prepaid, certified mail, return receipt requested, addressed to Seller (as defined in the Invitation for Bids), as the case may be. Bids that are submitted by mail must be sent in the enclosed envelope to ensure confidentiality prior to the bid opening.

If you are not listed on the attached list of bidders, it is to your benefit to advise the Office of Endowment Real Estate of the address to which any addendum or supplement should be mailed. For this purpose, please complete, detach and mail the form to:

The University of Texas System  
Office of Endowment Real Estate  
210 W. 6th Street  
Austin, Texas 78701

-----  
Please send any addenda, supplements, and additional information that may be issued applicable to Invitation for Bids relating to Lots 1-4 and 7-9, W.H. Bailey Subdivision, Harris County, Texas, to:

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY, STATE, ZIP: \_\_\_\_\_

SEALED BID SALE OF UNIVERSITY PROPERTY

INTRODUCTION

- PROPERTY:** An undivided interest in Lots One (1) through Four (4) and Seven (7) through Nine (9), of the W. H. Bailey Subdivision, as platted in Volume 169, Page 400 of the Deed Records of Harris County, Texas. Any interests in the Property currently held by the Board of Regents of The University of Texas System, the Board of Regents of The University of Texas System as Trustee of the Hogg Foundation, or the Ima Hogg Foundation, will be conveyed.
- SELLER:** The Board of Regents of The University of Texas System, acting on its own behalf, on behalf of the Ima Hogg Foundation, and as Trustee of the Ima Hogg Foundation.
- PURCHASER:** The bidder making the Bid for Purchase of University Property accepted by Seller in accordance with the terms of the Invitation for Bids.

On Wednesday, September 7, at 12:00 noon, local time, the Office of Endowment Real Estate will conduct a sealed bid sale of the Property. The sealed bid sale will be held at the U.T. System Office of Endowment Real Estate, 210 W. 6th Street, Austin, Texas 78701, telephone (512) 499-4333. Bids will be accepted until 12:00 noon, local time, on September 3, 1993. Any bid delivered after 12:00 noon on such date will be considered nonresponsive and may be rejected. All bids will be opened at 10:00 a.m., September 7, and registered on a tabulation sheet.

The description of the Property and any other information provided in the Invitation for Bids with respect to the Property are based on information available to the Office of Endowment Real Estate. Any error or omission, including but not limited to the omission of any information available to Seller, shall not constitute grounds or reason for nonperformance of the contract for sale, or claim by Purchaser for allowance, refund, or deduction from the bid purchase price.

Seller will make available to bidder, upon request, a copy of title reports covering the Property. Seller makes no representation or warranty regarding the completeness or accuracy of any such title reports. Seller reserves the right to charge a reasonable fee for copies of any materials provided to bidder.

Bidders are invited, urged, and cautioned to inspect the Property prior to submitting a bid. Please call the Office of Endowment Real Estate at (512) 499-4333 for an appointment to inspect the Property. The failure of any bidder to inspect, or to be fully informed as to the condition of all or any portion of the Property will not constitute grounds for any claim or demand for adjustment or withdrawal of the bid after it has been tendered.

All bids submitted pursuant to the Invitation for Bids must be in compliance with, and are subject to, the provisions of this Invitation for Bids. Bids must be submitted by mail and must be sent in the enclosed envelope to ensure confidentiality prior to the bid opening.

Each bidder must deliver the required bid deposit of \$100 with the completed Invitation for Bids. In addition to the bid deposit of \$100, the successful bidder will be required to deposit 5% of the amount of the bid within 5 days following the successful bidder's receipt of notification of acceptance of his/her bid.

SEALED BID SALE OF UNIVERSITY PROPERTY

GENERAL TERMS OF SALE

1. "INVITATION FOR BIDS"

The term "Invitation for Bids" refers to the foregoing Introduction; the General Terms of Sale set forth herein; the Instructions to Bidders; and the provisions of the Bid for Purchase of University Property; all as may be modified and supplemented by any addenda that may be issued prior to the time fixed in the Invitation for Bids for the sealed bid sale. "Successful Bidder" is used interchangeably with "Purchaser", and refers to the bidder completing the bid accepted by Seller.

2. THE PROPERTY WILL BE CONVEYED TO PURCHASER WITHOUT WARRANTY OF ANY KIND BY QUITCLAIM DEED IN THE FORM ATTACHED HERETO AS EXHIBIT "A".

The Property is offered for sale and will be sold "AS IS" and "WHERE IS" without any representation or warranty whatsoever, expressed or implied, including without limitation any warranty as to its quantity, quality, character, condition, size, or kind, or that the same is in condition or suitable to be used for any particular purpose. Seller will not consider any claim for an allowance or deduction upon such ground and Purchaser acknowledges that it has not relied on any such representation or warranty. **PURCHASER ACCEPTS, AND AGREES TO INDEMNIFY SELLER AGAINST AND HOLD SELLER HARMLESS FROM, ANY LIABILITIES OR COSTS ARISING IN CONNECTION WITH THE CONDITION OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO ANY COSTS OR LIABILITIES PERTAINING TO ANY ENVIRONMENTAL CONDITIONS ON THE PROPERTY.**

3. BIDS

Seller reserves the right to accept any bid and to reject any and all bids. The bidder making the bid accepted by Seller is hereinafter referred to as the "successful bidder." If no bids are acceptable to Seller, Seller will reject all bids.

4. CONTINUING OFFERS

Each bid received shall be deemed to be a continuing offer unless withdrawn by written notice received prior to the date the bid is accepted or the date all bids are rejected by Seller.



5. TAXES

Purchaser shall be responsible for all taxes and assessments of any nature accruing on and after the date of closing.

6. TERMS

Each bidder shall deliver, together with a completed bid form, a bid deposit in the amount of \$100, in the form of a cashier's check issued by and drawn upon, or certified by, a bank or other financial institution chartered by the United States and acceptable to Seller, payable to the order of the Board of Regents of The University of Texas System. Money orders and checks issued by a commercial organization engaging in a principal business other than financial services will not be accepted. The bid deposit made by the Successful Bidder shall be applied toward the bid purchase price. In addition to the bid deposit, the Successful Bidder will be required to deposit with Seller five percent (5%) of the amount of his/her bid in the form of a cashiers check within 10 days following receipt of notification of acceptance of his/her bid.

7. RISK OF LOSS

Seller shall bear the risk of all loss or damage to the Property from all causes until the Closing Date. If, prior to the Closing Date, all or part of the Property is damaged by fire or by any other cause of whatsoever nature, Seller shall promptly give Purchaser written notice of such damage. Purchaser shall then have the option to require Seller either to (i) convey the Property on the Closing Date to Purchaser in its damaged condition and to assign Purchaser all of Seller's right, title and interest in and to claims Seller may have under any insurance policies covering the Property, if any, or (ii) terminate this contract of sale by written notice delivered to Seller within ten (10) days after receipt of notice from Seller.

8. REVOCATION OF BID AND DEFAULT

In the event Purchaser withdraws its bid after the bid opening but prior to acceptance by Seller, or in the event of failure by Purchaser to timely close the transaction contemplated by the contract for sale, all monies deposited by Purchaser may be forfeited to Seller at the option of Seller, in which event, Purchaser and Seller be relieved from further liability hereunder.

9. SURVEY

Purchaser may, at Purchaser's sole cost and expense, engage a surveyor to survey the Property, such survey to be completed no more than twenty (20) days after acceptance of the bid.

10. NOTICE

Unless otherwise expressly provided herein, any notice required or permitted to be delivered under this contract for sale shall be deemed received when deposited in the United States mail, postage prepaid, certified mail, return receipt requested, addressed to Seller or Purchaser, as the case may be, at the address provided by the bidder in the Bid for Purchase of University Property or to Seller's address below, as appropriate.

The University of Texas System  
Office of Endowment Real Estate  
210 West 6th Street  
Austin, Texas 78701  
Attention: \_\_\_\_\_  
(512) 499-4333

11. TENDER OF PAYMENT AND DELIVERY OF INSTRUMENTS OF CONVEYANCE

The Closing Date shall be a date not later than thirty (30) calendar days after acceptance of the bid. At closing, Purchaser shall pay to Seller the bid purchase price less the bid deposits. Payment shall be made by cashier's check. Upon such tender being made by Purchaser, Seller shall deliver to Purchaser a quitclaim deed in the form attached hereto conveying Seller's interest in the Property to Purchaser.

12. CONTRACT

The Invitation for Bids, together with the successful bid, shall constitute a contract for sale between the successful bidder and Seller. Such agreement shall constitute the entire agreement between the parties, unless modified in writing and signed by both parties. The contract for sale, or any interest therein, cannot be transferred or assigned by Purchaser without written consent of Seller and any assignment without such consent shall be void, at the option of Seller.

13. TERMINATION BY SELLER

Seller may terminate this contract for sale at any time prior to closing by returning any monies deposited or paid by Purchaser. Thereafter, the parties shall have no further obligations hereunder.

14. NOTICE TO PURCHASER

Purchaser should have the title report covering the Property examined by an attorney of the Purchaser's selection. By signing the Bid for Purchase of University Property, Purchaser acknowledges receipt of this notice.

SEALED BID SALE OF UNIVERSITY PROPERTY

INSTRUCTIONS TO BIDDERS

1. REGISTRATION OF BIDDERS

Bids will be accepted until 12:00 noon, local time, on September 3, 1993. Any bid delivered after 12:00 noon on such date will be considered nonresponsive and may be rejected. All bids will be opened at 10:00 a.m., September 7, and registered on a tabulation sheet.

2. BID FORM

a. Each bidder at the sealed bid sale must submit with his/her bid deposit a complete and original executed Bid for Purchase of University Property included in this Invitation for Bids, and all information and certifications called for therein must be furnished. Bids submitted in any other manner or which do not include all information or certifications required may be rejected.

b. Bids shall be filled out legibly with all erasures, strikeovers, and corrections initialed by the person signing the bid and the bid must be manually signed.

c. Negligence or error on the part of the bidder in preparing the bid confers no right for withdrawal or modification of the bid.

3. BID EXECUTED ON BEHALF OF BIDDER

A bid executed by an attorney or agent on behalf of the bidder shall be accompanied by an authenticated copy of his/her Power of Attorney or other evidence of his/her authority to act on behalf of the bidder.

a. Corporation

If the bidder is a corporation, a Certificate of Corporate Bidder, in the form attached, must be executed by a duly authorized officer of the corporation other than the officer signing the bid. In lieu of the Certificate of Corporate Bidder, there may be attached to the bid so much of the records of the corporation as will show the official character and authority of the officer signing. These records must be true copies and be duly certified by the secretary or assistant secretary of the corporation.

b. Partnership

If the bidder is a partnership, then the names of all general partners in the partnership must be furnished on the certificate

and Seller, in its discretion, may require (i) evidence of the authority of the signer(s) to execute the bid on behalf of the partnership and (ii) a copy of the partnership agreement. Seller prefers that all the partners sign the certificate.

**4. ADDITIONAL INFORMATION**

Seller will, upon request, provide additional copies of the Invitation for Bids and respond to requests for additional available information concerning the Property. The high net bid submitted shall be deemed to have been made with full knowledge of all the terms, conditions, and requirements contained in this Invitation for Bids. The failure of any bidder to inspect, or to be fully informed as to the condition of all or any portion of the property offered will not constitute grounds for any claim or demand for adjustment or withdrawal of a bid.

**5. NOTICE OF ACCEPTANCE OR REJECTION**

Notice by Seller of acceptance or rejection of a bid shall be deemed to have been sufficiently given when mailed to the bidder or his duly authorized representative at the address indicated on the bid documents.

**6. WAIVER OF INFORMALITIES OR IRREGULARITIES**

Seller may, at its election, waive any minor informality or irregularity in bids received.

SEALED BID SALE OF UNIVERSITY PROPERTY  
BID FOR PURCHASE OF UNIVERSITY PROPERTY

TO BE COMPLETED ONLY BY THE BIDDER FOR THE SEALED BID SALE

Property: An undivided interest in Lots One (1) through Four (4) and Seven (7) through Nine (9), W. H. Bailey Subdivision as platted in Volume 169, Page 400 of the Deed Records of Harris County, Texas

\_\_\_\_\_  
(DATE)

To: Office of Endowment Real Estate  
210 W. 6th Street  
Austin, Texas 78701

The undersigned bidder hereby offers and agrees to purchase the property described above, and subject to the terms and conditions of the contract for sale, for the bid price entered below, if this bid is accepted within 10 calendar days after date of the bid opening. This offer is subject to the terms and conditions of the Invitation for Bids which includes all terms and conditions found in: (1) the Introduction; (2) the Instruction to Bidders; (3) the General Terms of Sale; (4) the Bid for Purchase of University Property; and (5) the property Description; all of which are incorporated as part of the bid.

AMOUNT OF BID PURCHASE PRICE

AMOUNT OF BID DEPOSIT

\$ \_\_\_\_\_

\$ \_\_\_\_\_ \$100 \_\_\_\_\_

BIDDER REPRESENTS: (Check appropriate space)

That bidder is:

\_\_\_\_\_ an individual  
\_\_\_\_\_ a general limited partnership consisting of \_\_\_\_\_

\_\_\_\_\_ a corporation incorporated in the state of \_\_\_\_\_

\_\_\_\_\_ a Trustee acting for \_\_\_\_\_

Name and Address of Bidder:

NAME: \_\_\_\_\_

STREET: \_\_\_\_\_

CITY: \_\_\_\_\_ COUNTRY: \_\_\_\_\_  
STATE: \_\_\_\_\_

ZIP CODE: \_\_\_\_\_ TELEPHONE #: \_\_\_\_\_

Signature of person authorized to sign bid:

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACCEPTANCE BY THE UNIVERSITY OF TEXAS SYSTEM**

The foregoing bid for purchase is accepted by and on behalf of the Board of Regents of The University of Texas System, on its own behalf and on behalf of the Ima Hogg Foundation, acting by and through the Executive Director, Office of Endowment Real Estate on this \_\_\_\_\_ day of \_\_\_\_\_, 1993.

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

By: \_\_\_\_\_  
**James S. Wilson  
Executive Director  
Endowment Real Estate**

CERTIFICATE OF CORPORATE BIDDER

I, \_\_\_\_\_,  
certify that I am \_\_\_\_\_ of the  
(Secretary or other official title)  
Corporation named as bidder herein; that \_\_\_\_\_,  
who signed this bid on behalf of the bidder, was the  
\_\_\_\_\_ of said Corporation; by authority of its  
(official title)  
governing body and is within the scope of its corporation powers.

(SEAL)

\_\_\_\_\_

2. The Robertson Poth Foundation Agenda.--

RECOMMENDATION

It is recommended that the Chairman of the U. T. Board of Regents, the Chairman of the Health Affairs Committee, the Executive Vice Chancellor for Health Affairs, and the Executive Vice Chancellor for Business Affairs convene as Trustees of The Robertson Poth Foundation to act on the following agenda:

- a. Approval of the Minutes of the meeting held on April 1, 1993, as set forth on Page B of R - 29
- b. Receipt of report from the U. T. System Vice Chancellor for Asset Management as set forth on Page B of R - 30 that pursuant to the terms of the revised Investment Agency Agreement approved at the April 1993 meeting of the Trustees of The Robertson Poth Foundation, the funds of the Foundation will be invested in the U. T. System Common Trust Fund as of September 1, 1993
- c. Approve the distribution of funds for projects at the U. T. Medical Branch - Galveston as set forth on Pages B of R 31 - 32
- d. Recommendation that legal action be taken to dissolve and terminate The Robertson Poth Foundation and the establishment of a permanent endowment for the use and benefit of the U. T. Medical Branch - Galveston as set forth in the Attorney General's letter on Pages B of R 33 - 35.

BACKGROUND INFORMATION

The Robertson Poth Foundation was established as a charitable, scientific and educational foundation. Dr. Edgar J. Poth, his wife, Dr. Gaynelle Robertson Poth, and Dr. Douglas D. Stiernberg resigned as trustees of the Foundation in 1967 and requested that the U. T. Board of Regents assume the management of the Foundation. In order to simplify administration of the fund, the Trustees will seek approval to dissolve the foundation and create a permanent endowment for the use and benefit of the U. T. Medical Branch - Galveston as suggested by the Attorney General.



THE ROBERTSON POTH FOUNDATION

Minutes of the Trustees

April 1, 1993

The Chairman of the Board of Regents of The University of Texas System, the Chairman of the Asset Management Committee, and the Chairman of the Health Affairs Committee as Trustees of The Robertson Poth Foundation met on April 1, 1993, in Room 1.220, Nursing School Building, U. T. Health Science Center - San Antonio, San Antonio, Texas.

On motions duly made and seconded and by unanimous vote of the Trustees, the following actions were taken:

1. Minutes of the meeting held on October 11, 1991 were approved.
2. The Chairman of the Board of Regents, Bernard Rapoport, was elected Chairman of the Board of Trustees; the Chairman of the Health Affairs Committee, Mario E. Ramirez, M.D., was re-elected Vice-Chairman; the Executive Vice Chancellor for Health Affairs, Charles B. Mullins, M.D., was elected Secretary; the Executive Vice Chancellor for Business Affairs, R. D. Burck, was elected Treasurer; and the position of Assistant Secretary-Treasurer was eliminated.
3. Approved the revised Investment Agency Agreement between The Robertson Poth Foundation and the U. T. Board of Regents.
4. Authorized the Secretary of The Robertson Poth Foundation to execute such agreement for the Foundation.

---

Bernard Rapoport  
Chairman

---

Mario E. Ramirez, M.D.  
Vice-Chairman

---

Charles B. Mullins, M.D.  
Secretary

---

R. D. Burck  
Treasurer

**Academic Component Institutions:**

The University of Texas at Arlington  
The University of Texas at Austin  
The University of Texas at Dallas  
The University of Texas at El Paso  
The University of Texas Pan American  
The University of Texas-Pan American at Brownsville  
The University of Texas at the Permian Basin  
The University of Texas at San Antonio  
The University of Texas Institute of Texan Cultures at San Antonio  
The University of Texas at Tyler



**Health Component Institutions:**

The University of Texas Southwestern Medical Center at Dallas  
The University of Texas Medical Branch at Galveston  
The University of Texas Health Science Center at Houston  
The University of Texas Health Science Center at San Antonio  
The University of Texas M.D. Anderson Cancer Center  
The University of Texas Health Center at Tyler

**THE UNIVERSITY OF TEXAS SYSTEM**

210 WEST SIXTH STREET AUSTIN, TEXAS 78701

*Office of Asset Management*  
(512) 499-4337

**MEMORANDUM**

**TO: Trustees of The Robertson Poth Foundation**

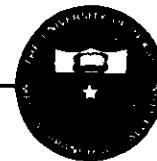
**FROM: Thomas G. Ricks**   
**Vice Chancellor for Asset Management**

**DATE: July 6, 1993**

**RE: Investment of Foundation Assets**

Paragraph 3 of the Investment Agency Agreement approved at the April 1993 meeting of the Trustees delegates to the U.T. Board of Regents discretion to invest the Foundation's assets in accordance with "The Common Trust Fund Investment Policy Statement." Pursuant to that authority, the Foundation's assets will be invested in the U.T. System Common Trust Fund as of the September 1, 1993 buy in date.

# The University of Texas Medical Branch at Galveston



School of Medicine  
Graduate School of Biomedical Sciences  
School of Allied Health Sciences  
School of Nursing

Marine Biomedical Institute  
Institute for the Medical Humanities  
UTMB Hospitals

Thomas N. James, M.D., M.A.C.P.  
President

July 1, 1993

## Trustees

The Robertson Poth Foundation  
601 Colorado Street  
Austin, TX 78701

The University of Texas Medical Branch respectfully submits the following recommendations to The Robertson Poth Foundation in support of our request for funding.

- |  | <u>Funds Requested</u> |
|--|------------------------|
| 1) Upgrade the existing endowment supporting the Robertson Poth Professorship in Ophthalmology to \$500,000 in order to create a Robertson Poth Chair                      | \$274,897.14           |
| Current appointee:<br>Wayne F. March, M.D.<br>Professor and Chairman<br>Department of Ophthalmology  |                        |
| 2) Upgrade the existing endowment supporting the Robertson Poth Professorship in General Surgery to \$500,000 in order to create a Robertson Poth Chair in General Surgery | \$400,000.00           |
| Current appointee:<br>Courtney M. Townsend, Jr., M.D.<br>Professor<br>Department of Surgery  |                        |

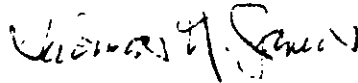
Funds Requested

- 3) Award the following "grants-in-aid:"
- a) Type of Grant: Small grant  
Investigator: Yan-Shi Guo, M.D.  
Title: "Insulin-like growth factor and colon cancer metastasis" \$ 12,500.00
  
  - b) Type of Grant: Student project  
Investigator: Kimberlea Ward (Year II)  
Title: "Wrist Biomechanics/Cadaver Study." Dr. Steve Viegas, Supervisor \$ 1,545.00
  
  - c) Type of Grant: Student project  
Investigator: Jason Laningham (Year II)  
Title: "Mechanics of Clubfoot Deformity." Drs. William Buford and David Yngve, Supervisors. \$ 1,545.00
- TOTAL FUNDS REQUESTED \$690,487.14  
-----

Increasing the funding level of the endowed professorships to create endowed chairs will provide a higher yield in earned income that is urgently needed at this time to support the academic endeavors of Dr. March and Dr. Townsend. The grants-in-aid will provide financial support for three very worthwhile research projects.

I appreciate the opportunity to submit this request and I will be happy to provide any additional information that may be needed.

Sincerely,



Thomas N. James, M.D.  
President

/lc



Office of the Attorney General  
State of Texas

DAN MORALES  
ATTORNEY GENERAL

May 27, 1992

Mr. Linward Shivers  
Senior Attorney  
Office of General Counsel  
201 West 7th Street  
Austin, Texas 78701

Re: Robertson Poth Foundation

Dear Mr. Shivers:

You have requested that this office review the Robertson Poth Foundation documents and the Attorney General's letter dated November 17, 1977, in light of additional facts which you have brought to my attention. You have advised me that Edgar J. Poth and Gaynelle Robertson Poth, Grantors of the Robertson Poth Foundation, are now deceased and, under the terms of the trust indenture as well as the two unitrusts created by Mr. and Mrs. Poth, the trust created by the Poths is now fully funded in the amount of approximately \$2,700,000.00. The initial trust indenture, executed by Mr. and Mrs. Poth on December 22, 1952, created a foundation to support research and its publication in ophthalmology and general surgery. The other purposes of the foundation were to provide loans and housing to medical personnel. These two items, however, were deleted due to Internal Revenue Service rulings.

In the trust indenture, The University of Texas Medical Branch at Galveston and three other medical schools were named as beneficiaries to receive grants from the foundation. The trust indenture also provided that the grantors could select additional schools to receive grants and gave the trustees discretionary authority to select the recipients. The original trustees were the Grantors, Drs. Edgar Poth and Gaynelle Robertson Poth, and Harold G. Pile. During their term as trustees, UTMB was the only medical school which received grants.

Mr. Linward Shivers  
May 27, 1992  
Page 2

At the request of the Grantors, the Board of Regents of The University of Texas System, at its meeting of December 8, 1967, authorized the appointment of three of its members in their official capacity to become substitute trustees of the Robertson Poth Foundation. Documents in the file indicate that it was the Grantors' intent, that all grants continue to be made to UTMB to the exclusion of the other universities named in the trust indenture. Because the trustees have absolute discretion to make grants from the Foundation, they may abide by the wishes of the Grantors if they choose to and to date they have done so. The information furnished to me shows that UTMB continues to be the only recipient of grants from the Robertson Poth Foundation. I believe that this practice is within the terms of the trust instrument and may continue.

Now that the estates of the Grantors have been finalized and the assets distributed the the foundation, it is my opinion that, under the terms of the trust instrument, the trust assets may be invested under the guidelines established by the Board of Regents for other trust assets and endowments and commingled with the assets of the Common Trust Fund. As we discussed, the question would be whether the Common Trust Fund could accept private assets held for the benefit of UTMB.

You have also asked whether the requirement of annual audits by an independent accountant must be strictly adhered to because of the additional expense to the foundation. Dr. Edgar Poth, in a letter dated August 10, 1969, stated that he and his wife agreed that audit by the "University and the State Auditor are certainly adequate and see no reason for obtaining an annual audit by an independent auditor." Unfortunately, Dr. Poth's agreement is not sufficient to amend the provisions of the trust. The instrument itself is very explicit about the requirement of an outside audit and about the fact that the terms of the trust may not be amended by the Grantor. To effect this change, as well as any other change in the terms of the trust, the trustees must secure court approval.

The trustees may wish to consider a petition to dissolve the foundation and terminate the trust based on changed circumstances, asking the court to permit the corpus of the trust to be treated as a permanent endowment for the benefit of U.T.M.B. to be used for the purposes stated in the trust indenture. This would simplify administration of the fund while continuing to carry out the intent of the grantors.

Mr. Linward Shivers  
May 27, 1992  
Page 3

Please let me know if you have any additional questions. I will be happy to offer any assistance I can.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rose Ann Reeser".

Rose Ann Reeser  
Assistant Attorney General  
Chief, Charitable Trusts Section

3. Winedale Stagecoach Inn Fund Agenda.--

RECOMMENDATION

It is recommended that the members of the U. T. Board of Regents convene as Trustees of the Winedale Stagecoach Inn Fund to act on the following agenda:

- a. Approval of the Minutes of the meeting held on April 1, 1993, as set forth on Page B of R - 37
- b. Receipt of report from the U. T. System Vice Chancellor for Asset Management as set forth on Page B of R - 38 that pursuant to the terms of the revised Investment Agency Agreement approved at the April 1993 meeting of the Trustees of the Winedale Stagecoach Inn Fund, the funds of the Fund will be invested in the U. T. System Common Trust Fund as of September 1, 1993.

BACKGROUND INFORMATION

The organizational meeting of the Winedale Stagecoach Inn Fund was held January 16, 1965. The purpose of this Fund is support of the Winedale Historical Center located at Round Top, Texas. The Center was created by Miss Ima Hogg under the name of Winedale Stagecoach Inn and offered to the U. T. Board of Regents in 1965.



WINEDALE STAGECOACH INN FUND

Minutes of the Trustees

April 1, 1993

The members of the Board of Regents of The University of Texas System who serve as Trustees of the Winedale Stagecoach Inn Fund met on April 1, 1993, in Room 1.220, Nursing School Building, U. T. Health Science Center - San Antonio, San Antonio, Texas, with all Trustees present.

On motions duly made and seconded and by unanimous vote of the Trustees, the following actions were taken:

1. Minutes of the meeting held on October 11, 1991 were approved.
2. The Chairman of the Board of Regents, Bernard Rapoport, was elected President of the Board of Trustees; the Vice-Chairman of the Board of Regents, Ellen Clarke Temple, was elected Vice-President of the Board of Trustees; the President of The University of Texas at Austin, Robert M. Berdahl, was elected Secretary; the Executive Vice Chancellor for Business Affairs, R. D. Burck, was elected Treasurer; and the position of Assistant Secretary-Treasurer was eliminated.
3. Approved the revised Investment Agency Agreement between the Winedale Stagecoach Inn Fund and the U. T. Board of Regents.
4. Authorized the Secretary of the Winedale Stagecoach Inn Fund to execute such agreement for the Fund.

---

Robert M. Berdahl  
Secretary

**Academic Component Institutions:**

The University of Texas at Arlington  
The University of Texas at Austin  
The University of Texas at Dallas  
The University of Texas at El Paso  
The University of Texas-Pan American  
The University of Texas-Pan American at Brownsville  
The University of Texas of the Permian Basin  
The University of Texas at San Antonio  
The University of Texas Institute of Texas Cultures at San Antonio  
The University of Texas at Tyler



**Health Component Institutions:**

The University of Texas Southwestern Medical Center at Dallas  
The University of Texas Medical Branch at Galveston  
The University of Texas Health Science Center at Houston  
The University of Texas Health Science Center at San Antonio  
The University of Texas M. D. Anderson Cancer Center  
The University of Texas Health Center at Tyler


**THE UNIVERSITY OF TEXAS SYSTEM**

210 WEST SIXTH STREET AUSTIN, TEXAS 78701

*Office of Asset Management*  
*(512) 499-4337*

**MEMORANDUM**

**TO:** Trustees of the Winedale Stagecoach Inn Fund

**FROM:** Thomas G. Ricks   
Vice Chancellor for Asset Management

**DATE:** July 6, 1993

**RE:** Investment of Fund Assets

Paragraph 3 of the Investment Agency Agreement approved at the April 1993 meeting of the Trustees delegates to the U.T. Board of Regents discretion to invest the Fund's assets in accordance with "The Common Trust Fund Investment Policy Statement." Pursuant to that authority, the Fund's assets will be invested in the U.T. System Common Trust Fund as of the September 1, 1993 buy in date.

I. OTHER MATTERS

J. RECESS TO EXECUTIVE SESSION

The Board will convene in Executive Session pursuant to Vernon's Texas Civil Statutes, Article 6252-17, Sections 2(e), (f) and (g) to consider those matters set out on Page EX.S - 1 of the Material Supporting the Agenda.

K. RECONVENE IN OPEN SESSION

L. CONSIDERATION OF ACTION ON ANY ITEMS DISCUSSED IN THE EXECUTIVE SESSION OF THE BOARD OF REGENTS PURSUANT TO V.T.C.S., ARTICLE 6252-17, SECTIONS 2(e), (f) AND (g)

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

a. U. T. Medical Branch - Galveston:  
Proposed Settlement of Medical  
Liability Litigation

b. U. T. Medical Branch - Galveston:  
Proposed Settlement of Medical  
Liability Claim

2. Land Acquisition, Purchase, Exchange, Lease or Value of Real Property and Negotiated Contracts for Prospective Gifts or Donations - Section 2(f)

U. T. Board of Regents: Request for Approval of Partial Release of Deed of Trust Covering Certain Parcels of Land in the Texas Research Park Located in Bexar and Medina Counties, Texas, for Consent to the Conveyance of Certain Property Owned by the Texas Research and Technology Trust to the Texas Research and Technology Foundation and Authorization for the Chairman to Execute Appropriate Documents

3. Personnel Matters [Section 2(g)] Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees

U. T. System: Consideration of Personnel Aspects of the Operating Budgets for the Fiscal Year Ending August 31, 1994, Including Auxiliary Enterprises, Grants and Contracts, Designated Funds, Restricted Current Funds and Medical and Dental Services, Research and Development Plans and Request for the Chancellor to Make Editorial Corrections Therein

**M. SCHEDULED EVENTS**

**1. Board of Regents' Meetings**

<u>Dates</u>	<u>Locations/Hosts</u>
October 8, 1993	U. T. Southwestern Medical Center - Dallas
December 2, 1993	U. T. Brownsville

**2. The following dates and locations are proposed for meetings of the Board of Regents in 1994:**

<u>Dates</u>	<u>Locations/Hosts</u>
February 10, 1994	U. T. M.D. Anderson Cancer Center
April 14, 1994	U. T. Health Center - Tyler
June 9, 1994	U. T. Permian Basin
August 11, 1994	No Host - Austin
October 7, 1994	U. T. Dallas
December 1, 1994	U. T. Pan American

**N. OTHER BUSINESS**

**O. ADJOURNMENT**

# 1993

January 1993						
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November 1993						
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**Executive  
Committee**

EXECUTIVE COMMITTEE  
Committee Chairman Rapoport

Date: August 12, 1993  
Time: Following the convening of the Board of Regents  
at 9:30 a.m.  
Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

	<u>Page</u> <u>Ex.C</u>
1. U. T. Board of Regents: Adoption of Resolution Authorizing Time-Sharing Agreement Between U. T. Austin and Texas Educational Broadcasting Co-operative, Inc., Austin, Texas, and Request for Authorization to Execute Agreement (Exec. Com. Letter 93-15)	2
2. U. T. System: Recommended Approval of Financial Disclosure Statements Submitted by the Chancellor and the Institutional Chief Administrative Officers (Exec. Com. Letter 93-16)	14
3. U. T. Brownsville: Request for Transfer of Funds Requiring Advance Regental Approval Under Budget Rules and Procedures No. 2 (Exec. Com. Letter 93-15)	15
4. U. T. Permian Basin: Recommendation to Accept Gift to Establish the University of Texas of the Permian Basin Support for Excellence Fund (Exec. Com. Letter 93-13)	15
5. U. T. Southwestern Medical Center - Dallas - Aston Ambulatory Care Center - Ninth Floor Finish Out (Project No. 303-798): Recommended Award of Construction Contract to Dal-Mac Construction Company, Richardson, Texas (Exec. Com. Letter 93-14)	23
6. U. T. Medical Branch - Galveston - Keiller Building Renovation and Reroofing - Phase II - Renovation (Project No. 601-664): Recommended Award of Construction Contract for Keiller Building Renovation - Interior Renovation to Manhattan Construction Company, Houston, Texas (Exec. Com. Letter 93-16)	25

1. U. T. Board of Regents: Adoption of Resolution Authorizing Time-Sharing Agreement Between U. T. Austin and Texas Educational Broadcasting Co-operative, Inc., Austin, Texas, and Request for Authorization to Execute Agreement (Exec. Com. Letter 93-15).--

#### RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs, and President Berdahl that the U. T. Board of Regents:

- a. Adopt a resolution authorizing a time-sharing agreement between U. T. Austin on behalf of the radio operations of Texas Student Publications (KTSB) and Texas Educational Broadcasting Co-operative, Inc., doing business as Austin Co-op Radio, Inc. (KOOP), as set out on Pages Ex.C 4 - 5
- b. Authorize the Executive Vice Chancellor for Academic Affairs to execute the time-sharing agreement on behalf of the U. T. Board of Regents, in substantially the form set out on Pages Ex.C 6 - 13.

#### BACKGROUND INFORMATION

The University of Texas at Austin, acting on behalf of Texas Student Publications, applied to the Federal Communications Commission on July 22, 1988, for a license to construct and operate a non-commercial FM radio station for FM Channel 219A (91.7 MHz) to be called KTSB. Texas Educational Broadcasting Co-operative, Inc., Austin, Texas (doing business as Austin Co-op Radio, Inc.) had previously applied to the FCC for a license to construct and operate a non-commercial FM radio station (KOOP) on the same frequency. These applications were in competition for the sole available non-commercial FM license in the Austin area.

After an administrative hearing, the FCC ruled that the parties must share the frequency on alternate days of the week. The decision was appealed to the FCC Review Board, and the parties were subsequently instructed by the Review Board on October 23, 1992 to attempt to negotiate in good faith a time-sharing agreement providing that the broadcast day would be split between KTSB and KOOP in a fair and equitable manner. The parties filed a Joint Request For Stay of Proceeding and were granted an extension until June 28, 1993 to approve a proposed settlement and file a settlement document with the FCC.

The parties' negotiated tentative agreement concerning time-sharing and proposed hours of operation was approved by the Texas Student Publications Board of Operating Trustees on February 18, 1993.



Under the terms of the proposed shared use agreement between KTSB and KOOP, KOOP will pay to the University an annual rental payment of ten thousand dollars (\$10,000.00) for the right to use the tower and transmitter for five years during its broadcast time (9:00 a.m. to 7:00 p.m. on Monday, Tuesday, Wednesday, Thursday, and Friday, and 9:00 a.m. to 10:00 p.m. on Saturday and Sunday). U. T. Austin will be responsible for the construction and operation of a broadcast tower and transmitter on property owned by the City of Austin. The tower construction is contingent upon formal approval by the City of Austin of a lease agreement with the University. The lease will be negotiated by U. T. Austin officials and representatives from the Offices of General Counsel, Business Affairs, Asset Management, and Academic Affairs and will be submitted for further approval by the U. T. Board of Regents as required.

Additional negotiations and drafting of the proposed agreement were not completed in sufficient time for presentation at the June 1993 U. T. Board of Regents' meeting.

RESOLUTION AUTHORIZING A TIME-SHARING AGREEMENT BETWEEN THE UNIVERSITY OF TEXAS AT AUSTIN, ACTING ON BEHALF OF TEXAS STUDENT PUBLICATIONS (KTSB), AND TEXAS EDUCATIONAL BROADCASTING CO-OPERATIVE, INC. DOING BUSINESS AS AUSTIN CO-OP RADIO, INC. (KOOP)

WHEREAS, The University of Texas at Austin, acting on behalf of Texas Student Publications applied to the Federal Communications Commission on July 22, 1988, for a license to construct and operate a non-commercial FM radio station for FM Channel 219A (91.7 MHz) to be called KTSB; and

WHEREAS, Texas Educational Broadcasting Co-operative, Inc. doing business as Austin Co-op Radio, Inc., also applied to the Federal Communications Commission for a license to construct and operate a non-commercial FM radio station for FM Channel 219A (91.7 MHz) to be called KOOP; and

WHEREAS, said applications were considered to be mutually exclusive and in direct competition with each other for the sole available non-commercial FM license in the Austin, Travis County, Texas geographic area; and

WHEREAS, the Federal Communications Commission considered the applications of both parties in an administrative comparative hearing process and by order dated June 25, 1992, ruled that the parties share the frequency on alternate days of the week: KOOP to broadcast Mondays, Wednesdays, Fridays and alternating Sundays, and KTSB to broadcast Tuesdays, Thursdays, Saturdays, and alternating Sundays; and

WHEREAS, both parties filed an appeal of the decision to the Federal Communications Commission Review Board, and the parties were subsequently instructed at oral argument of the appeal before the Review Board on October 23, 1992 to attempt to negotiate in good faith a time-sharing agreement whereby the broadcast day would be split between KTSB and KOOP in a fair and equitable manner; and

WHEREAS, the parties filed a Joint Request For Stay of Proceeding and were granted an extension until June 28, 1993 to approve a proposed settlement and file a settlement document with the Commission; and

WHEREAS, the parties have negotiated a tentative agreement at this point that is acceptable to both parties and was approved by the Texas Student Publications Board of Operating Trustees on February 18, 1993 but raises certain legal issues regarding the appropriate use of Student Service Fees for the construction and operation of a broadcast tower and transmitter on property owned by The City of Austin with a shared use by KTSB and KOOP in exchange for an annual rental payment to The University of Texas at Austin; and

WHEREAS, under the terms of the proposed time-sharing agreement, KTSB would broadcast under its separate license during the hours from 7:00 p.m. to 9:00 a.m. on Monday, Tuesday, Wednesday, Thursday and Friday, and between the hours of 10:00 p.m. and 9:00 a.m. on Saturday and Sunday, and KOOP would broadcast under its separate license during the hours from 9:00 a.m. to 7:00 p.m. on Monday, Tuesday, Wednesday, Thursday, and Friday, and between the hours of 9:00 a.m. and 10:00 p.m. on Saturday and Sunday; and

WHEREAS, under the terms of the proposed agreement, KOOP seeks to share the tower and transmitter to be constructed by KTSB with the use of Student Service Fees in the amount of \$100,000 on property owned by the City of Austin for a period of five years in exchange for the payment of rent by KOOP to The University of Texas at Austin in the amount of \$10,000 per year, which includes the cost of utilities for the transmitter; and

WHEREAS, said agreement will resolve the current controversy between KOOP and KTSB and permit both parties to proceed to

broadcast their respective programs and will avoid any controversy that might impede, hinder, or delay either the issuance of the licenses by the Federal Communications Commission or the approval of said tower construction by the City of Austin; and

WHEREAS, said agreement will be in the best interests of The University of Texas at Austin; and

WHEREAS, said proposed agreement requires, in the opinion of legal counsel, that certain findings and specific authorizations be made at this time by the Board of Regents of The University of Texas System in order to resolve said legal issues and to proceed with the time-sharing agreement;

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

The Board, having considered the terms and conditions of the proposed agreement hereby finds that the use of Student Service Fees by Texas Student Publications for the construction of a tower, transmitter and studio to be an appropriate student activity and service within the meaning of the provisions of Section 54.513, Texas Education Code.

The Board finds that the subsequent lease of said tower and transmitter to KOOP for use during the hours of broadcasting by KOOP in exchange for an annual rental of \$10,000, including the cost of utilities for the transmitter, will benefit The University of Texas at Austin and further an appropriate student activity and service within the meaning of the provisions of Section 54.513, Texas Education Code.

The Board finds that said agreement does not serve to benefit a private organization in violation of the provisions of Article III, Section 51, of the Texas Constitution, since it serves a valid governmental and public purpose, by resolving matters of controversy between the parties and by permitting KTSB to broadcast its respective programming at the earliest time.

Accordingly, The Board of Regents of The University of Texas System hereby finds that the substance of the above referenced agreement is in the best interests of The University of Texas at Austin. The proposed agreement shall be drafted by the Office of General Counsel and submitted for approval to both parties and submitted for final approval to the Executive Vice Chancellor for Academic Affairs of The University of Texas System prior to the June 28, 1993 deadline established by the Federal Communications Commission.

ADOPTED AND APPROVED this the \_\_\_\_\_ day of \_\_\_\_\_, 1993.

\_\_\_\_\_  
Chairman  
Board of Regents of  
The University of Texas System

Attest:

\_\_\_\_\_  
Executive Secretary  
Board of Regents of  
The University of Texas System

(SEAL)

June 7, 1993

**AGREEMENT**

THIS AGREEMENT, by and between THE UNIVERSITY OF TEXAS AT AUSTIN, ACTING ON BEHALF OF TEXAS STUDENT PUBLICATIONS (KTSB), AND TEXAS EDUCATIONAL BROADCASTING CO-OPERATIVE, INC. DOING BUSINESS AS AUSTIN CO-OP RADIO, INC. (KOOP).

**WITNESSETH**

WHEREAS, The University of Texas at Austin, acting on behalf of Texas Student Publications applied to the Federal Communications Commission on July 22, 1988, for a license to construct and operate a non-commercial FM radio station for FM Channel 219A (91.7 MHz) to be called KTSB; and

WHEREAS, Texas Educational Broadcasting Co-operative, Inc. doing business as Austin Co-op Radio, Inc., also applied to the Federal Communications Commission for a license to construct and operate a non-commercial FM radio station for FM Channel 219A (91.7 MHz) to be called KOOP; and

WHEREAS, said applications were considered to be mutually exclusive and in direct competition with each other for the sole available non-commercial FM license in the Austin, Travis County, Texas geographic area; and

WHEREAS, the Federal Communications Commission considered the applications of both parties in an administrative comparative hearing process and by order dated June 25, 1992, ruled that the parties share the frequency on alternate days of the week: KOOP to broadcast Mondays, Wednesdays, Fridays and alternating Sundays, and KTSB to broadcast Tuesdays, Thursdays, Saturdays, and alternating Sundays; and

WHEREAS, both parties filed an appeal of the decision to the Federal Communications Commission Review Board, and the parties were subsequently instructed at oral argument of the appeal before the Review Board on October 23, 1992 to attempt to negotiate in good faith a time-sharing agreement whereby the broadcast day would be split between KTSB and KOOP in a fair and equitable manner; and

WHEREAS, the parties filed a Joint Request For Stay of Proceeding and were granted an extension until June 28, 1993 to approve a proposed settlement and file a settlement document with the Commission; and

June 7, 1993

WHEREAS, both parties desire to share the use of said frequency as well as share the use of a broadcast tower and transmitter to be constructed on property owned by the City of Austin by KTSB in exchange for an annual rental payment by KOOP to The University of Texas at Austin;

NOW THEREFORE, in consideration of the foregoing and the mutual promises of the parties hereto, it is mutually agreed that , subject to the prior approval by the Federal Communications Commission (FCC), the 91.7 MHz frequency will be shared by the parties in accordance with the following terms, conditions and schedules:

1. SHARE-TIME SCHEDULE

KTSB will broadcast under its separate license during the hours from 7:00 p.m to 9:00 a.m. on Monday, Tuesday, Wednesday, Thursday and Friday, and between the hours of 10:00 p.m. and 9:00 a.m. on Saturday and Sunday. KOOP will broadcast under its separate license during the hours from 9:00 a.m. to 7:00 p.m. on Monday, Tuesday, Wednesday, Thursday, and Friday, and between the hours of 9:00 a.m. and 10:00 p.m. on Saturday and Sunday. If the parties desire to change the times of operation, both parties shall file with the FCC appropriate applications to modify their respective licenses and receive FCC approval prior to initiating any change in operating schedules.

2. SHARED USE OF CERTAIN FACILITIES

KOOP will be permitted to broadcast its signal using the tower, adjacent transmitter building and transmitter to be constructed by KTSB on property owned by the City of Austin during the KOOP broadcast day for a period of five years in exchange for the payment of rent by KOOP to The University of Texas at Austin in the amount of \$10,000 per year, which includes the cost of utilities for the transmitter. The monthly payment in the amount of eight hundred and thirty-three dollars and thirty-three cents will be due on the first day of each month beginning with the first full month of operation. The failure to pay the monthly rental within ten (10) days of the first of each month shall constitute a default by KOOP. No additional equipment or facilities will be shared by the parties. Separate broadcast studios and staff will be used by each party. KTSB shall retain control of the tower, adjacent transmitter building and transmitter at all times for the purpose of maintenance and engineering support. KOOP will be solely responsible for all costs and expenses incident to the operation of a non-commercial FM radio station, including but not limited to, personnel, repair, replacement and acquisition of equipment and all other expenses incurred by KOOP.

3. COOPERATION BETWEEN THE PARTIES

It is the intent of the parties that this agreement resolve the current controversy between KOOP and KTSB and permit both parties to proceed to broadcast their respective programs during each party's broadcast day. The parties agree to submit this time share agreement to the FCC for approval and seek to expedite approval by the City of Austin of the tower construction on property owned by the City of Austin. The parties agree that, to the extent possible, they will cooperate with each other to broadcast certain designated live events that occur during the broadcast day of one party at the request of the other party. In addition, the parties agree that KOOP will encourage students at The University of Texas at Austin to seek employment with KOOP and participate during the KOOP broadcast day.

4. EFFECTIVE DATE OF AGREEMENT

The parties recognize that the implementation of this Agreement will require prior FCC approval as well as approval by the City of Austin for construction of the tower and transmitter building. Accordingly, the parties hereto agree that the time-share provisions outlined in this Agreement shall become effective on the date that the tower has been constructed and is fully operational.

5. COMPLIANCE WITH FCC RULES AND REGULATIONS

The parties to this Agreement shall operate in full compliance with all applicable FCC Rules and Regulations. Each party will take all necessary steps to obtain and maintain in force all licenses, permits and authorizations required for the use of the FM radio frequency which is the subject of this Agreement, including taking reasonable steps to comply with the applicable provisions of the Communications Act of 1934, the applicable provisions of the FCC rules and regulations, as well as the timely filing of all reports, schedules and forms required by the FCC.

This Agreement shall not be construed to delegate any of either party's responsibilities as holder of an FCC license, and each party shall retain the ultimate and exclusive responsibility for the operation and control of the radio station during its respective broadcast day. The parties shall promptly notify each other of any event of which they have knowledge that may impact any of the licenses, permits or authorizations required for the use of the radio frequency that is the subject of this Agreement. To avoid confusion on the part of the public as well as to properly assign responsibility

June 7, 1993

to each party for actions that occur during the broadcast day, the parties agree to make every effort to fully identify, by call sign and by other reference, which party is currently broadcasting on the radio frequency and to publish the respective hours of operation for each party to this time share agreement for the benefit of the public.

6. TRANSMISSION SITE AND FACILITIES

KTSB shall construct at its sole expense a transmission site located in Austin, Travis County, Texas on a 197 foot high transmitting tower located at Latitude 30 16 00 North and Longitude 97 40 27 West; said tower and transmission site to fully comply with the standards, specifications and regulations of the FCC. KTSB assumes full responsibility for obtaining FCC approval of this transmission site; provided however that KOOP must amend its construction permit application to specify said transmission site. The engineering specifications for the equipment to be shared and the method for terminating one party's broadcast day and initiating the other party's broadcast day is covered in detail in Exhibit One, which is attached hereto for all purposes.

7. TERMINATION

This Agreement may be terminated by either party upon sixty (60) days written notice in the event that the FCC determines not to issue a license to either party for the radio frequency that is the subject of this Agreement; in the event that a party's FCC license to use said radio frequency is cancelled or revoked by the FCC, the remaining party shall have exclusive use of the frequency. With the exception of the share time provisions contained in paragraph 1 above; this Agreement shall be subject to termination by either party upon the default of the other party, provided that prior written notice of the default has been given, and the party in default has failed to cure said default within thirty (30) days after receipt of said written notice of default; either party to this Agreement may terminate the Agreement without penalty or further liability upon one hundred and eighty (180) days prior written notice.

8. INDEMNITY

KOOP shall indemnify and hold harmless KTSB, Texas Student Publications, The University of Texas at Austin, The University of Texas System, and all officers and employees of KTSB, Texas Student Publications, The University of Texas at Austin, and The University of Texas System, against any and all claims, liabilities, and losses, whether sounding in contract or in tort, by whomever asserted, arising out of acts or

omissions by KOOP, its officers, employees or agents, including actions taken by KOOP in carrying out its obligations pursuant to this Agreement.

To the extent authorized by the Constitution and laws of the State of Texas, KTSB agrees to indemnify and hold harmless KOOP against any and all claims, liabilities and losses whether sounding in contract or in tort, by whomever asserted, arising out of acts or omissions by KTSB, its officers, employees or agents, in carrying out its obligations pursuant to this Agreement.

Both parties shall give each other prompt notice of any claim or suit within the purview of the indemnities contained herein and furnish all relevant facts and documents in its possession or control and to cooperate fully with the other party hereto in its defense or settlement of any such action.

**9. WRITTEN NOTICE**

All notices required or permitted to be made under this Agreement shall be in writing and shall be deemed to have been duly given when delivered or sent by prepaid certified or registered mail:

If to KTSB: Vice President for Business Affairs  
The University of Texas at Austin  
Austin, Texas 78712

If to KOOP: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

or such other address as either party may designate in writing to the other party for this purpose.

**10. RELATIONSHIP OF PARTIES**

This Agreement shall not be construed to create a joint venture, partnership, principal-agent, employer-employee or similar relationship between KTSB and KOOP. This Agreement is intended to constitute a time share agreement and the parties seek to operate under this Agreement to preserve that intent. Neither party shall represent itself as the other party. KOOP shall not have the authority to financially obligate or



June 7, 1993

bind Lessor and shall not state or imply, either directly or indirectly, that its activities outside the scope of this Agreement are supported, endorsed, or sponsored by KTSB.

KTSB Texas Student Publications and The University of Texas at Austin's name, marks and logo design are trademarks owned by the Board of Regents of The University of Texas System. KOOP is not authorized to use those marks in conjunction with its advertisements and promotional materials or in any matter that is related to this Agreement, including the advertising or promotion of any commercial product or service of any person, corporation, partnership association or other entity or for the purpose of any fund raising campaign conducted by KOOP.

11. FORCE MAJEURE

Neither party to this Agreement shall be responsible for losses resulting from the failure to perform any terms or provisions of this Agreement if the failure is attributable to natural phenomena, fire, disorder, or other condition beyond the reasonable control of the party whose performance is impaired thereby, and which, by the exercise of reasonable diligence, such party is unable to prevent; provided, however, that monies payable at the time of such circumstances shall be payable in accordance with the provisions of this Agreement.

12. ASSIGNMENT

Neither party shall assign, transfer, sell, dispose of or otherwise alienate or encumber their rights or obligations under this Agreement without the prior written approval of the other party.

13. CONSTRUCTION AND INTERPRETATION

This Agreement is subject to and shall be construed in accordance with the laws of the State of Texas. This Agreement constitutes the entire agreement between the parties with regard to the subject matter hereof and supersedes all other agreements, if any, express or implied, whether written or oral. This Agreement may only be modified by written agreement signed by the authorized representatives of the parties. The determination that any provision of this Agreement is invalid or unenforceable shall not invalidate this Agreement, all of said provisions being inserted conditionally upon their being considered legally valid, and this Agreement shall be construed and performed in all respects as if such invalid or unenforceable provision(s) were omitted.

REVISED--D R A F T

June 7, 1993

IN WITNESS WHEREOF, the parties have executed this Agreement on this, the \_\_\_\_ day of \_\_\_\_\_, 1993.

THE UNIVERSITY OF TEXAS AT AUSTIN  
ON BEHALF OF TEXAS STUDENT  
PUBLICATIONS (KTSB)

TEXAS EDUCATIONAL BROADCASTING  
COOPERATIVE, INC. DBA AUSTIN CO-OP  
RADIO, INC. (KOOP)

BY: \_\_\_\_\_

G. Charles Franklin  
Vice President for  
Business Affairs  
The University of Texas at Austin

BY: \_\_\_\_\_

\_\_\_\_\_  
President

APPROVED AS TO FORM:

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

BY: \_\_\_\_\_

J. Robert Giddings  
Attorney  
Office of General Counsel  
The University of Texas System

BY: \_\_\_\_\_

James P. Duncan  
Executive Vice Chancellor for  
Academic Affairs  
The University of Texas System

CERTIFICATE OF APPROVAL

I hereby certify that the foregoing agreement was approved by the Board of Regents of The University of Texas System on the \_\_\_\_ day of \_\_\_\_\_, 19\_\_ and that the persons whose signature appears above is authorized to execute such agreement on behalf of the Board.

\_\_\_\_\_  
Executive Secretary, Board of Regents  
The University of Texas System

EXHIBIT ONE

**DRAFT**

1. The Center for Telecommunications Services in the College of Communications at The University of Texas at Austin (CTS) will provide the maintenance for the full-time transmission system to be used by the parties. The Assistant Director for Technical Services, Mr. Dave Penn, will assume the role of chief operator for both stations and Mr. Penn and the CTS Technical Staff will be on call to perform routine and emergency engineering support to maintain a full-time transmission. Both stations will have access to the CTS Technical Staff paging system.
2. KOOP will have no equipment at the transmission site and KOOP personnel will not have access to the tower, transmitter, or transmitter building without prior written approval by The University of Texas at Austin in order to avoid legal liability for any injury to KOOP staff, employees or agents.
3. High quality telephone lines that meet F.C.C. quality specifications will be used by both stations to deliver program audio to Communication Building B in the College of Communications on the campus of The University of Texas at Austin.
4. A phase and level matched, equalized stereo program circuit will be installed from Communications Building B to the transmission tower site using high quality telephone dedicated lines. This will consist of two FM broadcast quality leased telephone lines to provide for the left and right channels. The installation of the phone lines and the monthly lease cost will be split equally between the two stations and will constitute a charge to KOOP in addition to the annual rental of \$10,000 per year for the transmission services provided by The University of Texas at Austin pursuant to this Agreement.
5. There will be two telephone lines at the transmitter tower site: one voice or normal telephone and one data line for remote control use only. A remote control circuit such as a voice remote control (Gentner VCR 2000 or equivalent) will be used to perform dial-up remote control functions. Each station will provide its own computer control. Remote control may be accomplished with a touch tone telephone. The dial-up remote control system will monitor transmitter operating parameters and enable each station to turn the transmitter on and off.
6. A timer circuit will be used to switch between program sources at the appropriate times to comply with this timeshare Agreement. The Center for Telecommunications (CTS) will construct the switch and the parts will be billed equally to both stations. Override capability will be provided for each station. A procedure to authorize any deviation from the agreed timeshare arrangement specified in Section 1 of this Agreement will be required.
7. Each station will be responsible for providing their own Emergency Broadcasting System (EBS) in compliance with F.C.C. and applicable federal regulations.

2. U. T. System: Recommended Approval of Financial Disclosure Statements Submitted by the Chancellor and the Institutional Chief Administrative Officers (Exec. Com. Letter 93-16).--

#### RECOMMENDATION

Pursuant to requirements of the current Appropriations Act and U. T. Board of Regents' policy, the sworn financial disclosure statements of the Chancellor and the institutional chief administrative officers, previously submitted to the Texas Ethics Commission, as required by Article 6252-9b of Texas Revised Civil Statutes Annotated, are submitted for review and approval by the U. T. Board of Regents.

The Executive Committee recommends that the Board of Regents find that these financial disclosure statements have been reviewed by the appropriate Executive Vice Chancellor, are in the form prescribed by the Texas Ethics Commission, and meet the filing requirements of Texas law. The statements are on file with the Office of the Board of Regents.

#### BACKGROUND INFORMATION

Article 6252-9b of Texas Revised Civil Statutes Annotated requires the filing of financial disclosure statements by certain state officials with the Texas Ethics Commission by April 30 of each year. Additionally, the current General Appropriations Act requires certain state agency officers and employees to file financial disclosure statements for review and approval by the governing body of the employing agency. The Attorney General has interpreted the provision of the Appropriations Act and Article 6252-9b to require the Chancellor and the chief administrative officers to file financial disclosure statements with the U. T. Board of Regents. The U. T. Board of Regents approved the current policy concerning its review and approval requirements in June 1990.

Effective on September 1, 1993, with the 1993-94 biennium, the former General Appropriations Act provision requiring Board review and approval is deleted; however, the financial disclosure statements will be circulated for review and approval pursuant to Board policy.

3. U. T. Brownsville: Request for Transfer of Funds Requiring Advance Regental Approval Under Budget Rules and Procedures No. 2 (Exec. Com. Letter 93-15).--

RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs, and President Garcia of U. T. Brownsville that the U. T. Board of Regents approve the following transfer of funds:

Educational and General Funds

Amount of Transfer - \$950,000

From:	Unallocated Auxiliary Enterprises Balances	\$950,000
To:	Staff Benefits - OASI Matching Summer School - Faculty Salaries	\$150,000 \$800,000

BACKGROUND INFORMATION

In June 1991, the U. T. Board of Regents entered into an Educational Partnership Agreement with Texas Southmost College for the purpose of improving the continuity, quality, and efficiency of educational programs and services offered by both U. T. Brownsville and Texas Southmost College. During the planning stages of this partnership agreement, it was unclear what course offerings would be required for the first summer session under the new arrangement. Subsequent to implementing the FY 1993 Operating Budget, it was determined that sufficient funding was not included in the budget to handle the demand for summer instruction. The above transfer of funds is necessary to pay faculty salaries and 1993 fringe benefits for the 1993 summer session.

4. U. T. Permian Basin: Recommendation to Accept Gift to Establish the University of Texas of the Permian Basin Support for Excellence Fund (Exec. Com. Letter 93-13).--

RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs, and Interim President Sharpe that a \$1,000,000 gift from Mrs. Ellen W. Noël, Odessa, Texas, be accepted to establish the University of Texas of the Permian Basin Support for Excellence Fund at U. T. Permian Basin.

Income earned from the endowment will be used primarily to support the Office of the President and may be used for other areas of need as outlined in the Declaration of Gift as set out on Pages Ex.C 16 - 22.

## BACKGROUND INFORMATION

Mrs. Ellen W. Noël's gift constitutes a major advancement for U. T. Permian Basin. She, along with her late husband, W. D. Noël, have made numerous contributions to U. T. Permian Basin. She is a member of the U. T. Permian Basin Development Board and The Chancellor's Council.

## DECLARATION OF GIFT

I, Ellen W. Noël of Odessa, County of Ector, State of Texas, have given, granted and delivered and by these presents do give, grant and deliver to the Board of Regents of The University of Texas System, as trustee, ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00), irrevocably and forever, for the specific purpose of establishing a permanent endowment fund to be known as the "University of Texas of the Permian Basin Support for Excellence Fund" (herein "UTPB Support for Excellence Fund") for the exclusive benefit of The University of Texas of the Permian Basin, pursuant to the ensuing terms and conditions of this declaration of gift.

### I. Permanency

The principal of the UTPB Support for Excellence Fund shall at all times remain intact and shall never become part of the Permanent University Fund, the Available University Fund, or the General Fund of the State of Texas, nor shall it or income thereof be subject to appropriation by the legislature of the State of Texas.

### II. Accounting for Fund

The UTPB Support for Excellence Fund shall be a permanent endowment for the use and benefit of The University of Texas of the Permian Basin to be invested and reinvested in accordance with the policies and practices established by the Board of Regents of The University of Texas System through the Office of Asset Management. The UTPB Support for Excellence Fund may be merged or commingled with other funds or trusts for investment or reinvestment purposes, but shall always be accounted for separately. A report on the status of the Fund and current income shall be provided to the EFA Committee established herein no less often than annually.

### III. Excellence Fund Advisory Committee

For purposes of recommending priority of beneficial use (beyond the primary use specified in Section IV) of the annual income from the UTPB Support for Excellence Fund, a special Excellence Fund Advisory Committee ("the EFA Committee") shall be established. The EFA Committee shall be comprised of the President of The University of Texas of the Permian Basin, the Chairman of The University of Texas of the Permian Basin Development Board (hereinafter referred to as the "Development Board") and three members of the Development Board appointed by the Chairman of the Development Board. The EFA Committee's recommendations are subject to approval by the Chancellor of The University of Texas System and the Executive Vice Chancellor for Academic Affairs of The University of Texas System, through the budget approval process. The members of the EFA Committee shall serve during the tenure of their respective offices or terms on the Development Board.

The EFA Committee shall meet at least triannually, in January, May and September of each year with each member having one vote. At the first meeting of the EFA Committee, they shall elect a Chair to serve until the second annual meeting designated as such by the EFA Committee and shall hear the President's suggestions as to institutional needs concerning support for, at a minimum, the period of the next biennium. Periodic updates will be provided at subsequent meetings. When applicable the EFA Committee shall be guided by the bylaws of the Development Board, as amended; provided, however, the EFA Committee may promulgate its own bylaws for the conduct of its affairs including electing officers and notices of meetings. Accurate minutes of the meetings of such EFA Committee shall in any event be kept and copies of all minutes shall be filed with the Secretary of the Development Board, the President of University of Texas of the Permian

Basin and the Executive Vice Chancellor for Academic Affairs of The University of Texas System. The EFA Committee shall meet with the Development Board at least annually and at regular meetings of the Development Board to report the progress of its recommendations and activities and proposed activities and consult with the Development Board concerning such activities. The EFA Committee shall meet with the Executive Vice Chancellor for Academic Affairs or designee at least annually to review institutional goals and objectives of the University of Texas of the Permian Basin.

#### **IV. Primary Expenditure of Income**

Notwithstanding anything to the contrary contained herein, the EFA Committee shall in all events recommend as a first priority that the income from the UTPB Support for Excellence Fund be committed to cover the nonstate-funded portions of the compensation package (including but not limited to salary, car allowance, housing allowance and insurance) of the President of The University of Texas of the Permian Basin as established by the Board of Regents of The University of Texas System. If additional income remains unexpended, the EFA Committee may recommend other nonstate-funded support of the Office of the President, such as a discretionary fund to cover payment of expenses that might be incurred by the President in discharging the responsibilities of the office and fulfilling other needs of the office. A report on the use of such other nonstate-funded support shall be provided no less often than annually to the EFA Committee.

#### **V. Other Expenditures of Income**

To the extent that income from the UTPB Support for Excellence Fund is in excess of that required for supplementation of the President's compensation package, the discharge of responsibilities of the Office of President or other needs of the office, or if later additions to the UTPB Support for Excellence Fund result in income beyond that needed to fulfill the



first priority purpose, or if the Board of Regents of the University of Texas System determines that the income is not needed for the purposes stated in Article IV hereof, then the EFA Committee may establish a priority list of areas of need and recommendations thereon including accumulation of income for designated priorities. The priority list will be consistent with the purposes expressed herein, concerning areas of need where such income shall be applied, including but not limited to enhancement or enrichment of academic programs and courses and/or the establishment and enrichment of athletic programs for both physical education and intercollegiate competition. Further, to the extent that facilities are needed for providing support for excellence through enhancements and enrichments, income may be utilized for providing or improving facilities for those purposes. Income of the UTPB Support for Excellence Fund may also be utilized for support of the Development Office of The University of Texas of the Permian Basin. The priority list accompanied by recommendations of the EFA Committee will be provided to the Executive Vice Chancellor for Academic Affairs for his consideration in making recommendations to the trustee each year for the expenditures of the income in accordance with the University of Texas System's annual budget process.

#### **VI. Excluded Expenditures**

It is not a purpose of UTPB Support for Excellence Fund to provide scholarship support for students at The University of Texas of the Permian Basin, as other trusts or funds have been and may be established for those purposes, and such Fund shall not be used for that purpose.

#### **VII. Internal Fund Additions**

The income from the UTPB Support for Excellence Fund shall be used and expended in the manner described herein, provided however in any given year a certain portion of the

income, with a goal of 10%, may be reinvested by the trustee upon the recommendations of the EFA Committee and made a permanent addition to the principal of the Fund. Any unexpended income other than designated accumulations from the UTPB Support for Excellence Fund exceeding the 10% reinvestment goal may also be added to the principal annually.

#### **VIII. External Fund Additions**

Gifts to the UTPB Support for Excellence Fund from other persons or entities are anticipated and should be encouraged. Such gifts shall be added to the principal of the UTPB Support for Excellence Fund.

#### **IX. EFA Committee Performance**

The EFA Committee in performance of its responsibilities herein should take into account the established functions of the Development Board of The University of Texas of the Permian Basin.

#### **X. Development Board Continuance**

At any time the Development Board does not exist, then such EFA Committee shall be comprised of the President of The University of Texas of the Permian Basin and four members of the Permian Basin business community and/or civic leaders to be designated by the President of The University of Texas of the Permian Basin. If the Development Board does not exist as such, then appointed members of the EFA Committee shall serve for a period not to exceed three years as designated in their appointment.

#### **XI. Governing Body Change**

In the event The University of Texas of the Permian Basin becomes disassociated with The University of Texas System, the Board of Regents of The University of Texas System shall resign as trustee and, following a reasonable period of transition, the governing

body, under whatever designation, of the former The University of Texas of the Permian Basin shall assume the duties of the successor trustee. Upon the appointment of a successor trustee and the assignment, transfer and conveyance of the trust estate to such successor trustee, and obtaining receipt therefore, trustee shall be released and discharged from any and all claims and demands and duties and obligations arising out of this agreement and trustee's management of the trust estate hereunder. The successor trustee shall have all the rights, duties, powers, discretions, and immunities of the original trustee. In the event of such new trustee, the EFA Committee shall be composed under the new governing body system similarly to its predecessor and/or under the provisions of Paragraph X herein.

#### **XII. Successor Purposes**

Should, in the opinion of the Board of Regents of The University of Texas System, or the successor governing body of The University of Texas of the Permian Basin, future circumstances change so that the purpose for which the UTPB Support for Excellence Fund is established becomes illegal, impractical or no longer able to be carried out to meet the needs of The University of Texas of the Permian Basin for the purposes expressed herein, then and in such event the Board of Regents of The University of Texas System, or the successor governing body, may designate alternative uses for the income to further the objectives of The University of Texas of the Permian Basin, giving full consideration to the original purposes of the UTPB Support for Excellence Fund.

#### **XIII. Continuance of the Institution**

In the event The University of Texas of the Permian Basin or its successor entity ceases to operate as an institution of higher learning, then any current successor trustee under Paragraph XI hereof shall resign and the UTPB Support for Excellence Fund shall be reassigned, transferred and conveyed by the then current successor trustee to, or lacking

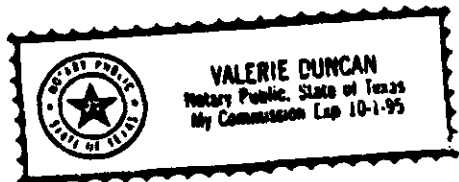
any successor trustee under Paragraph XI, retained by the Board of Regents of The University of Texas System to be used in support of The University of Texas at Austin as the Board of Regents of The University of Texas System shall determine. The provisions of Paragraph XI respecting a successor trustee to the Board of Regents of The University of Texas System shall be applicable to the resignation of the then current successor trustee and the reassignment, transfer and conveyance to the Board of Regents of The University of Texas System hereunder.

WITNESS my hand this 12 day of April, 1993.

Ellen W. Noël  
Ellen W. Noël

STATE OF TEXAS  
COUNTY OF ECTOR

ACKNOWLEDGED before me on this 12 day of April, 1993 by  
Ellen W. Noël.



Valerie Duncan  
Notary Public, State of Texas

5. U. T. Southwestern Medical Center - Dallas - Aston Ambulatory Care Center - Ninth Floor Finish Out (Project No. 303-798): Recommended Award of Construction Contract to Dal-Mac Construction Company, Richardson, Texas (Exec. Com. Letter 93-14).--

#### RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Health Affairs, and President Wildenthal that the U. T. Board of Regents award a construction contract for Aston Ambulatory Care Center - Ninth Floor Finish Out at the U. T. Southwestern Medical Center - Dallas to the lowest responsible bidder, Dal-Mac Construction Company, Richardson, Texas, for the Base Bid and Additive Alternate Bid Nos. 1, 2, and 3 in the amount of \$2,249,150.

#### BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in April 1993, bids for Aston Ambulatory Care Center - Ninth Floor Finish Out at the U. T. Southwestern Medical Center - Dallas were received on May 11, 1993, as shown on Page Ex.C - 24.

The Ninth Floor Finish Out project will complete approximately 33,124 gross square feet of shell space in the Aston Ambulatory Care Center to help address an increase in patient volume as well as the development of new programs in cancer, bone and joint disease, and a center for pain control.

The recommended contract award to Dal-Mac Construction Company, Richardson, Texas, in the amount of \$2,249,150, can be made within the authorized total project cost of \$3,055,000.

The total project cost is composed of the following elements:

General Construction	\$2,249,150
Fees and Administrative Expenses	226,569
Furniture, Furnishings and Equipment	483,457
Future Work (Testing and Air-Balancing)	15,000
Miscellaneous Expenses	8,000
Project Contingency	<u>72,824</u>
Total Project Cost	\$3,055,000

This project is included in the U. T. System Capital Improvement Plan approved in June 1991, and the Capital Budget approved in June 1992, for a total project cost of \$3,055,000.

This project was approved by the Texas Higher Education Coordinating Board in October 1992.

**ASTON AMBULATORY CARE CENTER**  
**NINTH FLOOR FINISH OUT**  
**THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS**  
**PROJECT NO. 303-798**  
**Bids Received May 11, 1993**

<u>Bidder</u>	<u>Dal-Mac Construction Company Richardson, Texas</u>	<u>Tony Crawford Construction Dallas, Texas</u>
BASE BID	\$2,145,000	\$2,113,000
Add Alt. #1 - Doctor locator system	45,000	45,500
Add Alt. #2 - Change calendar days from 196 to 168	10,500	38,000
Add Alt. #3 - Underfloor work for Ninth Floor Finish Out	<u>48,650</u>	<u>72,500</u>
Recommended Contract Award - Base Bid Plus Alternates 1, 2, and 3	\$2,249,150	\$2,269,000

6. U. T. Medical Branch - Galveston - Keiller Building Renovation and Reroofing - Phase II - Renovation (Project No. 601-664): Recommended Award of Construction Contract for Keiller Building Renovation - Interior Renovation to Manhattan Construction Company, Houston, Texas (Exec. Com. Letter 93-16).--

#### RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Health Affairs, and President James that the U. T. Board of Regents award a construction contract for the construction of the Keiller Building Renovation - Interior Renovation at U. T. Medical Branch - Galveston to the lowest responsible bidder, Manhattan Construction Company, Houston, Texas, for the Base Bid and Additive Alternate Bid Nos. 3, 5, 7, 8, 9, and 11 in the amount of \$10,184,000.

#### BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in April 1991, bids for the construction of the Keiller Building Renovation - Interior Renovation project at U. T. Medical Branch - Galveston were received on June 16, 1993, as shown on Pages Ex.C 27 - 29.

The project for Keiller Building Renovation and Reroofing - Phase II - Renovation is divided into two stages. The first stage, Demolition and Asbestos Abatement, was awarded by Executive Committee Letter No. 92-18. This second stage, Keiller Building Renovation - Interior Renovation, consists of interior finish-out of the Keiller Building and the construction of related utility services.

The recommended award to Manhattan Construction Company, Houston, Texas, for the Base Bid and Additive Alternate Bid Nos. 3, 5, 7, 8, 9, and 11 can be made within the authorized total project cost of \$13,718,000 for the Keiller Building Renovation and Reroofing - Phase II - Renovation project.

The total project cost is composed of the following elements:

Demolition and Asbestos Abatement	
Construction	\$ 422,529
Interior Renovation Construction	10,184,000
Fees and Administrative Expenses	1,212,236
Furniture, Furnishings and Equipment	832,278
Future Work (Testing and Air-Balancing)	67,125
Miscellaneous Expenses	52,832
Other Project Budget Items (Asbestos Consultant, Utilities and Institutional Expenses)	697,000
Project Contingency	<u>250,000</u>
Total Project Cost	\$13,718,000

The Keiller Building Renovation and Reroofing - Phase II - Renovation project is proposed in the FY 1994-1999 Capital Improvement Plan and Capital Budget for a total project cost of \$13,718,000 from Educational and General Funds.

This project was approved by the Texas Higher Education Coordinating Board in October 1990.



KEILLER BUILDING RENOVATION - INTERIOR RENOVATION  
 THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON  
 PROJECT NO. 601-664  
 Bids Received June 16, 1993

<u>BIDDER</u>	<u>Manhattan Construction Company</u> <u>Houston, Texas</u>	<u>Tellepsen Corporation</u> <u>Houston, Texas</u>	<u>Centex Bateson</u> <u>Construction</u> <u>Company, Inc.</u> <u>Dallas, Texas</u>
BASE BID	\$8,995,000	\$9,189,000	\$9,395,000
Add Alt. #1 - Wood Casework	709,000	709,000	705,000
Add Alt. #2 - Metal Casework	640,000	642,000	624,000
Add Alt. #3 - Modular Metal Casework	709,000	709,000	705,000
Add Alt. #4 - Replace Windows Type I	120,000	119,000	130,000
Add Alt. #5 - Replace Windows Type II	141,000	151,000	173,000
Add Alt. #6 - Change Time to 426 Days	-0-	39,000	50,000
Add Alt. #7 - Fume Hoods	129,000	143,000	127,000
Add Alt. #8 - Biosafety Cabinets	103,000	116,000	104,000
Add Alt. #9 - Environmental Rooms	71,000	75,000	73,000
Add Alt. #10 - Epoxy Coated Steel Exhaust Fans	16,000	16,000	(3,000)
Add Alt. #11 - Fiberglass Exhaust Fans	<u>36,000</u>	<u>39,000</u>	<u>36,000</u>
Recommended Contract Award - Base Bid Plus Alternates 3, 5, 7, 8, 9, and 11	\$10,184,000	\$10,422,000	\$10,613,000

EX. C - 27

KEILLER BUILDING RENOVATION - INTERIOR RENOVATION  
 THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON  
 PROJECT NO. 601-664  
 Bids Received June 16, 1993

<u>BIDDER</u>	<u>Spaw Glass Construction Corporation Houston, Texas</u>	<u>Gilbane Building Company Houston, Texas</u>	<u>Mitchell Enterprises, Inc. Sherman, Texas</u>
BASE BID	\$9,550,000	\$9,790,000	\$9,799,000
Add Alt. #1 - Wood Casework	767,000	700,000	720,000
Add Alt. #2 - Metal Casework	642,000	650,000	650,000
Add Alt. #3 - Modular Metal Casework	768,000	700,000	720,000
Add Alt. #4 - Replace Windows Type I	174,000	150,000	180,000
Add Alt. #5 - Replace Windows Type II	183,000	200,000	198,000
Add Alt. #6 - Change Time to 426 Days	-0-	-0-	250,000
Add Alt. #7 - Fume Hoods	160,000	130,000	135,000
Add Alt. #8 - Biosafety Cabinets	101,000	No Bid	110,000
Add Alt. #9 - Environmental Rooms	72,000	70,000	70,000
Add Alt. #10 - Epoxy Coated Steel Exhaust Fans	3,000	No Bid	-0-
Add Alt. #11 - Fiberglass Exhaust Fans	<u>-0-</u>	<u>40,000</u>	<u>41,000</u>
Recommended Contract Award - Base Bid Plus Alternates 3, 5, 7, 8, 9, and 11	\$10,834,000	\$10,930,000	\$11,073,000

KEILLER BUILDING RENOVATION - INTERIOR RENOVATION  
THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON  
PROJECT NO. 601-664  
Bids Received June 16, 1993

Miner-Dederick  
Constructors, Inc.  
Houston, Texas

BIDDER

BASE BID	\$9,968,000
Add Alt. #1 - Wood Casework	768,500
Add Alt. #2 - Metal Casework	642,000
Add Alt. #3 - Modular Metal Casework	768,500
Add Alt. #4 - Replace Windows Type I	126,000
Add Alt. #5 - Replace Windows Type II	195,000
Add Alt. #6 - Change Time to 426 Days	220,000
Add Alt. #7 - Fume Hoods	143,000
Add Alt. #8 - Biosafety Cabinets	102,000
Add Alt. #9 - Environmental Rooms	71,500
Add Alt. #10 - Epoxy Coated Steel Exhaust Fans	-0-
Add Alt. #11 - Fiberglass Exhaust Fans	<u>40,000</u>
Recommended Contract Award - Base Bid Plus Alternates 3, 5, 7, 8, 9, and 11	\$11,288,000

**Business Aff.  
and Audit Com.**

15

BUSINESS AFFAIRS AND AUDIT COMMITTEE  
Committee Chairman Loeffler

Date: August 12, 1993  
Time: Following the meeting of the Executive Committee  
Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

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2. U. T. Board of Regents: Recommendation to Amend the Regents' <u>Rules and Regulations</u> , Part Two, Chapter V, Section 1, Subsec- tion 1.22 (The Pay Plan)	2
3. U. T. Board of Regents: Recommendation to Amend the Regents' <u>Rules and Regulations</u> , Part Two, Chapter VII, Section 10 (Disposi- tion of Abandoned and Unclaimed Personal Property)	3
4. U. T. System: Recommended Approval of Non- Personnel Aspects of the Operating Budgets for the Fiscal Year Ending August 31, 1994, Including Auxiliary Enterprises, Grants and Contracts, Designated Funds, Restricted Current Funds, and Medical and Dental Ser- vices, Research and Development Plans and Request for the Chancellor to Make Edito- rial Corrections Therein	5
5. U. T. System: Recommendation to Extend the Six-Year Capital Improvement Plan Through Fiscal Year 1999 and Approve the Capital Budget for the Fiscal Year Ending August 31, 1994	6
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7. U. T. System: Proposed Adoption of Rules and Regulations for the Administration of Scholarships Appropriated by the 73rd Legislature	9
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9. U. T. System Administration: Recommenda- tion to Approve an Increase in Parking Permit Fees Effective September 1, 1993	11

1. U. T. System: Recommendation to Approve Chancellor's Docket No. 71.--

#### RECOMMENDATION

It is recommended that Chancellor's Docket No. 71 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. Board of Regents: Recommendation to Amend the Regents' Rules and Regulations, Part Two, Chapter V, Section 1, Subsection 1.22 (The Pay Plan).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the Regents' Rules and Regulations, Part Two, Chapter V, Section 1, Subsection 1.22 (The Pay Plan) be amended as set forth below in congressional style:

1.22 The Pay Plan.

1.221 All classified positions will have a minimum and maximum defined for each salary range. The salary ranges shall be determined by annual market studies and the local economy. Merit increases will be awarded within the established salary ranges according to budget instructions and institutional policy approved for inclusion in the institutional Handbook of Operating Procedures. [A-uniform-system of-salary-steps-providing-for-an-increase of-approximately-1.7-percent,-to-the nearest-dollar,-above-each-preceding-step shall-be-used-for-all-pay-plans.--All salaries-shall-be-on-salary-steps-or-a fractional-part-thereof.]

#### BACKGROUND INFORMATION

The classified pay plan currently consists of steps with a 1.7 percent differential between each step. The proposed revision eliminates steps and allows salaries to be set anywhere within the designated salary range for each classification. This will provide greater flexibility in the administration of merit increases and entry-level salaries.

3. U. T. Board of Regents; Recommendation to Amend the Regents' Rules and Regulations, Part Two, Chapter VII, Section 10 (Disposition of Abandoned and Unclaimed Personal Property).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the Executive Vice Chancellor for Health Affairs that the Regents' Rules and Regulations, Part Two, Chapter VII, Section 10 regarding disposition of abandoned and unclaimed personal property be amended as set forth below in congressional style:

Sec. 10. Disposition of Abandoned and Unclaimed Personal Property.--Except as otherwise specified in Subsections 10.6, 10.7, and 10.8, abandoned [Abandoned] and unclaimed personal property of every kind[ except-vehicles-and-drugs,] that [which] is not being held as evidence to be used in a pending criminal case and remains [which-shall-remain] in the custody of the Property Manager of any component institution [property-manager] for a period of sixty (60) days will be disposed of in the following manner:

- 10.1 The [designated] Property Manager designated by the chief administrative officer shall mail a notice to the last known address of the owner of such property by first-class certified mail, return receipt requested, if the owner is known. If the Property Manager determines that the value of the property exceeds the anticipated cost of storage and sale of the property and if no owner's address is known [owner is-unknown] or[ ] if the last known owner [known,] does not respond to the notice[s] mailed to his or her last known address, then the Property Manager shall cause to be published once in the campus student newspaper [if-any,] or once in a paper of general circulation in the county in which the institution is located [if there-is-no-student-newspaper,] a notice as described below. The mailed and published notices shall contain [containing] a description of the property held, [ ] the name of the owner, if known, [ ] the name, telephone number and address of the officer holding the property, [ ] and the location where the property can be inspected and redeemed. The published notice shall also state that [after-the expiration-of-at-least-sixty-(60)-days from-the-date-of] the [publication, -such] property, if unclaimed, will be sold at public sale and provide [ and, -if-scheduled, ] the date, time, and place of such sale.

- 10.2 All personal property that [which] remains unclaimed at the expiration of sixty (60) days from the date of publication in a newspaper of the notice required by Sub-section 10.1 [~~letter-with-Certificate-of Mailing, if the owner was known,~~] shall be deemed to be abandoned and may be sold at the announced date.
- 10.3 The [designated] Property Manager shall sell the property that remains unclaimed [~~which has been abandoned~~] to the highest bidder at the announced public sale[ ~~the~~]. The Property Manager may decline the highest bid [~~and reoffer such property for sale,~~] if he or she considers such bid insufficient and[ ~~he or she~~] need not reoffer any property for sale, if, in his or her opinion, the probable cost of sale is in excess of the value of the property. All [~~the designated Property Manager shall deposit all~~] proceeds of the sale shall be deposited into a fund [~~which shall be~~] designated for this purpose.
- 10.4 Any person claiming an interest in any property [~~delivered to the designated Property Manager, which has been~~] presumed abandoned and sold under the provisions of this Section[] shall be allowed to file a claim to such property with the [designated] Property Manager on forms and through procedures prescribed by the Property Manager; upon approval of such claim by the [designated] Property Manager, the owner may recover the proceeds of such sale after deduction of [~~deducting~~] the reasonable expense of storage and sale of [~~keeping~~] such property [~~and the cost of the sale~~].
- 10.5 Proceeds of sales that [~~the sale, which~~] remain unclaimed[] may be used by the institution for student scholarships or other institutional purposes.
- 10.6 Vehicles that[ ~~which~~] are abandoned and unclaimed[] will be disposed of in accordance with Article 4477-9a of Vernon's Texas Civil Statutes [~~as hereafter amended~~].
- 10.7 Drugs in the possession of any component institutional police department will be disposed of in the manner prescribed by Article 4476-14, Section 8, of the Texas Dangerous Drugs Act and by Article 4476-15, Section 5.08, of the Texas Controlled Substances Act[ ~~or as hereafter amended~~].
- 10.8 The custody and disposition of property of tenants of dormitory rooms and other residential units of a component institution shall be in accordance with Subchapter C, Title 5, Sections 54.044 and 54.045 of the Texas Property Code.



## BACKGROUND INFORMATION

The proposed amendments to Section 10, Chapter VII, Part Two of the Regents' Rules and Regulations are necessary to clarify the provisions of this Section and to add Subsection 10.8. The amended rules bring the procedures into harmony with the provisions of Sections 54.044 and 54.045 of the Texas Property Code pertaining to the disposition of abandoned or seized tenant property; Texas Property Code, Title 6 pertaining to property subject to escheat to the State of Texas; and Texas Education Code Section 51.213 concerning miscellaneous property abandoned on campus.

The proposed amendments provide a notification procedure for the sale of abandoned property that complies with provisions of the Texas Property Code concerning notice to property owners. Additional proposed amendments detail the proper disposition of sales proceeds based upon the specific type of property sold. Subsection 10.1 allows institutions additional discretion in the disposal of personal items such as eye glasses.

The proposed amendments have been prepared with the assistance of the Office of General Counsel.

4. U. T. System: Recommended Approval of Non-Personnel Aspects of the Operating Budgets for the Fiscal Year Ending August 31, 1994, Including Auxiliary Enterprises, Grants and Contracts, Designated Funds, Restricted Current Funds, and Medical and Dental Services, Research and Development Plans and Request for the Chancellor to Make Editorial Corrections Therein.--

## RECOMMENDATION

The Chancellor, with the concurrence of the appropriate Executive Vice Chancellor and chief administrative officers of the U. T. System component institutions, recommends that the non-personnel aspects of the U. T. System Operating Budgets for the fiscal year ending August 31, 1994, including Auxiliary Enterprises, Grants and Contracts, Designated Funds, Restricted Current Funds, and Medical and Dental Services, Research and Development Plans be approved.

It is also recommended that the Chancellor be authorized to make editorial corrections therein and that subsequent adjustments be reported to the U. T. Board of Regents through the institutional dockets.

This item requires the concurrence of the Academic Affairs and Health Affairs Committees.

## BACKGROUND INFORMATION

The Chancellor will present a statement in support of the budget recommendation at the committee meeting.

See Page Ex.S - 1 related to the personnel aspects of the Operating Budgets.

5. U. T. System: Recommendation to Extend the Six-Year Capital Improvement Plan Through Fiscal Year 1999 and Approve the Capital Budget for the Fiscal Year Ending August 31, 1994.--

#### RECOMMENDATION

The Chancellor, with the concurrence of the appropriate Executive Vice Chancellor and the chief administrative officers of the U. T. System component institutions, recommends that the U. T. Board of Regents extend the U. T. System Capital Improvement Plan through Fiscal Year 1999 and approve the U. T. System Capital Budget, Part A (Major Construction Projects) and Part B (Reserve Allocations for Repairs and Equipment Projects), for the fiscal year ending August 31, 1994. The Capital Improvement Plan and the Capital Budget are presented in a combined document and will be distributed in advance of the August 1993 meeting of the U. T. Board of Regents.

It is further recommended that the U. T. System Administration be authorized, in consultation with the component institutions, to proceed with planning for projects contained in the Capital Improvement Plan and Capital Budget and to bring recommendations to the U. T. Board of Regents for funding approval. As required by provisions of the Regents' Rules and Regulations, authorization to appoint project architects and engineers, approval of plans, authorization to advertise for bids, and award of bids will continue to be accomplished via a standard agenda item, at appropriate times.

In accordance with the campus planning rules of the Texas Higher Education Coordinating Board, the Chairman of the U. T. Board of Regents must certify that the need for new construction that will require formula funding is at least equal to the need to acquire additional or more modern instructional and research equipment. Since the capital budgeting process used by the U. T. System to develop the Capital Improvement Plan and the Capital Budget ensures that such a determination or prioritization is considered and endorsed by the Board on behalf of each new project, it is recommended that the Executive Secretary to the Board be authorized, on behalf of the Chairman, to issue the certification as required by the Texas Higher Education Coordinating Board for all new construction contained in the Capital Improvement Plan and Capital Budget.

With regard to repair and equipment projects funded from Permanent University Fund Bond Proceeds reserves, it is recommended that U. T. System component institutions be authorized to purchase approved equipment items and library materials and to contract for repair and rehabilitation projects following standard purchasing and contracting procedures within approved Permanent University Fund Bond Proceeds dollar limits, or a combination of allocated bond proceeds and other funds, where appropriate. Substitute equipment purchases are to receive prior approval by the Chancellor and appropriate Executive Vice Chancellor and, where required, the U. T. Board of Regents. Transfers by U. T. System Administration of allocated funds to institutional control or to vendors will coincide with vendor payment requirements. Final approval of specific repair and rehabilitation projects will be in accordance with Board established procedures for construction projects.

As in prior year repair and equipment project allocations, it is recommended that component institutions be authorized to transfer Permanent University Fund Bond Proceeds reserves allocated in FY 1993 to meet unfunded requirements of repair and equipment projects in the Fiscal Year 1994 Capital Budget, and it is further recommended that unexpended and unobligated balances from FY 1987 through FY 1992 be made available for Systemwide reallocation. FY 1994 funds (including any FY 1993 funds transferred to FY 1994 projects) not expended or obligated by contract/purchase order within six months after the close of FY 1994 are to be available for future Systemwide reallocation unless specific authorization to continue obligating the funds is given by the Executive Vice Chancellor for Business Affairs on recommendation of the President and Executive Vice Chancellor for Academic or Health Affairs.

#### BACKGROUND INFORMATION

##### Capital Improvement Plan 1994-1999

A Capital Improvement Plan with a six-year horizon was first adopted by the U. T. Board of Regents in October 1985. At that time, the Board committed to revising, updating, and extending the Plan every two years. The last comprehensive revision and update was adopted in June 1991.

In addition to a biennial revision and update of the comprehensive plan, the Board committed to establish an annual special allocation or reserve to fund major repair and rehabilitation projects and equipment projects. Since 1987, allocations for equipment have included allocations for library enhancement.

In the previous update to the Capital Improvement Plan, the Board increased the reserve for library and equipment from \$10,000,000 to \$11,500,000 per year and increased the reserve for repair and rehabilitation from \$10,000,000 per year to \$11,500,000 for FY 1992 with an incremental increase of \$1,000,000 for each remaining year of the plan. Due to revised estimates of revenue available to meet debt service for Permanent University Fund Bonds, the reserves for both repair and rehabilitation and library and equipment have been adjusted to approximately \$5,000,000 each for each year of the plan.

In prior years, the Board has authorized the use of unexpended and unobligated balances from the annual Permanent University Fund reserve allocation to be combined with new allocations to meet the needs of new repair and equipment projects. This policy is continued for FY 1993 allocations only with the anticipation that all other unexpended balances would be available for reallocation among component institutions if not expended, obligated or explicitly reauthorized within six months after the end of the fiscal year for which the funds were allocated. With approval of this recommendation, it is anticipated that a substantial amount from balances in FY 1987 through FY 1992 allocations can be made available for Systemwide reallocation to meet additional unfunded critical component needs. As proposed, any balances from FY 1993 allocations not used for FY 1994 projects are carried forward for six months and would not be available for consideration prior to March 1994.

## Annual Capital Budget FY 1994

The Capital Budget is composed of two parts. Part A projects the application of funds from all sources to those capital projects which involve any expenditure during the fiscal year ending August 31, 1994. Part B appropriates Permanent University Fund Bond Proceeds from reserves provided in the Capital Improvement Plan. As indicated above, the Capital Improvement Plan provides for an allocation of approximately \$5,000,000 for equipment and library and \$5,000,000 for repair and renovation projects for FY 1994. The recommendations in Part B of the Capital Budget were developed from prioritized lists of projects submitted by component institutions and reviewed by U. T. System Administration staff.

6. U. T. System: Request to Approve Transfer of Funds Between Legislative Appropriation Items During the Biennium Beginning September 1, 1993.--

### RECOMMENDATION

The Chancellor, with the concurrence of the appropriate Executive Vice Chancellor and the chief administrative officers of the U. T. System component institutions, recommends that the U. T. Board of Regents adopt the resolution which follows in order to provide for the most effective utilization of the General Revenue Appropriations during the biennium beginning September 1, 1993:

Pursuant to the appropriate transfer provisions of the General Appropriations Act of the 73rd Legislature, it is hereby resolved that the State Comptroller be requested to make necessary transfers within the Legislative Appropriations (and/or Cost Centers) from the General Revenue Fund for each of the following components as authorized by the Chief Financial Officers of The University of Texas System institution concerned:

- The University of Texas at Arlington
- The University of Texas at Austin
- The University of Texas at Brownsville
- The University of Texas at Dallas
- The University of Texas at El Paso
- The University of Texas - Pan American
- The University of Texas of the Permian Basin
- The University of Texas at San Antonio
- The University of Texas at Tyler
- The University of Texas Southwestern Medical Center at Dallas
- The University of Texas Medical Branch at Galveston
- The University of Texas Health Science Center at Houston
- The University of Texas Health Science Center at San Antonio
- The University of Texas M.D. Anderson Cancer Center
- The University of Texas Health Center at Tyler

## BACKGROUND INFORMATION

This resolution is a standard action by the U. T. Board of Regents at the beginning of each biennium and is pursuant to provisions of the General Appropriations Act by the 73rd Legislature.

7. U. T. System: Proposed Adoption of Rules and Regulations for the Administration of Scholarships Appropriated by the 73rd Legislature.--

## RECOMMENDATION

The Chancellor, with the concurrence of the appropriate Executive Vice Chancellor and the chief administrative officers of the U. T. System component institutions, recommends that the following rules and regulations for the administration of scholarships appropriated from "Other Educational and General Income" or "Other Educational, General, and Patient Care Income" in the General Appropriations Act of the 73rd Legislature be adopted for the biennium beginning September 1, 1993:

### Rules and Regulations for Administration of Scholarships

#### a. Scholarships

1. Scholarships from said fund may be awarded only to students who have been accepted for enrollment and who actually enroll on at least a half-time basis in the term or terms for which the scholarship is awarded.
2. Scholarships are to be awarded based on the financial need of the applicant as determined by the component institution and based on accepted need analysis procedures generally in use in other "need based" financial assistance programs.
3. Each student shall first use any other grant funds for support of educational expenses for which the student may reasonably be eligible before receiving state scholarship funds.
4. The amount of the scholarship award, when combined with all other grant or gift funds awarded to the student, shall not exceed 70% of the reasonable expenses to be incurred by the student in the semester or term for which the scholarship is awarded.
5. No student shall receive an amount in excess of demonstrated need.

6. No more than 10% of total scholarship funds awarded through the program in a fiscal year shall be awarded to non-resident students.
- b. Institutional matching share of earnings in the Federal College Work-Study Program
  1. Any or all of the scholarship funds appropriated may be used for the institutional matching share of earnings in the College Work-Study Program.
  2. Funds used in this manner will not be subject to the restriction governing the scholarships.
- c. No funds appropriated in this Act for scholarships to institutions of higher education may be used to provide athletic scholarships.

#### BACKGROUND INFORMATION

These proposed "Rules and Regulations for Administration of Scholarships," which are identical to those in effect for the 1992-1993 biennium, are in response to the requirements of Section 13 of Article III (the riders) of the General Appropriations Act of the 73rd Legislature which requires a governing board policy for the administration of these scholarships. It is the intent that, so long as these "Rules and Regulations" are in conformity with the statutes, they will be in force and effect from biennium to biennium without further Regental authorization.

Upon approval, copies of these rules and regulations will be filed with the Texas Higher Education Coordinating Board and the Comptroller.

8. U. T. System: Recommendation to Designate the Executive Vice Chancellor for Business Affairs as Agent for The University of Texas System to Execute Documents Relating to the Low-level Radioactive Waste Storage Facility.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Vice Chancellor and General Counsel that the Executive Vice Chancellor for Business Affairs for The University of Texas System, or his delegate, be authorized to sign all necessary or appropriate documents in connection with the development and operation of the U. T. System low-level radioactive waste storage facility located on Permanent University Fund lands in Pecos County, Texas.

## BACKGROUND INFORMATION

The U. T. System plans to use a warehouse facility located on Permanent University Fund lands in Pecos County, Texas, to store low-level radioactive wastes generated by the U. T. System component institutions. This facility will provide safe and cost-effective storage until such time as the Texas disposal facility is operational. The warehouse has been fenced, improved, and made secure to meet Texas Department of Health Bureau of Radiation Control requirements. The Texas disposal facility will be operational no earlier than mid-1996.

State law requires that the application for the license required to operate the U. T. System low-level radioactive waste storage facility be signed by a person duly authorized to act for and on behalf of the applicant.

9. U. T. System Administration: Recommendation to Approve an Increase in Parking Permit Fees Effective September 1, 1993.--

## RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the U. T. Board of Regents approve increases in annual parking permit fees for The University of Texas System Administration (Parking and Traffic Regulations, Section VI, Item 4) effective September 1, 1993, as set forth below:

	<u>1992-93 Current Fees</u>	<u>1993-94 Proposed Fees</u>
<u>Classes of Permits and Annual Fees</u>		
Class "O" Reserved Spaces	\$120.00	\$240.00
Employees with an annual salary of <u>\$50,000</u> [ <del>\$25,000</del> ] and above	75.00	150.00
<u>Employees with an annual salary of \$25,000 to \$49,999</u>	75.00	96.00
Employees with an annual salary of <u>less than \$25,000</u> [ <del>\$24,999</del> -and less]	48.00	*72.00

\*It is anticipated that effective September 1994 this fee will increase to \$96.00.

## BACKGROUND INFORMATION

Parking fees for U. T. System Administration have not been increased since June 1988. The proposed parking fee increases will provide a more equitable parking fee structure based upon employee salaries and are needed to generate additional income to help offset an increased cost for leased parking space and/or to help defray costs of future parking expansion.

To ease the transition to these higher parking rates for FY 1993-94, employees who are not assigned Class "O" reserved parking may elect to pay rates in three equal installments. The proposed rates are favorable when compared to commercial parking in the immediate area.



**Academic  
Affairs Com.**

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ACADEMIC AFFAIRS COMMITTEE  
Committee Chairman Holmes

**Date:** August 12, 1993  
**Time:** Following the meeting of the Business Affairs and  
Audit Committee  
**Place:** Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

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1. U. T. Board of Regents: Proposed Amendments to the Regents' Rules and Regulations, Part One, Chapter III, Section 25 (Textbooks and Other Materials Prescribed for the Use of Students).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the Executive Vice Chancellor for Health Affairs that the Regents' Rules and Regulations, Part One, Chapter III, Section 25 regarding textbooks and other materials prescribed for the use of students be amended as set forth below in congressional style:

Sec. 25. Textbooks and Other Materials Prescribed for the Use of Students.

- 25.1 The policy of the Board concerning textbooks and other materials prescribed for the use of students is as follows:
  - 25.11 Although generally the individual instructor or the department should have wide discretion in the choice of materials to be used in the courses offered by the department, frequent changes in the textbooks prescribed should be discouraged and should be made only for cogent reasons.
  - 25.12 Although the authorship of books, outlines, manuals and similar materials by members of the faculty and staff should be encouraged, the prescribed use of these for students is a responsibility that goes beyond that of the individual author. Where practical [practicable] and equitable, the charge for outlines, syllabi, and similar materials prescribed for the use of students should be borne by the [instructional] department [concerned]. Whenever an approved incidental fee includes a charge [is-authorized] for such [mimeographed-or-similarly processed] materials distributed through the classroom, the prices should be as low as possible, consistent with the payment of any required [a-fair-and-reasonable] royalty to the author or authors.
- 25.2 To carry out this statement of policy the following procedures are prescribed:
  - 25.21 Any proposed change in the textbook of any course, within one year from the date of first adoption, shall be approved by the departmental faculty [having-jurisdiction], and a statement of the [authorization-with] reasons for change [therefor] shall be

transmitted by the chairman of the department through the dean to the chief academic and administrative officers.

25.22

Textbooks, notebooks, manuals, or other materials for the use of students of a component institution, written or prepared by a member of the faculty of that institution, shall not be prescribed for the use of students in that institution or sold to such students until [~~such books, notes, manuals, or materials shall have been~~] approved by the dean, chief academic officer and chief administrative officer, pursuant to policies included in the Institutional Handbook of Operating Procedures [~~with reasons stated by the departmental faculty and the dean or deans concerned and by the chief administrative officer~~]. At a minimum, these policies should provide for consultation with departmental faculty. An annual list of such approved materials shall be reported to System Administration via the appropriate Executive Vice Chancellor each August. The report shall indicate the proposed prices and profits, if any, and the authorization shall be effective only to the end of the fiscal year (August 31) for which such approval has been given [~~by the chief administrative officer~~].

This item requires the concurrence of the Health Affairs Committee.

#### BACKGROUND INFORMATION

The proposed changes to the Regents' Rules and Regulations, Part One, Chapter III, Section 25, are intended to allow flexibility in the institutional approval of faculty authored materials required or recommended for classroom use. Some components desire to require approval by departmental faculty committees; others do not.

The proposed changes to Subsection 25.1 are editorial in nature and acknowledge that institutional charges for textbooks and other materials prescribed for the use of students and distributed through the classroom must be approved via the incidental fee approval process each February. (This does not include bookstore sales.)

2. U. T. System: Proposed Appointment to the Lee Hage and Joseph D. Jamail Regents Chair in Higher Education Leadership Effective Immediately.--

#### RECOMMENDATION

The Academic Affairs Committee recommends that Dr. William H. Cunningham, Chancellor of The University of Texas System, be appointed as the initial holder of the Lee Hage and Joseph D. Jamail Regents Chair in Higher Education Leadership at the U. T. System effective immediately.

#### BACKGROUND INFORMATION

Dr. Cunningham currently serves as Chancellor of the U. T. System and was President of U. T. Austin from 1985 until August 31, 1992. His distinguished academic career at that university began in 1971, and in 1982 he was appointed Dean of the College of Business Administration and the Graduate School of Business. He is the recipient of seven teaching awards from U. T. Austin and is the author of eleven books, two monographs, and numerous professional articles.

The Lee Hage and Joseph D. Jamail Regents Chair in Higher Education Leadership was established by the U. T. Board of Regents at the August 1992 meeting. By the August 1993 meeting, the Chair will be funded at the \$500,000 Chair level by the initial pledge payment and matching fund commitments. Upon completion of all pledge payments, the Chair will be funded at the level of \$1,000,000 with an additional \$500,000 in matching funds for a total of \$1,500,000.

3. U. T. System: Recommendation to Approve Establishment of a Medical Services Fee at Certain Component Institutions Effective with the Fall Semester 1993 and Authorization for Future Approval of a Medical Services Fee at Other Component Institutions (Catalog Change).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, and Presidents Amacher, Rutford, Kirkpatrick, Wildenthal, and James that the U. T. Board of Regents authorize the U. T. System component institutions listed on Page ACC - 6 to establish a medical services fee effective with the Fall Semester 1993, subject to

appropriate consultation by students and administrators regarding the types and scope of medical services to be provided:

<u>Institution</u>	<u>Rate for Semester or Full Summer Session</u>	<u>Rate for Short Summer Terms</u>
U. T. Arlington	\$ 25.00	\$ 12.50
U. T. Dallas	20.00	13.33
U. T. San Antonio	12.00	6.00
U. T. Southwestern Medical Center - Dallas	55.00	25.00
U. T. Medical Branch - Galveston	55.00	25.00

Upon Regental approval, the Minute Order will reflect that the next appropriate catalogs published at these institutions will be amended to conform to this action.

It is also recommended that the U. T. System Administration be authorized to approve future requests for increases in the above fees and requests from other U. T. System component institutions to establish a medical services fee not to exceed \$55 per semester or summer session or \$25 per six-week or shorter summer term to be effective upon recommendation of the chief administrative officer, assurance that students and administrators have been consulted with regard to the types and scope of medical services to be provided, approval by the respective Executive Vice Chancellor, and submission for Regental approval via the institutional docket.

This item requires the concurrence of the Health Affairs Committee.

#### BACKGROUND INFORMATION

The 73rd Texas Legislature, Regular Session, added a new Section 54.5089 to the Texas Education Code that authorizes the charge and collection of a medical services fee at certain public institutions of higher education, including the component institutions of the U. T. System.

Fees collected under Section 54.5089 may be used only to provide medical services to registered students and is not to be considered in determining the maximum compulsory student services fee at each institution.

Before charging a medical services fee, students and administrators must be given an opportunity to offer recommendations to the U. T. Board of Regents as to the type and scope of medical services that should be provided. Students and administrators at the institutions requesting authorization to assess the fee have been, or will be, consulted regarding the amount of the fee and the services to be provided. The U. T. System Administration has authorized the above listed component institutions to prepare Fall Semester 1993 fee billings to reflect the proposed medical services fee pending Regental approval, with the understanding that refunds will be made should the U. T. Board of Regents decline to approve the recommendation or appropriate student consultation results in a decision not to implement the fee.

As these institutions request an increase in the amount of the medical services fee or as other component institutions may request approval to establish a medical services fee, the U. T. System Administration proposes that the U. T. Board of Regents give authorization for administrative approval with subsequent Board approval via the institutional docket. U. T. System Administration review of such proposals, if any, will ensure compliance with the statute before approval is granted.

4. U. T. System: Recommendation to Extend to U. T. Brownsville and U. T. Pan American Authorization for Ashbel Smith Professorships.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs to extend to U. T. Brownsville and U. T. Pan American authorization for non-endowed Ashbel Smith Professorships (or Ashbel Smith type professorships). Consistent with the numbers authorized for other U. T. components, the authorized number of such professorships shall be two for U. T. Brownsville and three for U. T. Pan American. In accordance with U. T. Board of Regents' policy, appointments shall be made through the normal budget processes under the guidelines established for Ashbel Smith Professorships by the U. T. Board of Regents at the April 1980 meeting.

Current and proposed authorization for each component are as follows:

<u>Institution</u>	<u>Number Currently Authorized</u>	<u>Proposed Number of Nonendowed Professorships</u>
U. T. Arlington	5	5
U. T. Austin	15	15
U. T. Brownsville	0	2
U. T. Dallas	3	3
U. T. El Paso	5	5
U. T. Pan American	0	3
U. T. Permian Basin	1	1
U. T. San Antonio	2	2
U. T. Tyler	1	1
U. T. Southwestern Medical Center - Dallas	5	5
U. T. Medical Branch - Galveston	5	5
U. T. Health Science Center - Houston	5	5
U. T. Health Science Center - San Antonio	5	5
U. T. M.D. Anderson Cancer Center	5	5



## BACKGROUND INFORMATION

The U. T. Board of Regents established the nonendowed Ashbel Smith Professorships at U. T. Austin in July 1963 and at the U. T. Medical Branch - Galveston in October 1964 in honor of Ashbel Smith who was the first chairman of the U. T. Board of Regents. In April 1980, authorization was extended for a specified number of nonendowed designated professorships to the other U. T. System component institutions that had instructional programs. Institutions other than U. T. Austin and U. T. Medical Branch - Galveston may, subject to U. T. Board of Regents' approval, name the professorships for a person who has played a significant role in the development of the institution.

U. T. Brownsville and U. T. Pan American have been a part of the U. T. System since September 1, 1989, and the current recommendation will now authorize those two institutions to appoint individuals to such nonendowed professorships.

The initial provisions for Ashbel Smith Professorships stipulated that recipients would receive no extra remuneration as holders of nonendowed professorships. In June 1983, the U. T. Board of Regents authorized an institution to provide salary supplements or support for student assistance, research, travel, etc., subject to the availability of funds for that purpose and approval by the U. T. Board of Regents through the regular budget process.

5. U. T. System: Recommendation to Amend the Policy for Student Deposit Endowment Fund.--

## RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the Executive Vice Chancellor for Health Affairs that the general policy guidelines for the administration of the institutional Student Deposit Endowment Fund be amended as set forth below in congressional style:

### Policy for Student Deposit Endowment Fund

- (1) A Student Deposit Endowment Fund, to be managed in a manner consistent with U. T. System endowment policies, is to be established on behalf of each U. T. System component institution with forfeited student general property deposits.
- (2) That portion of the current balance of each student deposit fund consisting of the aggregated sums of unexpended student general property deposits forfeited under Section 54.5021 of the Texas Education Code are to be transferred into the Student Deposit Endowment Fund, effective with establishment of the endowment.

- (3) All future general property deposits forfeited pursuant to Section 54.5021 of the Texas Education Code are to be added to the corpus of the Student Deposit Endowment Fund as soon as practicable after forfeiture.
- (4) Income from investment of the Student Deposit Endowment Fund is to be used to award scholarships to needy and deserving resident students [~~7-to-establish-an-institutional-loan-program-for-students, or-to-support-a-general-student-union-or-activity-program-in-accordance-with-and~~] to the extent authorized by Subsection (b) of Section 54.5021, Texas Education Code.

This item requires the concurrence of the Health Affairs Committee.

#### BACKGROUND INFORMATION

In February 1989, the U. T. Board of Regents standardized procedures related to the handling and use of forfeited general property deposits at all component institutions through the formal establishment of an endowment for each component institution. At the same time, the Board also approved general policy guidelines, consistent with long-standing institutional practices at U. T. Austin and U. T. El Paso, for each institutional Student Deposit Endowment Fund. In December 1989, the U. T. Board of Regents approved similar endowment funds for U. T. Pan American and U. T. Brownsville.

Recent passage of HB 982 by the 73rd Texas Legislature amends Texas Education Code Section 54.5021 to require that forfeited deposits be used only for scholarships. Corresponding amendment to the policy guidelines is required to delete the authorization for use of the funds for loan programs or student union activities for certain institutions.

HB 982 also provides that "excess" unobligated student deposit funds (any portion over 150% of the current year's deposit) must be remitted to the Texas Higher Education Coordinating Board for redistribution. Based on expressed legislative intent, sums held as endowments for scholarship purposes are considered "obligated" and, therefore, not subject to reallocation.

6. U. T. Arlington: Recommendation for Approval of a Proposed Agreement of Cooperation with the Instituto Tecnológico de Estudios Superiores de Monterrey, Monterrey, Mexico, and Request for Authorization to Execute Agreement.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Amacher that approval be given to a proposed agreement of cooperation set out on Pages AAC 11 - 13 between U. T. Arlington and the Instituto Tecnológico de Estudios Superiores de Monterrey, Monterrey, Mexico.

It is further recommended that the Executive Vice Chancellor for Academic Affairs be authorized, on behalf of the U. T. Board of Regents, to execute this agreement with the understanding that any and all specific agreements arising from the agreement are to be submitted for prior administrative review and approval as required by the Regents' Rules and Regulations.

#### BACKGROUND INFORMATION

The proposed agreement is designed to establish programs of exchange and collaboration in areas of interest and benefit to both institutions. The goals of the agreement are to:

- a. Promote interest in the teaching and research activities of the respective institutions
- b. Deepen the understanding of the economic, cultural and social issues environment of the respective institutions.

The proposed agreement has been reviewed and approved by the Office of General Counsel and is similar to other agreements of cooperation previously approved by the U. T. Board of Regents.

**AGREEMENT OF COOPERATION  
BETWEEN  
INSTITUTO TECNOLOGICO DE ESTUDIOS SUPERIORES DE MONTERREY  
AND  
THE UNIVERSITY OF TEXAS AT ARLINGTON**

THE UNIVERSITY OF TEXAS AT ARLINGTON, (hereinafter referred to as UT/Arlington), and Instituto Tecnológico de Estudios Superiores de Monterrey (hereinafter referred to as I.T.E.S.M.) enter into an agreement of cooperation to establish a program of exchange and collaboration in areas of interest and benefit to both institutions.

**I.**

The purposes of the cooperation between UT/Arlington and I.T.E.S.M. are as follows:

- to promote interest in the teaching and research activities of the respective institutions, and
- to deepen the understanding of the economic, cultural, and social issues environment of the respective institutions.

**II.**

To achieve these goals, UT/Arlington and I.T.E.S.M. will, insofar as the means of each allow:

- promote institutional exchanges by inviting faculty and staff of the partner institution to participate in a variety of teaching and/or research activities and professional development;
- receive undergraduate and graduate students of the partner institution for periods of study and/or research;
- organize symposia, conferences, short courses and meetings on research issues; and
- exchange information pertaining to developments in teaching, student development and research at each institution.

**III.**

Each institution shall designate a coordinator to oversee and facilitate the implementation of this Agreement. The coordinators, working with other appropriate administrators at the respective universities, shall have the following responsibilities:

- to promote academic collaboration at both faculty, graduate and undergraduate student levels for research and study;
- to act as principal contacts for individual and group activities and to plan and coordinate all activities within their institutions as well as with the partner institution;

- to distribute to each institution information about the faculty, facilities, research, publications, library materials and educational resources of the other institutions; and
- to meet periodically to review and evaluate past activities and to work out new ideas for future cooperative agreements.

#### IV.

This general AGREEMENT OF COOPERATION shall be identified as the parent document of any program agreement executed between the two parties. Further agreements concerning any program shall provide details concerning the specific commitments made by each party and shall not become effective until they have been reduced to writing, executed by the duly authorized representatives of the parties, and approved in writing by the Executive Vice Chancellor for Academic Affairs of The University of Texas System. The scope of the activities under this agreement shall be determined by the funds regularly available at both institutions for the types of collaboration undertaken and by financial assistance as may be obtained by either institution from external sources.

#### V.

Except as may be stipulated in any specific program agreement, each institution shall be responsible for expenses incurred by its employees under this agreement.)

#### VI.

Upon approval by each institution, this agreement shall remain in effect until terminated by either institution. Such termination by one institution shall be effected by giving the other institution at least ninety (90) days advance written notice of its intention to terminate. Termination shall be without penalty. If this agreement is terminated, neither UT/Arlington nor I.T.E.S.M. shall be liable to the other for any monetary or other losses which may result.

Executed on this 2nd day of July, 1993.

EXECUTED by the Board of Regents of The University of Texas System and Instituto Tecnológico de Estudios Superiores de Monterrey on the day and year first above written, in duplicate copies, each of which shall be deemed an original.

THE UNIVERSITY OF TEXAS  
AT ARLINGTON

BY:  \_\_\_\_\_

TITLE: President

INSTITUTO TECNOLÓGICO DE ESTUDIOS  
SUPERIORES DE MONTERREY

BY:  \_\_\_\_\_

TITLE: Rector, Monterrey Campus

FORM APPROVED:

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

\_\_\_\_\_  
Office of General Counsel  
The University of Texas System

BY: \_\_\_\_\_  
James P. Duncan  
Executive Vice Chancellor for  
Academic Affairs

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 \_\_\_\_\_, 199\_\_ and that the person whose signature appears above is authorized to execute such agreement on behalf of the Board.

\_\_\_\_\_  
Executive Secretary, Board of Regents  
The University of Texas System

7. U. T. Austin: Proposed Appointment to the Oscar and Anne Mauzy Regents Professorship for Educational Research and Development in the College of Education Effective September 1, 1993.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that Dr. Waneen W. Spirduso, Ashbel Smith Professor, Department of Kinesiology and Health Education at U. T. Austin, be appointed as initial holder of the Oscar and Anne Mauzy Regents Professorship for Educational Research and Development in the College of Education effective September 1, 1993. Dr. Spirduso will relinquish the Ashbel Smith Professorship effective August 31, 1993.

#### BACKGROUND INFORMATION

Dr. Spirduso joined the U. T. Austin faculty in 1968 and is an internationally recognized authority on the physical dimensions of aging and the conduct of research. She has served as Interim Dean of the College of Education, Chairman of the Department of Kinesiology and Health Education, and chair or member of numerous Regental, college and departmental committees, including two terms as chair of the Faculty Senate. Dr. Spirduso has authored or co-authored numerous books, book chapters, reviews, abstracts, and scholarly articles and is a prolific researcher with a record of over one dozen research grant awards. Dr. Spirduso is a member of the American Academy of Physical Education and is frequently invited to lecture at regional, national, and international conferences.

The Oscar and Anne Mauzy Regents Professorship for Educational Research and Development was established by the U. T. Board of Regents at the August 1989 meeting.

8. U. T. Austin: Proposed Appointment to the Tomas Rivera Regents Professorship in Spanish Language and Literature in the College of Liberal Arts Effective September 1, 1993.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that Dr. Nicolas Shumway, Professor at Yale University, New Haven, Connecticut, be appointed as initial holder of the Tomas Rivera Regents Professorship in Spanish Language and Literature in the College of Liberal Arts at U. T. Austin effective September 1, 1993.

### BACKGROUND INFORMATION

Dr. Shumway's appointment as Professor in the Department of Spanish and Portuguese at U. T. Austin has been approved effective September 1, 1993. He is nationally recognized for his scholarly contributions to nineteenth and twentieth century Latin American literature and his contributions to the field of Spanish language teaching pedagogy. He has taught a wide variety of courses and has authored or co-authored several books and numerous published articles and reviews.

The Tomas Rivera Regents Professorship in Spanish Language and Literature was established by the U. T. Board of Regents at the December 1984 meeting.

9. U. T. Austin: Proposed Appointment to the First Sid W. Richardson Foundation Regents Chair in Physics in the College of Natural Sciences Effective January 16, 1994.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that Dr. Richard A. Webb, Research Staff Member and Low Temperature Quantum Phenomena Manager, IBM T. J. Watson Research Center, Yorktown Heights, New York, be appointed as initial holder of the First Sid W. Richardson Foundation Regents Chair in Physics in the College of Natural Sciences at U. T. Austin effective January 16, 1994.

### BACKGROUND INFORMATION

Dr. Webb's appointment as Professor in the Department of Physics at U. T. Austin has been approved effective January 16, 1994. Dr. Webb is recognized as one of the leading experimental condensed matter physicists in the United States and the world leader in the area of mesoscopic physics. He is the recipient of three IBM Outstanding Technical Achievement Awards, the prestigious Simon Memorial Prize awarded by the Institute of Physics at the University of Oxford, and the Oliver E. Buckley Prize awarded by the American Physical Society. Dr. Webb is a Fellow of the American Physical Society and has authored or co-authored over ninety scientific publications.

The First Sid W. Richardson Foundation Regents Chair in Physics was established by the U. T. Board of Regents at the April 1984 meeting and designated at the February 1985 meeting.



10. U. T. Austin: Recommendation to Name Room in Burdine Hall (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that Room 214 of Burdine Hall at U. T. Austin be designated as the Gettys Room in accordance with the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, relating to the naming of facilities other than buildings.

#### BACKGROUND INFORMATION

The proposed naming of this room is in memory of Professor Warner Ensign Gettys, the first Chairman of the Department of Sociology at U. T. Austin. Professor Gettys joined the U. T. Austin faculty in 1922 and served as Chairman of the Department of Economics and Sociology in 1927-28. He became the first Chairman of the Department of Sociology when it became a separate department in 1928. He served in that capacity until his retirement in 1958.

11. U. T. Austin: Recommendation for Approval of Proposed Agreements of Cooperation with (a) Obirin University, Machida, Japan, and (b) The Pontificia Universidad Catolica del Ecuador, Quito, Ecuador, and Request for Authorization to Execute Agreements.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that approval be given to two proposed agreements of cooperation between U. T. Austin and the following international institutions:

- a. Obirin University, Machida, Japan  
(Pages AAC 18 - 20)
- b. The Pontificia Universidad Catolica del Ecuador, Quito, Ecuador (Pages AAC 21 - 23).

It is further recommended that the Executive Vice Chancellor for Academic Affairs be authorized, on behalf of the U. T. Board of Regents, to execute these agreements with the understanding that any and all specific agreements arising from the agreements are to be submitted for prior administrative review and approval as required by the Regents' Rules and Regulations.

## BACKGROUND INFORMATION

The proposed agreements are designed to establish programs of academic and scientific exchange and collaboration in areas of interest and benefit to each institution. The goals of the agreements are to:

- a. Promote interest in the teaching and research activities of the respective institutions
- b. Deepen the understanding of the economic, cultural and social issues environment of the respective institutions.

The proposed agreements have been reviewed and approved by the Office of General Counsel and are similar to other agreements of cooperation previously approved by the U. T. Board of Regents.

AGREEMENT OF ACADEMIC COOPERATION  
between  
THE UNIVERSITY OF TEXAS AT AUSTIN (Austin, Texas, U.S.A.)  
and  
OBIRIN UNIVERSITY (Machida, Japan)

THE UNIVERSITY OF TEXAS AT AUSTIN (hereinafter referred to as UT Austin), and OBIRIN UNIVERSITY (hereinafter referred to as OU) enter into an agreement of cooperation to establish a program of academic exchange and collaboration in areas of interest and benefit to both institutions.

**I.**

The purposes of the cooperation between UT Austin and OU are as follows:

- to promote interest in the teaching and research activities of the respective institutions, and
- to deepen the understanding of the economic, cultural and social issues environment of the respective institutions.

**II.**

To achieve these goals, UT Austin and OU will, insofar as the means of each allow:

- promote institutional exchanges by inviting faculty and staff of the partner institution to participate in a variety of teaching and/or research activities and professional development;
- receive graduate and undergraduate students of the partner institutions for period of study and/or research;
- organize symposia, conferences, short courses and meetings on research issues;
- carry out joint research and continuing education programs; and
- exchange information pertaining to developments in teaching, student development and research at each institution.

**III.**

UT Austin and OU agree to designate the following individuals to oversee and facilitate implementation of this agreement in cooperation with other appropriate administrators at the respective institutions:

Administrative Coordinators:

Ms. Margaret A. Kidd  
Director, International Office  
The University of Texas at Austin

Dr. Travis Venters  
Director, International Programs  
Obirin University

The administrative coordinators shall have the following responsibilities:

- to promote academic collaboration at both faculty and graduate student levels for research and study;
- to act as principal contacts for individual and group activities and to plan and coordinate all activities within their institutions as well as with the partner institution;
- to distribute to each institution information about the faculty, facilities, research, publications, library materials and educational resources of the other institution; and
- to meet periodically to review and evaluate past activities and to work out new ideas for future cooperative agreements.

#### IV.

The general AGREEMENT OF ACADEMIC COOPERATION shall be identified as the parent document of any program agreement executed between the parties. Further agreements concerning any program shall provide details concerning the specific commitments made by each party and shall not become effective until they have been reduced to writing, executed by the duly authorized representatives of the parties, and approved in writing by the Executive Vice Chancellor for Academic Affairs of The University of Texas System. The scope of the activities under this agreement shall be determined by the funds regularly available at both institutions for the types of collaboration undertaken and by financial assistance as may be obtained by either institution from external sources.

#### V.

Except as may be stipulated in any specific program agreement, each institution shall be responsible for expenses incurred by its employees under this agreement.

#### VI.

Upon approval by each institution, this agreement shall remain in effect until terminated by either institution. Such termination by one institution shall be effected by giving the other institution at least six (6) months advance written notice of its intention to terminate. Termination shall be without penalty. If this agreement is terminated, neither UT Austin nor OU shall be liable to the other for any monetary or other losses that may result.

Agreement of Academic Cooperation  
UT Austin/Obirin University  
Page 3 of 3

Executed on this \_\_\_\_ day of \_\_\_\_\_ 199\_\_.

ATTEST:

FOR THE UNIVERSITY OF TEXAS  
AT AUSTIN

FOR OBIRIN UNIVERSITY

\_\_\_\_\_  
Robert M. Berdahl  
President

\_\_\_\_\_  
Kazuo Ohno  
President

APPROVED:

By: \_\_\_\_\_  
Dr. James P. Duncan  
Executive Vice Chancellor  
for Academic Affairs  
The University of Texas System

Date: \_\_\_\_\_

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 \_\_\_\_\_ 199\_\_ and that the person whose signature appears above is authorized to execute such agreement on behalf of the Board.

\_\_\_\_\_  
Mr. Arthur H. Dilly  
Executive Secretary,  
The University of Texas Board of Regents

AGREEMENT OF ACADEMIC AND SCIENTIFIC COOPERATION  
between  
THE PONTIFICIA UNIVERSIDAD CATOLICA DEL ECUADOR  
and  
THE UNIVERSITY OF TEXAS AT AUSTIN

THE PONTIFICIA UNIVERSIDAD CATOLICA DEL ECUADOR (hereinafter referred to as PUCE), and THE UNIVERSITY OF TEXAS AT AUSTIN (hereinafter referred to as UT Austin), enter into an agreement of cooperation to establish a program of academic and scientific exchange and collaboration in areas of interest and benefit to both institutions.

I.

The purposes of the cooperation between PUCE and UT Austin are as follows:

- to promote interest in the teaching and research activities of the respective institutions, and
- to deepen the understanding of the economic, cultural and social issues environment of the respective institutions.

II.

To achieve these goals, PUCE and UT Austin will, insofar as the means of each allow:

- promote institutional exchanges by inviting faculty and staff of the partner institution to participate in a variety of teaching and/or research activities and professional development;
- receive graduate and undergraduate students of the partner institutions for period of study and/or research;
- organize symposia, conferences, short courses and meetings on research issues;
- carry out joint research and continuing education programs; and
- exchange information pertaining to developments in teaching, student development and research at each institution.

III.

PUCE and UT Austin agree to designate the following individuals to oversee and facilitate implementation of this agreement in cooperation with other appropriate administrators at the respective institutions:

Program Administrators:

Lcdo. Francisco Egües Garcia S.J.  
Director de Relaciones Internacionales  
Pontificia Universidad Católica del Ecuador

Ms. Margaret A. Kidd  
Director  
International Office  
The University of Texas at Austin

The program administrators shall have the following responsibilities:

- to promote academic collaboration at both faculty and graduate student levels for research and study;
- to act as principal contacts for individual and group activities and to plan and coordinate all activities within their institutions as well as with the partner institution;
- to distribute to each institution information about the faculty, facilities, research, publications, library materials and educational resources of the other institution; and
- to meet periodically to review and evaluate past activities and to work out new ideas for future cooperative agreements.

#### IV.

The general AGREEMENT OF ACADEMIC AND SCIENTIFIC COOPERATION shall be identified as the parent document of any program agreement executed between the parties. Further agreements concerning any program shall provide details concerning the specific commitments made by each party and shall not become effective until they have been reduced to writing, executed by the duly authorized representatives of the parties, and approved in writing by the Executive Vice Chancellor for Academic Affairs of The University of Texas System. The scope of the activities under this agreement shall be determined by the funds regularly available at both institutions for the types of collaboration undertaken and by financial assistance as may be obtained by either institution from external sources.

#### V.

Except as may be stipulated in any specific program agreement, each institution shall be responsible for expenses incurred by its employees under this agreement.

#### VI.

Upon approval by each institution, this agreement shall remain in effect until terminated by either institution. Such termination by one institution shall be effected by giving the other institution advance written notice of its intention to terminate no later than the end of March in any year. Termination shall be without penalty. If this agreement is terminated, neither UT Austin nor PUCE shall be liable to the other for any monetary or other losses that may result.

Agreement of Academic and Scientific Cooperation  
PUCE/UT Austin  
Page 3 of 3

Executed on this \_\_\_\_ day of \_\_\_\_\_ 199\_\_.

ATTEST:

FOR PONTIFICIA UNIVERSIDAD  
CATOLICA DEL ECUADOR

FOR THE UNIVERSITY OF  
TEXAS AT AUSTIN

\_\_\_\_\_  
Julio Terán Dutari S.J.  
Rector

\_\_\_\_\_  
Robert M. Berdahl  
President

APPROVED:

By: \_\_\_\_\_  
Dr. James P. Duncan  
Executive Vice Chancellor  
for Academic Affairs  
The University of Texas System

Date: \_\_\_\_\_

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 \_\_\_\_\_ 199\_\_ and that the person whose signature appears above is authorized to execute such agreement on behalf of the Board.

\_\_\_\_\_  
Mr. Arthur H. Dilly  
Executive Secretary,  
The University of Texas Board of Regents



12. U. T. El Paso: Proposed Appointments to Endowed Academic Positions Effective September 1, 1993.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that the following initial appointments be made to endowed academic positions at U. T. El Paso effective September 1, 1993:

<u>Name of Proposed Appointee</u>	<u>Endowed Academic Position</u>
Professor Abraham Chavez, Jr. Department of Music	Abraham Chavez, Jr., Professorship Fund in Music, established August 1992
Dr. Andrew H. P. Swift, Jr. Associate Professor of Mechanical Engineering	Fourth Mr. and Mrs. MacIntosh Murchison Chair in Engineering, established Febru- ary 1987

BACKGROUND INFORMATION

Professor Chavez joined the U. T. El Paso faculty in 1955 and upon his retirement as the conductor of the El Paso Symphony in 1992, members of the El Paso Symphony Orchestra Association funded this endowed academic position in his honor. Professor Chavez established and directed the Texas Western Civic Ballet, the El Paso Youth Symphony, and the El Paso Community Opera Company. He is the recipient of the Conductor of the Year award bestowed by the Texas Orchestra Directors' Association and the American String Teachers Association award as Teacher of the Year.

Dr. Swift, a faculty member at U. T. El Paso since 1983, is recognized for his specialization in thermodynamics and his leadership in the development of U. T. El Paso's alternative energy program. Dr. Swift's Solar Pond Project has achieved international recognition through its funding by the U. S. Army Corps of Engineers, the U. S. Bureau of Reclamation, the Department of Energy and other agencies. He is an excellent teacher, is active in university committees, and has served for the past three years as assistant dean for research. Dr. Swift has authored or co-authored numerous articles and is frequently invited to present papers at professional meetings.

13. U. T. El Paso: Recommendation to Establish a Recreational Facility Fee Effective with the Fall Semester 1993 (Catalog Change).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that the U. T. Board of Regents approve the establishment of a new Recreational Facility Fee at U. T. El Paso effective with the Fall Semester 1993 to be assessed students at the rate of \$12 per semester or summer session as authorized by Section 54.541 of the Texas Education Code.

Upon Regental approval, the Minute Order will reflect that the next appropriate catalog published at U. T. El Paso will be amended to conform to this action.

#### BACKGROUND INFORMATION

The 73rd Texas Legislature, Regular Session, added Section 54.541 to the Texas Education Code to authorize the U. T. Board of Regents to charge and collect a Recreational Facility Fee for each student enrolled at U. T. El Paso. The amount of the fee as legislatively established is not to exceed \$12 per semester or summer session. The money collected by the fee is to be deposited in the U. T. El Paso recreational facility account and may be used only for financing, constructing, operating, maintaining, and improving new and existing recreational sports facilities and programs at U. T. El Paso.

The fee has been approved by a majority vote of students participating in a general student election at U. T. El Paso, in accord with statutory requirements. The U. T. System Administration has authorized U. T. El Paso to prepare Fall Semester 1993 fee billings to reflect the proposed Recreational Facility Fee pending Regental approval, with the understanding that refunds will be made should the U. T. Board of Regents decline to approve the recommendation.

14. U. T. El Paso: Recommendation for Approval of a Proposed Agreement of Cooperation with Universidad del Valle, Cochabamba, Bolivia, and Request for Authorization to Execute Agreement.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that approval be given to a proposed agreement of cooperation set out on Pages AAC 27 - 29 between U. T. El Paso and Universidad del Valle, Cochabamba, Bolivia.

It is further recommended that the Executive Vice Chancellor for Academic Affairs be authorized, on behalf of the U. T. Board of Regents, to execute this agreement with the understanding that any and all specific agreements arising from the agreement are to be submitted for prior administrative review and approval as required by the Regents' Rules and Regulations.

#### BACKGROUND INFORMATION

The proposed agreement is designed to establish a program of exchange and collaboration in areas of interest and benefit to both institutions. The goals of the agreement are to:

- a. Promote interest in the teaching and research activities of the respective institutions
- b. Deepen the understanding of the economic, cultural and social issues environment of the respective institutions.

The proposed agreement has been reviewed and approved by the Office of General Counsel and is similar to other agreements of cooperation previously approved by the U. T. Board of Regents.

AGREEMENT OF COOPERATION  
BETWEEN

UNIVERSIDAD DEL VALLE  
AND  
THE UNIVERSITY OF TEXAS AT EL PASO

THE UNIVERSITY OF TEXAS AT EL PASO, (hereinafter referred to as UTEP), and the UNIVERSIDAD DEL VALLE, (hereinafter referred to as UV) enter into an agreement of cooperation to establish a program of exchange and collaboration in areas of interest and benefit to both institutions.

I.

The purposes of the cooperation between UTEP and UV are as follows:

- to promote interest in the teaching and research activities of the respective institutions, and
- to deepen the understanding of the economic, cultural and social issues environment of the respective institutions.

II.

To achieve these goals, UTEP and UV will, insofar as the means of each allow:

- promote institutional exchanges by inviting faculty and staff of the partner institution to participate in a variety of teaching and/or research activities and professional development;
- receive undergraduate and graduate students of the partner institutions for periods of study and/or research;
- organize symposia, conferences, short courses and meetings on research issues;
- carry out joint research and continuing education programs; and
- exchange information pertaining to developments in teaching, student development and research at each institution.

### III.

Each institution shall designate a coordinator to oversee and facilitate the implementation of this Agreement. The coordinators, working with other appropriate administrators at the respective universities, shall have the following responsibilities:

- to promote academic collaboration at both faculty, graduate and undergraduate student levels for research and study;
- to act as principal contacts for individual and group activities and to plan and coordinate all activities within their institutions as well as with the partner institution;
- to distribute to each institution information about the faculty, facilities, research, publications, library materials and educational resources of the other institution; and
- to meet periodically to review and evaluate past activities and to work out new ideas for future cooperative agreements.

### IV.

This general AGREEMENT OF COOPERATION shall be identified as the parent document of any program agreement executed between the parties. Further agreements concerning any program shall provide details concerning the specific commitments made by each party and shall not become effective until they have been reduced to writing, executed by the duly authorized representatives of the parties, and approved in writing by the Executive Vice Chancellor for Academic Affairs of The University of Texas System. The scope of the activities under this agreement shall be determined by the funds regularly available at both institutions for the types of collaboration undertaken and by financial assistance as may be obtained by either institution from external sources.

### V.

Except as may be stipulated in any specific program agreement, each institution shall be responsible for expenses incurred by its employees under this agreement.

### VI.

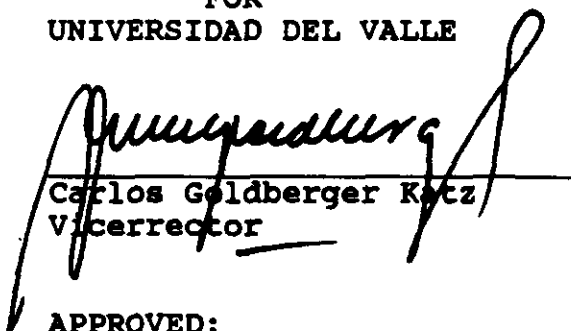
Upon approval by each institution, this agreement shall remain in effect until terminated by either institution. Such termination by one institution shall be effected by giving the other institution at least ninety (90) days advance written notice of its intention to terminate. Termination shall be

without penalty. If this agreement is terminated, neither UTEP nor UV shall be liable to the other for any monetary or other losses which may result.

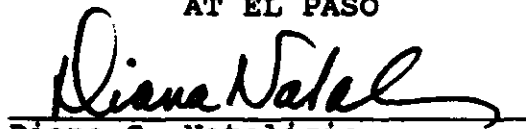
Executed on this \_\_\_\_ day of \_\_\_\_\_, 199\_\_.

ATTEST:

FOR  
UNIVERSIDAD DEL VALLE

  
Carlos Goldberger Katz  
Vicerrector

FOR  
THE UNIVERSITY OF TEXAS  
AT EL PASO

  
Diana S. Natalicio  
President

APPROVED:

By: \_\_\_\_\_  
Dr. James P. Duncan  
Executive Vice Chancellor  
for Academic Affairs  
The University of Texas System

Date: \_\_\_\_\_

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 \_\_\_\_\_, 199\_\_ and that the person whose signature appears above is authorized to execute such agreement on behalf of the Board.

\_\_\_\_\_  
Mr. Arthur H. Dilly  
Executive Secretary,  
U.T. Board of Regents

15. U. T. Pan American: Recommendation to Establish the (a) Engineering Advisory Council and (b) Hispanic Mother Daughter Program Advisory Council and Proposed Nominees Thereto (NO PUBLICITY UNTIL ACCEPTANCES ARE RECEIVED).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Nevarez that approval be given to establish the (a) Engineering Advisory Council and (b) Hispanic Mother Daughter Program Advisory Council at U. T. Pan American pursuant to the Regents' Rules and Regulations, Part One, Chapter VII, Section 3, regarding the Advisory Councils of a Component Institution, and the individuals set forth below be approved as the initial nominees to membership:

THE UNIVERSITY OF TEXAS - PAN AMERICAN

Recommended Appointments to Membership

Engineering Advisory Council

a. Membership

Authorized None Recommended 24

b. Reappointments

None

c. New Appointments

For one-year term ending 1994

Ms. Anne Alexander, New York, NY, Business:  
Vice President of Education and Programs,  
AT&T Foundation

Ms. Cheryl Cambridge, Los Angeles, CA,  
Business: Manager of Workforce Diversity  
in Human Resources, Space and Communications  
Company

Mr. Jerry Jadwisiak, McAllen, Business:  
Operations Manager, Johnson Controls, Inc.

Mr. Don Lauby, McAllen, Business: Vice  
President, Wells Manufacturing Corporation

Mr. Jerry Mills, Austin, Business: Regional  
Manager of Public and Government Affairs,  
Texaco USA

Mr. Edward H. Munoz, Chatham, NJ, Business:  
President, Hoechst Celanese Corporation

For two-year term ending 1995

Mr. John C. Della Maggiora, McAllen, Business:  
General Manager, Weyerhaeuser Paper Company

Mr. D. Duane Gilliam, Ashland, KY, Business:  
Group Vice President, Ashland Oil Company

Mr. Arnaldo Guerra, San Benito, Business:  
General Manager of Southwest Region,  
Central Power and Light

Mr. David Henderson, McAllen, Business:  
Manager, Deltronics

Mr. C. H. "Mickey" Sepulveda, McAllen,  
 Business: Director of Business of Latin  
 America, National Medical Care  
 Mr. Don J. Skiba, McAllen, Business: Plant  
 Manager, TRW Vehicle Safety Systems

For three-year term ending 1996

Mr. Robert Begain, McAllen, Business:  
 Manager of Engineering, Whirlpool  
 Corporation  
 Ms. Katherine B. Christensen, Portland, OR,  
 Business: Programmer Manager of  
 Supercomputer Systems Division, Intel  
 Corporation  
 Mr. Frank E. Macher, Dearborn, MI, Business:  
 General Manager of Plastic and Trim Products  
 Division, Ford Motor Company  
 Mr. G. R. "Bill" Ranganath, McAllen, Business:  
 Retired Plant Manager, Johnson Controls  
 Corporation  
 Mr. Brian Rawls, Weslaco, Business: Vice  
 President of Manufacturing/Southern Zone,  
 Haggar Apparel Company  
 Dr. Herbert H. Woodson, Austin, Business:  
 Dean of College of Engineering,  
 The University of Texas at Austin

d. Unfilled Terms	<u>Term Expires</u>
two	1994
two	1995
two	1996

Hispanic Mother Daughter Program Advisory Council

a. Membership

Authorized None Recommended 15

b. Reappointments

None

c. New Appointments

For one-year term ending 1994

Ms. Linda Canales-Escamilla, Austin, Business:  
 Manager of Workforce Diversity, Motorola,  
 Inc.  
 Dr. Carmen Gomez, McAllen, Business: Medical  
 Doctor

For two-year term ending 1995

Ms. Judy Godinez, McAllen, Business:  
 Education Director, Rio Grande Regional  
 Hospital  
 Ms. Yvonne Trevino, Mission, Business:  
 Vice President, First State Bank and Trust  
 Ms. Letty Valadez, Weslaco, Business: News  
 Anchor, KRGV Channel 5



For three-year term ending 1996

Mr. Tony De Leon, Austin, Business: CLU, New York Life Insurance Company  
Ms. Alida Hernandez, McAllen, Business: Co-Owner, AAA Personnel Agency  
Mr. Rolando Pena, Edcouch, Business: Assistant Superintendent, Edcouch-Elsa I.S.D.

d. Unfilled Terms	<u>Term Expires</u>
three	1994
two	1995
two	1996

BACKGROUND INFORMATION

The specific purpose of the Engineering Advisory Council at U. T. Pan American will be to:

- a. Serve the Dean or Department Chair in Engineering and President and to provide leadership and make recommendations to determine its role in the community
- b. Serve as a communication link with the community on the Engineering Department's programs and activities
- c. Advise the Engineering Department as to the needs of the department and ways the program can address those needs
- d. Provide advisory direction and conceptual aide in curriculum development and trends; establish a 1, 3, 5 and 10 year plan of action for the engineering program
- e. Provide job awareness and opportunities to prospective students, current students and graduates
- f. Provide the infrastructure for financial support for expanding and enhancing the teaching, research and service activities of the program in coordination with the Office of Institutional Advancement.

The Hispanic Mother Daughter Program at U. T. Pan American is an educational partnership between the AT&T Education Foundation, U. T. Pan American, and respective school districts, specifically designed to instill in eighth grade Hispanic female students and their mothers an awareness of higher education and the necessary information needed to establish academic and personal career goals.

The specific purpose of the Hispanic Mother Daughter Program Advisory Council at U. T. Pan American will be to:

- a. Serve as advisory council to the Program Coordinator, Director of Special Programs, Dean of Students and President for developing the Hispanic Mother Daughter Program activities in the community

- b. Assist in securing financial support for the Hispanic Mother Daughter Program from public and private foundation sources in coordination with U. T. Pan American's Office of Institutional Development
- c. Advise and assist in developing public and private partnerships for the academic, personal and career development of Hispanic Mother Daughter Program participants
- d. Provide the counsel, guidance and vision necessary to sustain the direction of the program.

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 U. T. Board of Regents.

16. U. T. San Antonio: Request for Authorization to Establish a Master of Arts Degree in Art History and to Submit the Proposed Degree Program to the Coordinating Board for Approval (Catalog Change).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Kirkpatrick that authorization be granted to establish a Master of Arts degree in Art History at U. T. San Antonio and to submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action. The proposed master's degree program is consistent with U. T. San Antonio's approved Table of Programs and institutional plans for offering quality degree programs to meet student needs. A description of the degree program is included in the Background Information of this agenda item.

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

#### BACKGROUND INFORMATION

##### Program Description

The proposed Master of Arts (M.A.) degree in Art History is a 36 semester credit hour degree with an academic option requiring the students to write a thesis and a Museum/Gallery option requiring the students to take a portion of their course work in practicum and Art Gallery and Museum practice courses as well as completing six credit hours in a professional project in Art History and Criticism. The program's distinctive features are its emphasis on American, Hispanic and Latin American art and the museum/gallery option not offered by the other Texas institutions. The program is anticipated to be implemented in the Fall Semester 1994 and to be administered by the Division of Art and Architecture in the College of Fine Arts and Humanities.

## Need

The South Texas region has a substantial number of junior colleges which offer Art History courses. At present, many of these courses are being offered by people with Studio Art degrees, or others with only marginal Art History preparation. The academic option in the proposed M.A. degree in Art History will prepare students seeking this career choice to fill teaching positions in the junior colleges. It is also expected that some of the Studio Art faculty who reside in San Antonio will enroll in the program to enhance their teaching skills at the junior college level. In addition, a large number of museums in South and West Texas, some large, many small, are in need of trained personnel to serve in various capacities (from registrars and curators to education directors). The program option in museum/gallery proposed in this degree request is designed to prepare students to meet these employment needs.

A projected enrollment of ten students each year for the first five years is drawn from the inquiries of undergraduate students at the institution, individuals in the community and the junior college studio faculty who are teaching in the area and are seeking to upgrade their credentials.

## Quality

The Bachelor and Master of Fine Arts (BFA and MFA) programs at U. T. San Antonio have been accredited by the National Association of Schools of Art and Design (NASAD) since 1980. The proposed master's program, upon approval, will be submitted for NASAD plan approval. Currently, two Art History graduate courses are taught each semester to serve the MFA program. The proposed program would require an additional graduate Art History course to be taught each semester. Three well qualified faculty with extensive teaching, research, and publication experience are currently available for the program. The U. T. San Antonio Council on Graduate Education will periodically review the program and every three years a follow-up study will be made of graduates of the program.

## Cost

This program would incur little additional expense beyond what is already in place for service to general education and the studio programs. No new faculty will be required to implement this program. Only five new courses will be created and these will be taught by reassigning teaching loads among existing faculty. Back files of journals and some books will be purchased in 1993-94 for \$12,500 and an additional \$4,500 per year will be allocated for library materials.

## Summary

U. T. San Antonio is requesting authorization to establish a Master of Arts degree in Art History and to submit the proposed degree program to the Texas Higher Education Coordinating Board for approval. The proposed degree will help U. T. San Antonio meet the educational needs of students and community constituents in its region.

A copy of the proposal for the Master of Arts degree in Art History is on file in the U. T. System Office of Academic Affairs.

17. U. T. San Antonio: Recommendation to Approve Changes in Parking Permit Fees Effective with the Fall Semester 1993 (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Kirkpatrick that the U. T. Board of Regents approve changes in parking permit fees at U. T. San Antonio effective with the Fall Semester 1993 as set out below:

	<u>1992-93</u> <u>Current</u> <u>Fees</u>	<u>1993-94</u> <u>Proposed</u> <u>Fees</u>
<u>Executive Officers Permits</u>		
Class O (reserved)	\$144.00	\$144.00
<u>Faculty/Staff Permits</u>		
Class A (reserved)	96.00	96.00
Class B (faculty/staff)	50.00	50.00
Class C (motorcycles)	16.00	16.00
Class H (disabled)*	50.00	50.00
Class P (administrator designated)**	50.00	144.00
Class W (bicycles)	4.00	4.00
<u>Downtown</u>		
Class A (reserved)	60.00	96.00
Class B (faculty/staff)	36.00	50.00
<u>Student Permits</u>		
Class C (motorcycles)	16.00	16.00
Class D (student resident)	36.00	36.00
Class F (dual parking)	36.00	36.00
Class G (general)	36.00	36.00
Class H (disabled)*	36.00	36.00
Class M (mini-car)	26.00	26.00
Class S (car pool)	36.00	36.00
Class W (bicycles)	4.00	4.00
<u>Other</u>		
Class T (vendors, salespersons, technical representatives, other servicing personnel, and persons regularly using campus facilities)	20.00	20.00

\* Previously designated as "handicapped." No parking permit fees are charged for permanently disabled persons or disabled veterans as defined by Articles 6675a-5e and 6675a-5e.1 of Vernon's Texas Civil Statutes.

\*\*Previously designated as "car pool."

	<u>1992-93</u> <u>Current</u> <u>Fees</u>	<u>1993-94</u> <u>Proposed</u> <u>Fees</u>
<b>Replacement Permits</b>		
Replacement Fee	\$10.00	\$10.00
Exchange Fee	5.00	5.00

Annual parking permit fees are prorated if purchased for the Spring Semester and/or Summer Session(s) only.

Upon Regental approval, the Minute Order will reflect that the next appropriate catalog published by U. T. San Antonio will be amended to conform to this action.

#### BACKGROUND INFORMATION

U. T. San Antonio parking permit fees were last approved at the June 1992 U. T. Board of Regents' meeting. The proposed changes are a result in part of consolidation of the Parking and Traffic Regulations for the U. T. Institute of Texan Cultures - San Antonio and U. T. San Antonio Downtown Center into the U. T. San Antonio Parking and Traffic Regulations. The proposed fee changes will bring the Downtown Center fees for Class A (reserved) and Class B (faculty/staff) permits to the same level as the fees at the main U. T. San Antonio campus. In the future, the Downtown Center permit fees will not be shown separately. The proposed rates have been reviewed by the U. T. San Antonio Parking and Traffic Committee.

U. T. San Antonio has also elected to change the Class P (car pool) faculty/staff permit to an "administrator designated" permit and proposes an increase in that fee. Administrators who wish to pay the extra cost may be given a designated parking space or they may purchase one of the other faculty/staff permits. In addition, the term "handicapped" has been changed to "disabled" throughout the regulations.

Additional proposed changes in U. T. San Antonio's parking and traffic regulations to be effective with the Fall Semester 1993 have been reviewed and approved by the Office of General Counsel and are included in the August 1993 institutional docket.

18. U. T. San Antonio: Recommendation for Approval of Proposed Cross-town Air Force ROTC Agreements and Request for Authorization to Execute Agreements.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Kirkpatrick that approval be given to proposed cross-town Air Force ROTC agreements between U. T. San Antonio and the following San Antonio area institutions:

- a. Our Lady of the Lake University
- b. Incarnate Word College
- c. St. Mary's University.

The proposed agreements have been reviewed and approved by the Office of General Counsel and are similar to other cross-town agreements previously approved by the U. T. Board of Regents. Since the Agreements are identical, only the Agreement with Our Lady of the Lake University has been included in the Material Supporting the Agenda on Pages AAC 38 - 42.

BACKGROUND INFORMATION

At its October 1989 meeting, the U. T. Board of Regents approved establishment and maintenance of a Senior Air Force Reserve Officers' Training Corps (ROTC) unit at U. T. San Antonio and approved cross-town agreements with Trinity University and the U. T. Health Science Center - San Antonio.

The proposed new agreements with Our Lady of the Lake University, Incarnate Word College, and St. Mary's University are similar to those previously approved and make the Air Force ROTC General Military Course and/or the Professional Officer Course at U. T. San Antonio available to qualified students at the other institutions who desire to earn appointments as commissioned officers in the U. S. Air Force.

## DETACHMENT

### CROSSTOWN AGREEMENT TO EXTEND AIR FORCE ROTC INSTRUCTION TO STUDENTS AT INSTITUTIONS NOT HOSTING AIR FORCE ROTC

This agreement is among the governing authorities of the University of Texas at San Antonio (hereinafter known as UTSA) which host Air Force ROTC (AFROTC) Detachment 842, the governing authorities of Our Lady of the Lake University (hereinafter referred to as OLLU) which do not host an AFROTC unit, and the Commandant, Headquarters (HQ), AFROTC. It is the purpose of this agreement to make the AFROTC General Military Course and/or the Professional Officer Course available to qualified students at OLLU who desire to earn appointments as commissioned officers in the United States Air Force.

#### AGREEMENT

1. Contingent upon acceptance of this agreement and upon the initial and continuing fulfillment of all the conditions enumerated in paragraphs 2, 3, 4, and 5 following, the Commandant, HQ AFROTC will:

a. provide AFROTC instruction in the General Military Course and/or the Professional Officer Course to qualified and selected applicants who are students at OLLU. AFROTC instruction will be provided to those selected students at OLLU on the UTSA campus.

b. enroll qualified students at OLLU who are selected for the General Military Course and/or the Professional Officer Course as members of the AFROTC detachment at UTSA.

c. provide uniforms, in accordance with the existing contract agreement between UTSA and the Secretary of the Air Force, to UTSA for all AFROTC cadets who are enrolled as members of the AFROTC detachment at UTSA.

d. provide subsistence allowance, in accordance with existing policies, to all AFROTC cadets who are enrolled as members of the AFROTC detachment at UTSA.

e. provide tuition and fees, in accordance with existing policies to:

(1) UTSA for all AFROTC cadets on scholarship status who are enrolled as members of the AFROTC detachment at UTSA.

(2) OLLU for all AFROTC cadets on scholarship status who are enrolled as members of the AFROTC detachment at UTSA if a separate education service agreement exists between the Department of the Air Force and OLLU.

2. Contingent upon the acceptance of this agreement and upon fulfillment of the conditions enumerated in paragraph 1 above, the governing authorities of UTSA agree to:

a. furnish necessary uniforms and accessories to all AFROTC cadets who are enrolled as members of the AFROTC detachment at UTSA.

b. provide adequate classroom and related administrative facilities to support the Aerospace Studies instruction of all AFROTC cadets who are enrolled as members of the AFROTC detachment at UTSA and receive instruction on the UTSA campus.



c. report estimated and actual costs of tuition and fees for each fiscal year to the AFROTC detachment at UTSA. This report will be the basis for funding obligations for each fiscal year.

3. Contingent upon the acceptance of this agreement and upon fulfillment of the conditions enumerated in paragraphs 1 and 2 above, the governing authorities of OLLU agree to:

a. include in appropriate publications announcement of the Aerospace Studies courses of AFROTC available to its students.

b. grant appropriate academic credit applicable toward graduation for the successful completion of courses offered by the Department of Aerospace Studies at UTSA.

c. report, if a separate educational service agreement exists between the Department of the Air Force and OLLU, the estimated and actual costs of tuition and fees for each fiscal year to the AFROTC detachment at UTSA. This report will be the basis for funding obligations for each fiscal year.

4. The governing authorities of UTSA and OLLU will either negotiate a formal written agreement whereby OLLU transfers tuition and fees to UTSA for those students on scholarship status from OLLU enrolled in AFROTC at UTSA; or concur that a separate educational services agreement between the Department of the Air Force and UTSA is desired.

5. The governing authorities of OLLU affirm that:

a. It is accredited to award baccalaureate degrees by the following regional association: Southern Association of Colleges and Schools and the American Speech-Hearing-Language Association.

b. For good and valid mutual consideration, and as a condition precedent to acceptance and continuation of this agreement, OLLU warrants and represents that it does not, and will not, discriminate in any way with respect to the admission or subsequent treatment of students on the basis of race, color, sex, or national origin. It is further mutually agreed that a violation of this covenant, as determined by the Secretary of the Air Force or a designee, may be regarded as a breach of this agreement, justifying termination thereof, at no cost to the government, by the Secretary or designee.

6. All parties agree that:

a. This agreement becomes effective 1 March 1994.

b. This agreement may be terminated at the end of any school year by any of the parties hereto by giving six months written notice of such intent to both parties.

OUR LADY OF THE LAKE UNIVERSITY

THE UNIVERSITY OF TEXAS AT  
SAN ANTONIO

By: Elizabeth Anne Sueltenfuss  
ELIZABETH ANNE SUELTFENFUSS  
President

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

Date: May 17, 1993

Date: \_\_\_\_\_

FOR THE COMMANDANT, HQ  
AIR FORCE ROTC

FOR AIR FORCE ROTC DETACHMENT 842

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

By: Kathryn A. Brown  
KATHRYN A. BROWN, Lt Col, USAF  
Professor of Aerospace Studies

Date: \_\_\_\_\_

Date: 17 Jun 93

FORM APPROVED:

By: \_\_\_\_\_  
UT System Office of General Counsel

CONTENT APPROVED:

By: \_\_\_\_\_  
Executive Vice Chancellor for  
Academic Affairs

By: \_\_\_\_\_  
Chairman, Board of Regents of  
The University of Texas System

By: \_\_\_\_\_  
Chancellor of The University of  
Texas System

CERTIFICATE OF APPROVAL

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

By: \_\_\_\_\_  
Executive Secretary to the Board of  
Regents of The University of Texas  
System

**Health Affairs  
Committee**

HEALTH AFFAIRS COMMITTEE  
Committee Chairman Ramirez

**Date:** August 12, 1993  
**Time:** Following the meeting of the Academic Affairs  
Committee  
**Place:** Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

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1. U. T. Southwestern Medical Center - Dallas: Proposed Appointments to Endowed Academic Positions Effective Immediately	2
2. U. T. Southwestern Medical Center - Dallas, U. T. Medical Branch - Galveston, U. T. Health Science Center - Houston, U. T. Health Science Center - San Antonio, U. T. M.D. Anderson Cancer Center, and U. T. Health Center - Tyler: Proposed Revisions to Appendices A and B of Standard Format for Bylaws of the Medical Service, Research and Development Plan/Physician Referral Service (MSRDP/PRS) Effective September 1, 1993	3
3. U. T. Health Science Center - Houston: Pro- posed Appointment to the George S. Bruce, Jr. Professorship in Arthritis and Other Rheu- matic Diseases Effective Immediately	8
4. U. T. Health Science Center - Houston: Pro- posed Appointment to the Board of Directors of The University of Texas System Medical Foundation, Inc. Effective September 1, 1993 (Regents' <u>Rules and Regulations</u> , Part One, Chapter VII, Section 6, Subsection 6.1, Internal Corporations)	9
5. U. T. M.D. Anderson Cancer Center: Request for Permission for Individual to Serve on the Governor's Commission for Women [Regents' <u>Rules and Regulations</u> , Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)]	10

1. U. T. Southwestern Medical Center - Dallas: Proposed Appointments to Endowed Academic Positions Effective Immediately.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that the following initial appointments to endowed academic positions at the U. T. Southwestern Medical Center - Dallas be effective immediately:

<u>Name of Proposed Appointee</u>	<u>Endowed Academic Position</u>
Stephen A. Johnston, Ph.D. Associate Professor of Internal Medicine and Biochemistry	Dr. Eugene Tragus Chair in Molecular Cardiology  See Item <u>49</u> on Page <u>AMC - 44</u> for establishment of this Chair.
Edwin Ide Smith, M.D. Professor of Surgery	The Edwin Ide Smith, M.D. Professorship in Pediatric Surgery  See Item <u>45</u> on Page <u>AMC - 41</u> for establishment of this Professorship.
Lanny Garth Close, M.D. Professor and Vice Chairman Department of Otorhinolaryn- gology	Mr. and Mrs. Bruce G. Brookshire Professorship in Head and Neck Cancer Surgery in Honor of Dr. Lanny Close  See Item <u>40</u> on Page <u>AMC - 37</u> for establishment of this Professorship.
Shelley Poe Roaten, Jr., M.D. Professor and Chairman Department of Family Practice and Community Medicine	Dr. Bill Ross Professorship in Family Practice; established February 1993

BACKGROUND INFORMATION

Dr. Johnston joined the faculty at U. T. Southwestern Medical Center - Dallas in 1990 as an Associate Professor of Internal Medicine and Biochemistry. He is considered an international authority on the regulation of gene expression in the heart.

Dr. Smith has been a distinguished leader in the field of pediatric surgery for the past forty-five years. He served as Chairman of the Division of Pediatric Surgery at U. T. Southwestern Medical Center - Dallas for four years. Currently, he is Professor of Surgery and has made outstanding contributions in the areas of teaching, research, and patient care.

Dr. Close joined the faculty at U. T. Southwestern Medical Center - Dallas in 1982. He presently serves as Professor and Vice Chairman of the Department of Otorhinolaryngology. Dr. Close has received numerous academic honors and serves with distinction on several local, state, and national committees.

Dr. Roaten is a graduate of the U. T. Health Science Center - San Antonio and has held faculty positions at the U. T. Health Science Center - San Antonio and the College of Pharmacy at U. T. Austin. In addition, he has served as President and Director of the Residency Program at McLennan County Medical Education and Research Foundation in Waco. He has received several academic honors and has served on numerous state and national committees.

2. U. T. Southwestern Medical Center - Dallas, U. T. Medical Branch - Galveston, U. T. Health Science Center - Houston, U. T. Health Science Center - San Antonio, U. T. M.D. Anderson Cancer Center, and U. T. Health Center - Tyler: Proposed Revisions to Appendices A and B of Standard Format for Bylaws of the Medical Service, Research and Development Plan/Physician Referral Service (MSRDP/PRS) Effective September 1, 1993.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and the chief administrative officers of the health-related components of the U. T. System that revised Appendices A and B as set forth on Pages HAC 4 - 8 in congressional style be included as a part of the standard format for Bylaws of the Medical Service, Research and Development Plan/Physician Referral Service (MSRDP/PRS) originally approved by the U. T. Board of Regents in June 1984 and subsequently revised in August 1989. These revised appendices will be effective September 1, 1993.

#### BACKGROUND INFORMATION

The revised appendices have been developed and approved by the Council of Health Institutions and provide the guidelines for the expenditure of MSRDP/PRS income. The revisions have been reviewed and approved by the Office of General Counsel and are in compliance with the Rider in the current Appropriations Bill. In addition, each MSRDP/PRS plan will have an annual audit of its collections and expenditures which will be provided to the U. T. Board of Regents within 90 days of the end of each fiscal year.

APPENDIX A  
MSRDP/PRS AUTHORIZED FRINGE BENEFITS  
[FOR MEMBERS, ANY OTHER PERSONS BY APPROVED EXCEPTION]

Effective September 1, 1993 [1989]

<u>Authorized Benefit</u>	<u>Maximum</u>
1. Medical Insurance	UT Plan [A] for member and family <u>OR</u> UT HMO Plan for member and family NOTE: Deductibles, copayments, and coinsurance do not qualify for reimbursement
2. Dental Insurance	UT Plan for member and family <u>AND</u> Supplemental "umbrella" coverage for member and family NOTE: Deductibles, copayments, and coinsurance do not qualify for reimbursement
[3] Long-Term Disability Insurance	<u>UT Plan for member</u> <u>AND</u> <u>Supplemental "umbrella" coverage</u> <u>AND</u> <u>TMA Plan for member]</u>
<u>3</u> . [4] Term Life Insurance	UT Plan, maximum of four (4) times annual total compensation
<u>4</u> . [5] Accidental Death	UT Plan for member and family
[6] College-Educational Allowance	<u>In accordance with approved yearly limits, established by the Chancellor's Office, per dependent in post-high school educational institution, not to exceed eight years. To include only tuition and fees for part-time enrollment.]</u>
<u>5</u> . [7] Membership Dues	Memberships in Faculty Clubs, Medical Center Clubs, or equivalent as approved by President
[8] Auto-Lease Allowance	<u>In accordance with U. T. System policy as may be amended by the Chancellor's Office]</u>
<u>6</u> . [9] Supplemental Retirement	In accordance with U. T. System policy
<u>7</u> . [10] Parking Fees	At U. T. institution(s) and teaching hospital(s)



Authorized Benefit

Maximum

8.[117] Travel Expense

In accordance with approved limits for official institutional business, not to exceed actual expense. With prospective presidential approval, travel expense for spouse or family member if on official institutional business. Reimbursement requires written justification and documentation of expenditures.

9.[127] Allowance for Special Education-Training

In accordance with yearly limits, established by the Chancellor's Office and President, per dependent in special education or training program necessitated by physical or mental impairment, not to exceed eight years.

[NOTES+]

- No MSRDP/PRS funds may be expended for the benefit of any single individual person or member except as herein approved unless specific exception has been approved by the Board of Regents.
- Classified plan employees may receive only the basic state-approved benefits paid from MSRDP/PRS.
- Benefits specifically not approved include:
  - personal liability insurance
  - life insurance with accumulated cash value
  - estate planning
  - tax service
  - accounting service.
- Authorized fringe benefits may not exceed thirty (30) percent of total salary.
- This list of authorized fringe benefits and yearly limits may be periodically amended by action of the Chancellor's office.
- Exceptions for Presidents and Directors may be made by the Board of Regents for such expenditures as car allowances, long-term disability, educational allowances, housing allowances, etc.

APPENDIX B

MSRDP/PRS AUTHORIZED PROFESSIONAL  
BUSINESS EXPENDITURES

Effective September 1, 1993 [1989]

INSTITUTIONAL TRUST FUNDS AND CLINICAL DEPARTMENT FUNDS

<u>Authorized Benefit</u>	<u>Maximum</u>
1. Malpractice Insurance	UT Self-insurance rates
2. Official travel, including policy registration fees and established by tuition (see No. 17, Official Institutional Functions and Official Entertainment)	In accordance with policy and limits, established by U. T. System and institution not to exceed actual expense
3. Faculty Development Leave	In accordance with the Regents' <u>Rules and Regulations</u> and institutional policy
4. Uniforms or Lab Coats	Through institutional purchasing
5. Membership Dues in Professional Scientific Organizations	In accordance with institutional policy
6. Texas State Board of Medical Examiners License	Annual fee; reimbursement expenditure only
7. Medically-Related Educational Aids (such as books, journals, slides, audiotapes, videotapes)	In accordance with institutional policy
8. Salary, [or] Augmentation of Salary for Faculty and/or Staff <u>or Physician Incentives Augmentation Plan</u>	In accordance with U. T. System policy
9. Purchase, maintenance and operation of equipment and maintenance and operation of U. T. System facilities	In accordance with institutional policy
10. Ordinary and necessary business expenses incurred by the member in earning the professional fees charged by said member, excluding entertainment (see No. 17, Official Institutional Functions and Official Entertainment)	In accordance with institutional policy
11. Registration fees and tuition incident to attendance at meetings and courses as <u>requested or approved</u> by institution	In accordance with institutional policy

Authorized Benefit

Maximum

- |  |  |
|--|--|
| 12. Consultant fees and expenses including guest speakers at official institutionally sponsored or sanctioned meetings   | In accordance with U. T. System and institutional policy   |
| 13. Expenses incident to faculty or staff recruitment (see No. 17, Official Institutional Functions and Official Entertainment)  | In accordance with institutional policy  |
| 14. Establishment or endowment of lectureships, professorships or chairs   | In accordance with U. T. System policy   |
| 15. Support of academic programs and projects involving education, research or patient care  | In accordance with institutional policy  |
| 16. Institutional participation in community, organizations or events  | In accordance with institutional policy  |
| 17. Official Institutional Functions and Official Entertainment. Official entertainment is defined as business-related events or expenditures which are of documented benefit to the institution or The University of Texas System | Prior presidential approval required for any expenditures greater than \$2,500. A quarterly report of all expenditures approved in this category shall be filed with the Executive Vice Chancellor for Health Affairs. |

**[NOTES+]**

- No MSRDP/PRS funds may be expended for the benefit of any single individual person or member except as herein approved.
- All requests for reimbursement must contain adequate documentation and must be signed by the person seeking reimbursement.
- Previous sections "Additional Expenditures" and Appendix B, "Expenditures Allowable from Clinical Department Fund" are merged into this new Appendix B, "Authorized Professional Business Expenditures."
- All expenditures are subject to the Rules and Regulations of the Board of Regents of The University of Texas System and applicable institutional regulations and procedures. This list of authorized expenditures may be periodically amended by action of the Chancellor's Office.

Accounting/Auditing Guidelines for  
MSRDP/DSRDP/PRS

Reference: Business Procedure Memorandum No. 31-04-89

Normal institutional purchasing procedures should be followed whenever possible.

All requests for reimbursements should be signed by the employee seeking reimbursement. The voucher, if prepared by a staff member, should be reviewed for accuracy before the voucher is signed.

Special care with the use of individual credit cards, club memberships, and charges to facilities for entertaining business associates should be exercised, and care should be taken to document each use, indicating the number of persons, function, title or name of people entertained.

All requests for reimbursement should be fully supported with documentation. The documentation should include who was involved and state the benefit to the institution.

A report to the President should be prepared annually, detailing by each approved expenditure category how much has been spent. Specifically, entertainment expenses need to be reviewed, and any questionable expenditures should be investigated.

Each institution shall insure that MSRDP/PRS income and expenditures are audited annually and a report made to the MSRDP Board, the President, the Executive Vice Chancellor for Health Affairs and the U. T. Board of Regents within 90 days of the end of each fiscal year.

3. U. T. Health Science Center - Houston: Proposed Appointment to the George S. Bruce, Jr. Professorship in Arthritis and Other Rheumatic Diseases Effective Immediately.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Low that Frank C. Arnett, Jr., M.D., be appointed as initial holder of the George S. Bruce, Jr. Professorship in Arthritis and Other Rheumatic Diseases at the U. T. Health Science Center - Houston effective immediately.

BACKGROUND INFORMATION

Dr. Arnett, Professor of Internal Medicine and Professor in the Graduate School of Biomedical Sciences at the U. T. Health Science Center - Houston, serves as Director of the Division of Rheumatology and Clinical Immunogenetics and is Vice-Chairman of the Department of Internal Medicine. In

addition, he serves as Chief of Rheumatology Service at Hermann Hospital as well as at Lyndon B. Johnson Hospital. Dr. Arnett joined the faculty in 1984 and was responsible for establishing the Division of Rheumatology. He is an active participant in teaching, research, patient care, and community service activities.

The George S. Bruce, Jr. Professorship in Arthritis and Other Rheumatic Diseases was established by the U. T. Board of Regents at the June 1993 meeting.

4. U. T. Health Science Center - Houston: Proposed Appointment to the Board of Directors of The University of Texas System Medical Foundation, Inc. Effective September 1, 1993 (Regents' Rules and Regulations, Part One, Chapter VII, Section 6, Subsection 6.1, Internal Corporations).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Low that L. Maximilian Buja, M.D., be appointed to replace Ronald C. Merrell, M.D., as a member of the Board of Directors of The University of Texas System Medical Foundation, Inc., from September 1, 1993 through December 31, 1993.

Upon approval of this appointment, the three members of the Board of Directors will be as follows, and all three terms will expire December 31, 1993:

<u>Name</u>	<u>Address</u>
L. Maximilian Buja, M.D.	6431 Fannin, Houston, TX 77030
John C. Ribble, M.D.	6431 Fannin, Houston, TX 77030
James D. Hefner, M.D.	5656 Kelley, Houston, TX 77026

This recommendation is in accordance with the Regents' Rules and Regulations, Part One, Chapter VII, Section 6, Subsection 6.1, relating to appointments to the Board of Directors of internal corporations.

#### BACKGROUND INFORMATION

The University of Texas System Medical Foundation, Inc., Charter No. 331937, was issued its Certificate of Incorporation on October 5, 1973, by the Secretary of State of the State of Texas. The Foundation is a nonprofit corporation, organized strictly for educational and scientific purposes and functions within the framework of the U. T. Health Science Center - Houston for the purpose of training graduate medical students, referred to as House Staff or Residents. As part of their training, House Staff are contracted with and paid a stipend plus fringe benefits for their services by local hospitals participating in the Affiliated Hospitals Residency Training Program at Houston. There are currently 677 House Staff employees.

According to the Bylaws of the Foundation, each member of the Board of Directors must be licensed by the Texas State Board of Medical Examiners and must have been actively engaged in the practice of medicine within the State of Texas for at least five years preceding their appointment. Dr. Buja and the two individuals already approved as Trustees meet these qualifications.

5. U. T. M.D. Anderson Cancer Center: Request for Permission for Individual to Serve on the Governor's Commission for Women [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that Ms. Nancy Pittman, Director of Patient Care Programs at the U. T. M.D. Anderson Cancer Center, be granted permission to serve on the Governor's Commission for Women.

It is further recommended that the U. T. Board of Regents find that: (1) the holding of this position by Ms. Pittman is of benefit to the State of Texas and (2) there is no conflict between her position at the U. T. M.D. Anderson Cancer Center and her appointment to this Commission.

#### BACKGROUND INFORMATION

Ms. Pittman has received an appointment from the Governor of the State of Texas to serve on the Governor's Commission for Women. This Commission serves as the Governor's liaison to local women's groups. The Commissioners are charged with identifying the most creative and effective women and organizations across the state and chairing focus groups to determine the three or four issues of greatest importance in each community and the ways in which these issues are being addressed. A report on their findings will be presented to the Governor.

This recommendation is in accordance with approval requirements for positions of honor, trust, or profit provided in Article 6252-9a of Vernon's Texas Civil Statutes and Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11) of the Regents' Rules and Regulations.

Fac. Plan. &  
Const. Com.

**FACILITIES PLANNING AND CONSTRUCTION COMMITTEE**  
Committee Chairman Temple

**Date:** August 12, 1993  
**Time:** Following the meeting of the Health Affairs  
Committee  
**Place:** Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

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1. U. T. Arlington - Maverick Stadium - Addition of Athletic Offices; Request for Project Authorization; Appointment of Project Engineer to Prepare Preliminary Plans; and Appropriation Therefor.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Amacher that the U. T. Board of Regents:

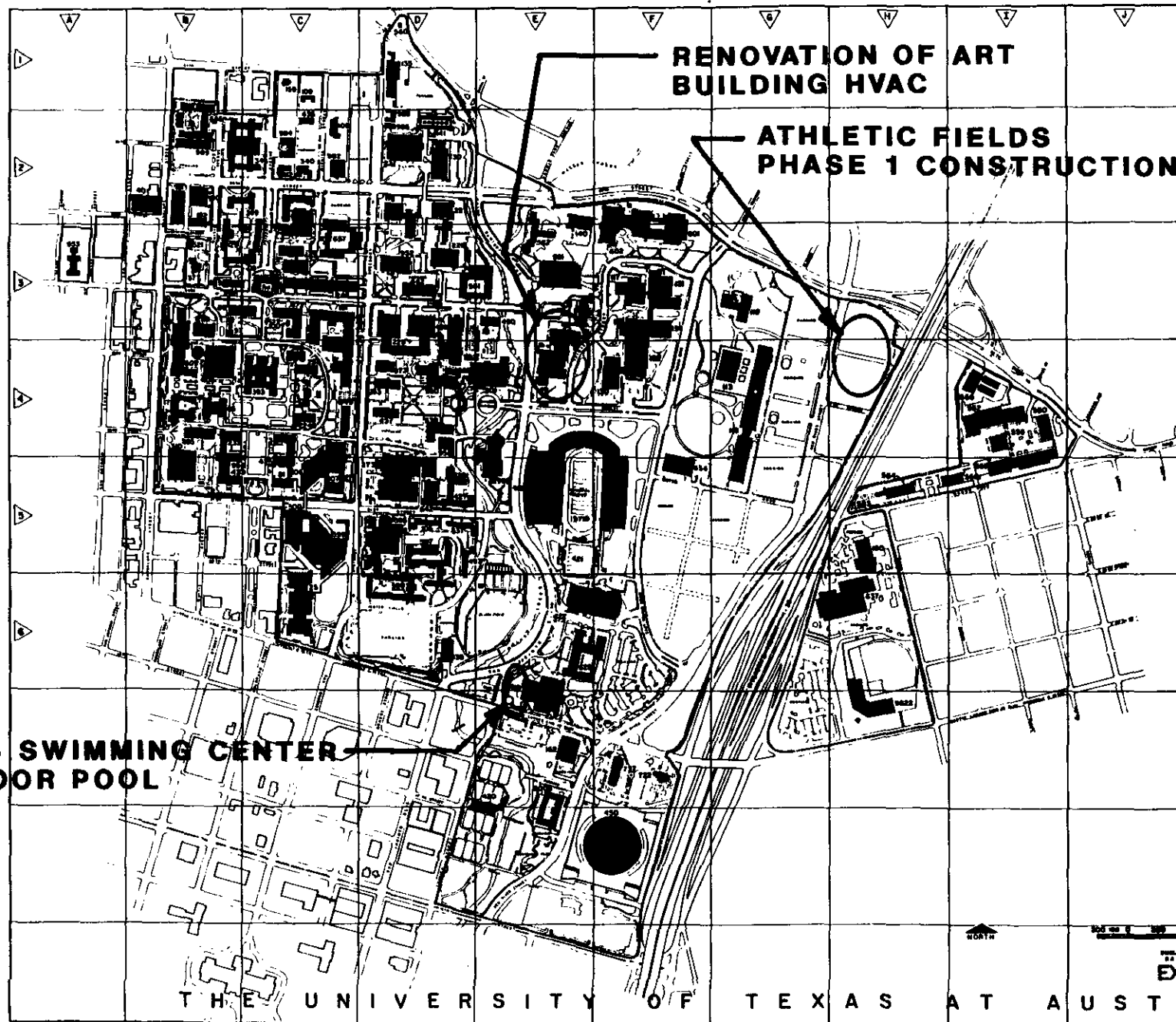
- a. Authorize a project for the Addition of Athletic Offices to Maverick Stadium at U. T. Arlington at an estimated total project cost of \$783,250 to be funded from Unexpended Plant Funds
- b. Appoint the firm of Schrickel, Rollins and Associates, Inc., Arlington, Texas, as Project Engineer with authorization to prepare preliminary plans, specifications and a cost estimate to be presented to the U. T. Board of Regents for consideration at a future meeting
- c. Appropriate \$75,000 from U. T. Arlington Unexpended Plant Funds for fees and administrative expenses through completion of preliminary plans.

#### BACKGROUND INFORMATION

The U. T. Arlington athletic offices are presently housed in an approximately thirty-year old reconstructed metal building located east of Maverick Stadium. The offices are in need of replacement because they are not considered appropriate for either the athletic program or as an introduction to U. T. Arlington for recruits, parents, or guests. After considerable review and study, U. T. Arlington proposes a project to add approximately 9,000 square feet of athletic office space to Maverick Stadium to replace the existing deteriorated building.

It is recommended that the firm of Schrickel, Rollins and Associates, Inc., Arlington, Texas, be appointed as Project Engineer. This firm is recommended because they were the engineers for the original stadium and are very familiar with existing conditions.

This project is proposed in the FY 1994-1999 Capital Improvement Plan and Capital Budget with funding in the amount of \$783,250 from U. T. Arlington Unexpended Plant Funds.



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		9710	MEMORIAL STADIUM
		9822	DISCH-FALK FIELD

**TEXAS SWIMMING CENTER  
OUTDOOR POOL**

**RENOVATION OF ART  
BUILDING HVAC**

**ATHLETIC FIELDS  
PHASE 1 CONSTRUCTION**

0 50 100 200 300 FEET

PREPARED BY THE SURVEYING MASTER PLAN  
TEAM OF THE UNIVERSITY OF TEXAS AT AUSTIN  
**EXISTING SITE PLAN**

THE UNIVERSITY OF TEXAS AT AUSTIN

UT AUSTIN

2. U. T. Austin - Renovation of Art Building - Heating, Ventilating and Air-Conditioning System: Request for Project Authorization; Appointment of Project Engineer to Prepare Final Plans; Submission of the Project to Coordinating Board; Advertisement for Bids; Executive Committee Award of Contracts; and Appropriation Therefor.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that the U. T. Board of Regents:

- a. Authorize a project for the Renovation of the Art Building - Heating, Ventilating and Air-Conditioning System at U. T. Austin at an estimated total project cost of \$3,000,000 to be funded from General Fee Balances
- b. Appoint a Project Engineer from the list set forth on Page FPCC - 5 to prepare final plans, specifications and detailed cost estimates
- c. Authorize submission of the project to the Texas Higher Education Coordinating Board
- d. Upon completion of final review and approval of the Coordinating Board, authorize the Office of Facilities Planning and Construction to advertise for bids
- e. Authorize the Executive Committee to award all contracts associated with this project within the authorized total project cost
- f. Appropriate \$3,000,000 from U. T. Austin General Fee Balances for total project funding.

#### BACKGROUND INFORMATION

In response to complaints concerning the Art Building's heating, ventilating and air-conditioning (HVAC) system, U. T. Austin contracted with an engineering firm to identify air-quality problems and to make recommendations for the necessary corrections. The study found significant deficiencies in the HVAC system involving airborne contaminants associated primarily with the various arts and crafts areas. To correct the deficiencies, it is necessary to replace the air-handling units, install variable speed controls, relocate air-intake louvers and perform related renovation work.

This project is proposed in the FY 1994-1999 Capital Improvement Plan and FY 1994 Capital Budget with funding in the amount of \$3,000,000 from U. T. Austin General Fee Balances.

List of Firms for Consideration

<u>Project Engineer</u>	<u>Representative Projects</u>
Schuchart & Associates Professional Engineers, Inc., San Antonio, Texas	Baptist Memorial Hospital System: North Central Baptist Hospital, San Antonio  Texas A&M University: Main Library Prairie View A&M  Harlandale I.S.D.: A/C all schools  U. T. Austin: Art Building Air Quality Study (individual experience)
HMG & Associates, Inc. Austin, Texas	U. T. Health Science Center - San Antonio: Institute of Biotechnology  U. T. Austin: Applied Research Laboratory  General Services Administration: Federal Building HVAC Replacement, Austin, Texas  Radian Corporation: Electronics Center & Labs
Hobza Wallis Group, Inc. San Antonio, Texas	San Antonio I.S.D.: HVAC Retrofit, 7 schools  Southwestern Bell: Central Plant Replacement San Antonio, Texas  Texas Department of MHRM: Dormitory Facility Kerrville, Texas  U. T. Health Science Center - San Antonio: Energy Plant Expansion

3. U. T. Austin - Athletic Fields Phase I Construction; Request for Project Authorization; Preparation of Final Plans; Submission of the Project to Coordinating Board; Request for U. T. Austin to Administer the Project, Advertise for Bids and Award Contracts in Consultation with the Office of Facilities Planning and Construction and the Office of General Counsel; and Appropriation Therefor.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that the U. T. Board of Regents:

- a. Authorize a project for Athletic Fields Phase I Construction at U. T. Austin at an estimated total project cost of \$2,000,000
- b. Authorize the U. T. Austin Vice President for Business Affairs and Director of Physical Plant to prepare final plans and specifications with assistance from an athletic field consultant and in consultation with the Office of Facilities Planning and Construction and the Office of General Counsel
- c. Authorize submission of the project to the Texas Higher Education Coordinating Board
- d. Upon completion of final review and approval of the Coordinating Board, authorize U. T. Austin Administration to advertise for bids and award all contracts associated with this project within the authorized total project cost
- e. Appropriate \$2,000,000 from Intercollegiate Athletics for Men balances for total project funding.

This item requires the concurrence of the Academic Affairs Committee.

#### BACKGROUND INFORMATION

The U. T. Austin Administration recently announced its decision to add women's soccer as an intercollegiate sport. The proposed Athletic Fields Phase I Construction project will provide two outdoor athletic fields and a pavilion with restrooms, drinking fountains, and equipment storage. One of the athletic fields in the Phase I project will be for the Women's Intercollegiate Soccer team and the other will be a football practice field. The U. T. Austin football team currently practices on an artificial surface in Memorial Stadium. However, there is general agreement among college athletic programs nationally that football practice conducted

on natural turf is better for athletes than practice on artificial surfaces. Additionally, since many collegiate football teams practice on grass fields, the lack of such a field is a competitive disadvantage in the recruitment of student athletes.

It is advantageous to locate the two outdoor athletic fields adjacent to one another in order to minimize initial construction costs and future maintenance costs and to maximize the potential for shared use. After considering several potential locations, the recommended site is the former Villa Capri site east of Red River Street and south of 26th Street. The Phase II project, to be submitted to the U. T. Board of Regents for consideration at a future date, will be for the construction of spectator stands and dressing facilities for the women's soccer program.

This project is proposed in the FY 1994-1999 Capital Improvement Plan and Capital Budget with funding in the amount of \$2,000,000 from Intercollegiate Athletics for Men balances.

4. U. T. Austin - Texas Swimming Center Outdoor Pool (Project No. 102-799): Presentation of Preliminary Plans; Request for Authorization to Prepare Final Plans and Specifications; Submission of the Project to Coordinating Board; Advertisement for Bids; Executive Committee Award of Contracts; and Additional Appropriation Therefor.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that the U. T. Board of Regents:

- a. Approve preliminary plans and specifications for the Texas Swimming Center Outdoor Pool at U. T. Austin at an estimated total project cost of \$2,000,000
- b. Authorize the Project Architect to prepare final plans and specifications
- c. Authorize submission of the project to the Texas Higher Education Coordinating Board
- d. Upon completion of final review and approval of the Coordinating Board, authorize the Office of Facilities Planning and Construction to advertise for bids
- e. Authorize the Executive Committee to award all contracts associated with this project within the authorized total project cost
- f. Appropriate \$125,000 from Intercollegiate Athletics for Men, \$250,000 from General Fee Balances, and \$1,500,000 from Gifts and Grants for total project funding. Previous appropriations have been \$125,000 from Intercollegiate Athletics for Men.

## BACKGROUND INFORMATION

In accordance with the authorization of the U. T. Board of Regents in December 1992, preliminary plans for the Texas Swimming Center Outdoor Pool at U. T. Austin have been prepared by the Project Architect, J. Robinson & Associates Architects, Inc., Austin, Texas. The project will provide an outdoor 50 meter pool for use by Men's and Women's Intercollegiate Athletics, Recreational Sports, and the Kinesiology Department. The pool will complement the indoor facility which is very heavily used.

The project was included in the FY 1991-1996 Capital Improvement Plan and the FY 1993 Capital Budget. Funding for the \$2,000,000 project is from \$1,500,000 in Gifts and Grants, \$250,000 in General Fee Balances, and \$250,000 from Intercollegiate Athletics for Men.

5. U. T. Dallas - Student Apartment Complex Project (Phase III) with Waterview Park, Ltd., Dallas, Texas, as Lessee: Recommendation for Authorization of Project, Approval to Conclude Negotiations on Proposed Amended Ground Lease and Related Necessary Documents, and Authorization to Execute Amended Ground Lease and Related Documents.--

## RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Rutford that the U. T. Board of Regents:

- a. Authorize initiation of Phase III of a student apartment complex project by a private developer on the U. T. Dallas campus to consist of approximately 200 units on a tract of approximately 10 acres
- b. Authorize U. T. Dallas, the Office of Academic Affairs, and the Office of General Counsel to conclude negotiations on a proposed Amended Ground Lease and related necessary documents with Waterview Park, Ltd., Dallas, Texas, as Lessee
- c. Authorize the Chairman of the U. T. Board of Regents to execute the proposed Amended Ground Lease and related documents in a form substantially similar to the Ground Lease with Waterview Park, Ltd. previously approved by the U. T. Board of Regents upon review and recommendation by the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the Office of General Counsel.

This item requires the concurrence of the Academic Affairs Committee.



## BACKGROUND INFORMATION

Pursuant to action in June 1991, the U. T. Board of Regents approved construction of Phase II of a student apartment complex project by Waterview Park, Ltd., Dallas, Texas, on the U. T. Dallas campus. The second phase was completed and ready for occupancy in August 1992 and consisted of 200 units on a 10-acre tract and complements Phase I which was completed and ready for occupancy in the fall of 1989. Phase I also consists of 200 units and occupies a 9.8745-acre tract. Both tracts are leased to Waterview Park, Ltd. for a term of 35 years with a one-time option to extend the lease for 15 years. The complex is operated by Waterview Park, Ltd. pursuant to an Operating Agreement that terminates when the Ground Lease ends.

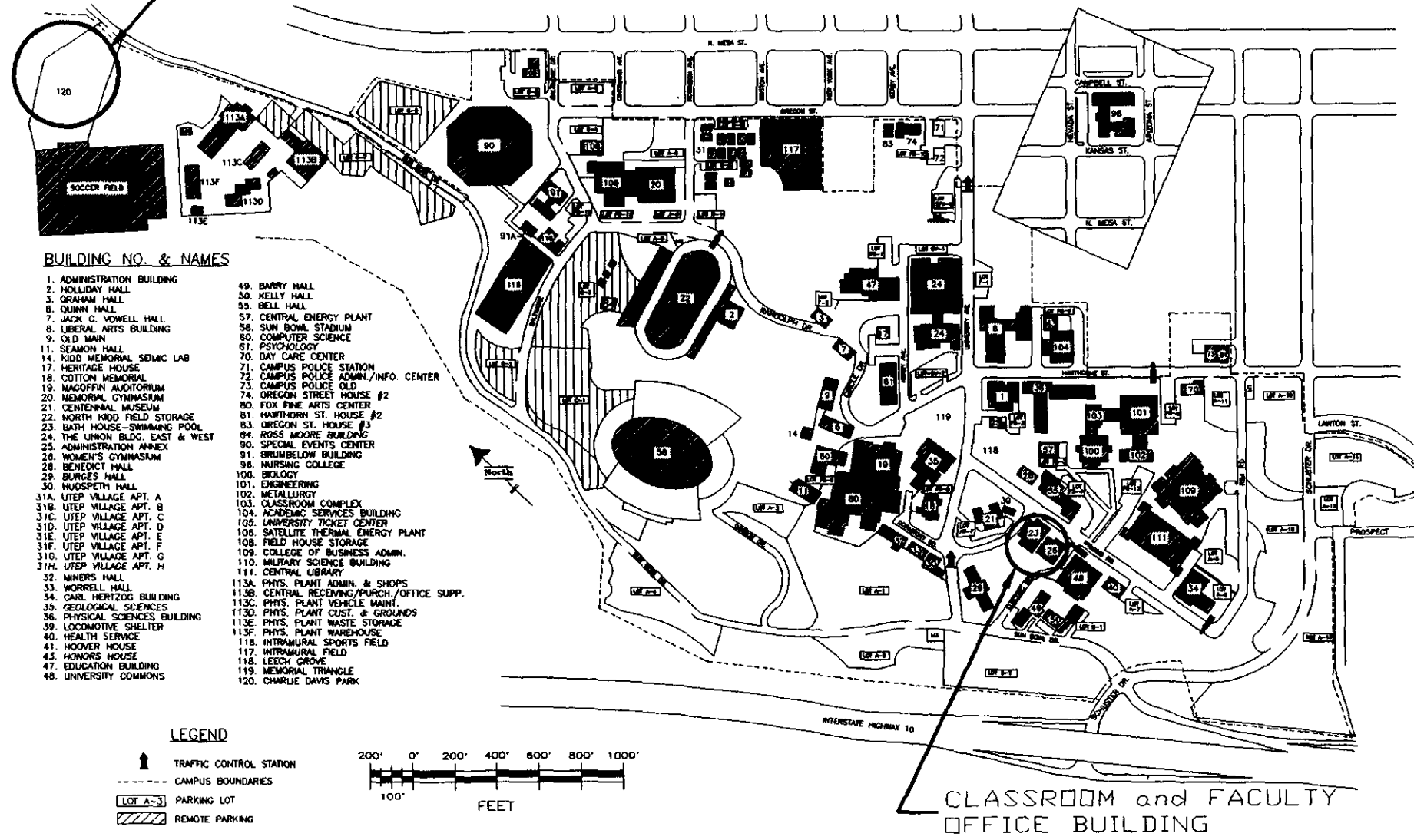
The project has been very successful and there is a growing demand for housing on or near the campus.

The current Ground Lease with Waterview Park, Ltd. grants to the Lessee the right of first refusal for further private development of student apartments on the U. T. Dallas campus. U. T. Dallas has solicited comments concerning future apartment construction from the university community. Both written comments and comments during open hearings support the construction of apartments with more variance in configurations. Therefore, President Rutford is recommending consideration of Phase III of the apartment project. As the principals of Waterview Park, Ltd. have indicated that they are interested in constructing Phase III and will exercise their option under the current Ground Lease, President Rutford has recommended authorization to conduct negotiations with Waterview Park, Ltd.

The proposed project will add approximately 200 apartments ranging from small efficiency units to four-bedroom, two-bath units designed to accommodate the needs of younger graduate students. The exact number of each style of unit is not yet available.

Additional housing for students was listed in the Capital Improvement Plan submitted to U. T. System in Fall 1990 as the second priority in projects not requiring Permanent University Fund Bond Proceeds. U. T. Dallas has considered the possibility of building and operating the units but feels that construction and management of the facility by a private developer is the best way to proceed at this time. Therefore, U. T. Dallas seeks authority to conclude negotiations with Waterview Park, Ltd. to build and manage the facility pursuant to a long-term ground lease and an operating agreement. The negotiations and proposed amended ground lease will be coordinated with the Office of Academic Affairs, the Office of Business Affairs, and the Office of General Counsel. No contractual obligations will be incurred until proposed contract documents are recommended and presented to the Chairman of the U. T. Board of Regents for signature.

INDOOR SWIMMING POOL FACILITY

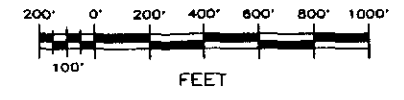


BUILDING NO. & NAMES

- |                                 |   |
|---------------------------------|---|
| 1. ADMINISTRATION BUILDING      | 49. BARRY HALL                              |
| 2. HOLIDAY HALL                 | 50. KELLY HALL                              |
| 3. GRAHAM HALL                  | 51. BELL HALL                               |
| 8. QUINN HALL                   | 57. CENTRAL ENERGY PLANT                    |
| 7. JACK C. VOWELL HALL          | 58. SUN BOWL STADIUM                        |
| 6. LIBERAL ARTS BUILDING        | 60. COMPUTER SCIENCE                        |
| 9. OLD MAIN                     | 61. PSYCHOLOGY                              |
| 11. SEAMON HALL                 | 70. DAY CARE CENTER                         |
| 14. KIDD MEMORIAL SEMIC LAB     | 71. CAMPUS POLICE STATION                   |
| 17. HERITAGE HOUSE              | 72. CAMPUS POLICE ADMIN./INFO. CENTER       |
| 18. COTTON MEMORIAL             | 73. CAMPUS POLICE OLD                       |
| 19. MAGOFFIN AUDITORIUM         | 74. OREGON STREET HOUSE #2                  |
| 20. MEMORIAL GYMNASIUM          | 80. FOX FINE ARTS CENTER                    |
| 21. CENTENNIAL MUSEUM           | 81. HANTHORN ST. HOUSE #2                   |
| 22. NORTH HODD FIELD STORAGE    | 83. OREGON ST. HOUSE #3                     |
| 23. BATH HOUSE-SWIMMING POOL    | 84. ROSS MOORE BUILDING                     |
| 24. THE UNION BLDG. EAST & WEST | 90. SPECIAL EVENTS CENTER                   |
| 25. ADMINISTRATION ANNEX        | 91. BRUMBLOW BUILDING                       |
| 28. WOMEN'S GYMNASIUM           | 96. NURSING COLLEGE                         |
| 28. BENEVOCT HALL               | 100. BIOLOGY                                |
| 29. BURGESS HALL                | 101. ENGINEERING                            |
| 30. HUOSPETH HALL               | 102. METALLURGY                             |
| 31A. UTEP VILLAGE APT. A        | 103. CLASSROOM COMPLEX                      |
| 31B. UTEP VILLAGE APT. B        | 104. ACADEMIC SERVICES BUILDING             |
| 31C. UTEP VILLAGE APT. C        | 105. UNIVERSITY TICKET CENTER               |
| 31D. UTEP VILLAGE APT. D        | 106. SATELLITE THERMAL ENERGY PLANT         |
| 31E. UTEP VILLAGE APT. E        | 108. FIELD HOUSE STORAGE                    |
| 31F. UTEP VILLAGE APT. F        | 109. COLLEGE OF BUSINESS ADMIN.             |
| 31G. UTEP VILLAGE APT. G        | 110. MILITARY SCIENCE BUILDING              |
| 31H. UTEP VILLAGE APT. H        | 111. CENTRAL LIBRARY                        |
| 32. MINERS HALL                 | 113A. PHYS. PLANT ADMIN. & SHOPS            |
| 33. MORRELL HALL                | 113B. CENTRAL RECEIVING/PURCH./OFFICE SUPP. |
| 34. CARL HERTZOG BUILDING       | 113C. PHYS. PLANT VEHICLE MAINT.            |
| 35. GEOLOGICAL SCIENCES         | 113D. PHYS. PLANT CUST. & GROUNDS           |
| 36. PHYSICAL SCIENCES BUILDING  | 113E. PHYS. PLANT WASTE STORAGE             |
| 39. LOCOMOTIVE SHELTER          | 113F. PHYS. PLANT WAREHOUSE                 |
| 40. HEALTH SERVICE              | 118. INTRAMURAL SPORTS FIELD                |
| 41. HOOKER HOUSE                | 117. INTRAMURAL FIELD                       |
| 43. HONORS HOUSE                | 118. LEECH GROVE                            |
| 47. EDUCATION BUILDING          | 119. MEMORIAL TRIANGLE                      |
| 48. UNIVERSITY COMMONS          | 120. CHARLIE DAVIS PARK                     |

LEGEND

- TRAFFIC CONTROL STATION
- CAMPUS BOUNDARIES
- PARKING LOT
- REMOTE PARKING



# The University of Texas at El Paso

U.T. SYSTEM (OFPC)  
JULY 12, 1993

6. U. T. El Paso - Classroom and Faculty Office Building; Request for Project Authorization; Appointment of Project Architect to Prepare Preliminary Plans; and Appropriation Therefor.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that the U. T. Board of Regents:

- a. Authorize a project for the construction of a Classroom and Faculty Office Building at U. T. El Paso at an estimated total project cost of \$15,000,000 to be funded from Tuition Revenue Bonds
- b. Appoint a Project Architect from the list set forth on Page FPCC - 11 to prepare preliminary plans, specifications and a cost estimate to be presented to the U. T. Board of Regents for consideration at a future meeting
- c. Appropriate \$300,000 from Unexpended Plant Funds for fees and administrative expenses through completion of preliminary plans. This appropriation will be reimbursed from Tuition Revenue Bond Proceeds when issued. This action satisfies the official intent requirement set forth in Section 1.103-18 of the Treasury Regulations.

This item requires the concurrence of the Academic Affairs Committee.

#### BACKGROUND INFORMATION

The recently concluded 73rd Session of the Texas Legislature authorized the financing of the Classroom and Faculty Office Building at U. T. El Paso through Tuition Revenue Bonds in the amount of \$15,000,000 as part of the South Texas/Border Initiative.

The project will provide general purpose classroom and faculty office space in a central campus location. The facility of approximately 125,000 gross square feet will contain primarily large, divisible, auditorium areas seating 100 to 300 students each. Major emphasis is to be placed on the provision of state-of-the-art multi-media, computerized instructional technologies in the classrooms.

The project is proposed in the FY 1994-1999 Capital Improvement Plan and Capital Budget to be funded by Tuition Revenue Bonds.

List of Firms for Consideration

<u>Project Architect</u>	<u>Representative Projects</u>
Alvidrez Associates Inc. El Paso, Texas	El Paso Community College: Northwest Center  El Paso High School: Library and Cafeteria  U. S. Department of Labor: D. L. Carrasco Job Corps Educational Center  Ysleta Independent School District: Desertaire Elementary School; Student Enterprise Center  County of El Paso: Office of the Medical Examiner and Forensic Laboratory
Fouts Gomez Architects El Paso, Texas	U. T. El Paso: Central Library; College of Business; Centennial Museum; Administration Building; Remodel Burges Hall  El Paso Community College: Transmountain Campus  U. S. Army: Senior NCO Academy  El Paso I.S.D.: Westside Middle School
Moore Nordell Kroeger El Paso, Texas	City of El Paso: Expansion and Renovation of El Paso Airport  U. S. Army: Sergeants Major Academy  Socorro I.S.D.: Montwood High School  El Paso County: E. H. Pena Juvenile Justice Center; Detention Facility

7. U. T. El Paso - Indoor Swimming Pool Facility: Request for Project Authorization; Appointment of Project Architect to Prepare Preliminary Plans; and Appropriation Therefor.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that the U. T. Board of Regents:

- a. Authorize a project for the construction of an Indoor Swimming Pool Facility at U. T. El Paso at an estimated total project cost of \$5,000,000 to be funded from \$4,500,000 in Revenue Financing System Bond Proceeds financed by Student Recreational Fees and \$500,000 from Unexpended Plant Funds
- b. Appoint a Project Architect from the list set forth on Page FPCC - 13 to prepare preliminary plans, specifications and a cost estimate to be presented to the U. T. Board of Regents for consideration at a future meeting
- c. Appropriate \$100,000 from Unexpended Plant Funds for fees and administrative expenses through completion of preliminary plans.

This item requires the concurrence of the Academic Affairs Committee.

#### BACKGROUND INFORMATION

This project will provide for the construction of a 50 meter Indoor Swimming Pool Facility at U. T. El Paso. It is envisioned that the building will contain appropriate support space for lockers, dressing rooms and showers and be designed for the pool area to be open to the outside during good weather. As funding permits, site work will include preparation for future recreational improvements such as outdoor tennis courts.

This project is proposed in the FY 1994-1999 Capital Improvement Plan at \$5,000,000 to be funded from \$4,500,000 in Revenue Financing System Bond Proceeds financed by Student Recreational Fees and \$500,000 from Unexpended Plant Funds.

List of Firms for Consideration

Project Architect

Moore Nordell Kroeger  
El Paso, Texas

Carroll Dusang and Rand,  
Inc., El Paso, Texas

Perspectiva  
El Paso, Texas

Representative Projects

City of El Paso: Expansion and  
Renovation of El Paso Airport

U. S. Army: Sergeants Major  
Academy

Socorro I.S.D.: Montwood High  
School

El Paso County: E. H. Pena  
Juvenile Justice Center;  
Detention Facility

U. T. El Paso:  
Engineering/Science Complex;  
Dormitory Complex; Remodel Old  
Library for Geology Department

City of El Paso: Two Swimming  
Pools

Providence Memorial Hospital:  
Two Tower Additions

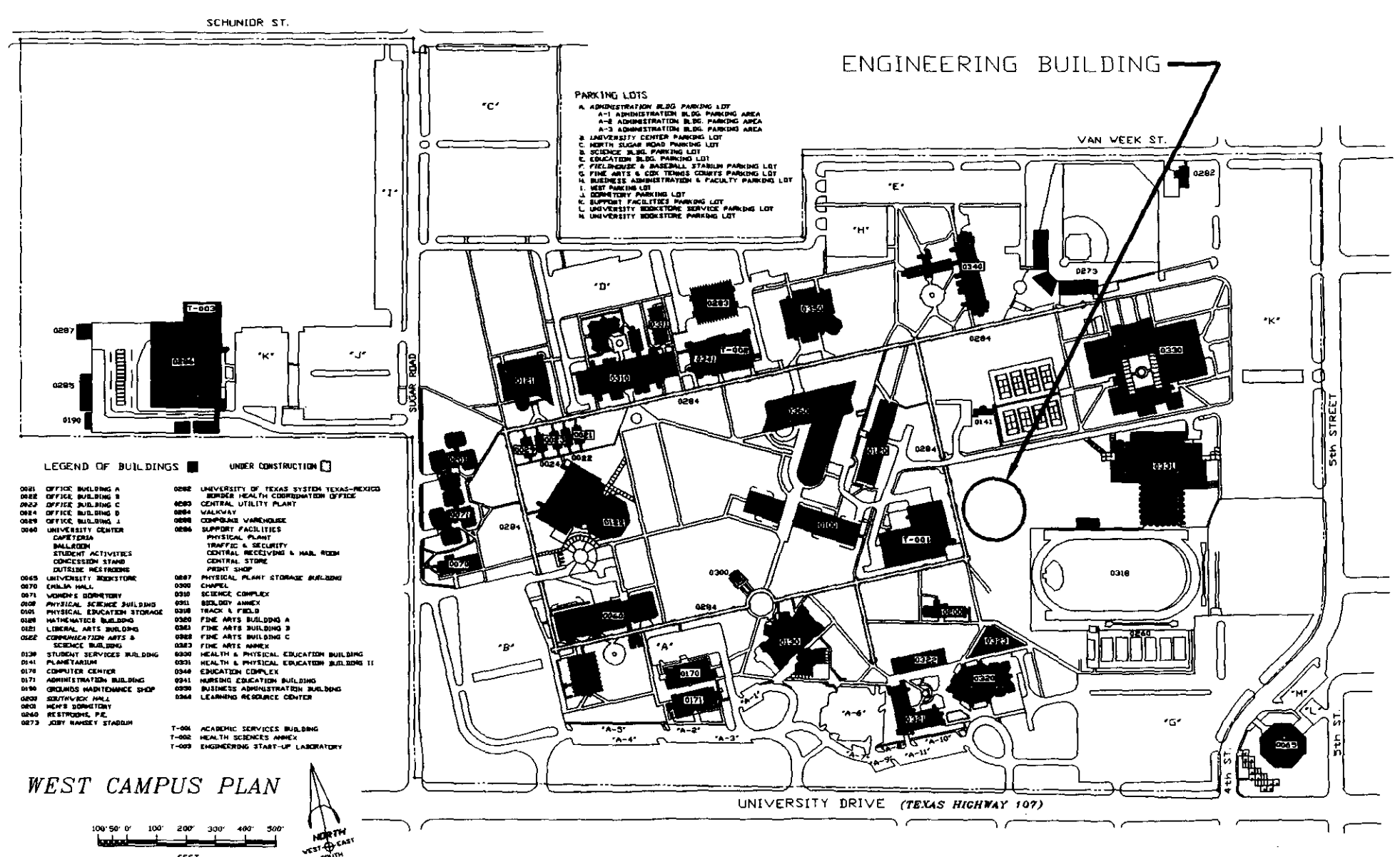
Hotel Dieu: Hospital and School  
of Nursing

City of El Paso: Plaza Theater  
Historic Restoration; Eastside  
Police Regional Command Center

Ysleta I.S.D.: Cadwallader  
Elementary School; Prado  
Elementary School

U. S. Embassy, Country Club and  
Hotel Projects in Central and  
South America

Note: All three firms listed above will use experienced  
swimming pool consultants of national repute.



SCHUNIOR ST.

ENGINEERING BUILDING

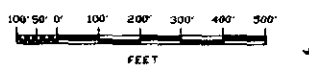
VAN WEEK ST.

- PARKING LOTS**
- A. ADMINISTRATION BLDG. PARKING LOT
  - A-1 ADMINISTRATION BLDG. PARKING AREA
  - A-2 ADMINISTRATION BLDG. PARKING AREA
  - A-3 ADMINISTRATION BLDG. PARKING AREA
  - B. UNIVERSITY CENTER PARKING LOT
  - C. NORTH SUGAR ROAD PARKING LOT
  - D. SCIENCE BLDG. PARKING LOT
  - E. EDUCATION BLDG. PARKING LOT
  - F. FIELDHOUSE & BASEBALL STADIUM PARKING LOT
  - G. FINE ARTS & COK TENNIS COMPLEX PARKING LOT
  - H. BUSINESS ADMINISTRATION & FACULTY PARKING LOT
  - I. WEST PARKING LOT
  - J. COMMUNITY PARKING LOT
  - K. SUPPORT FACILITIES PARKING LOT
  - L. UNIVERSITY BOOKSTORE SERVICE PARKING LOT
  - M. UNIVERSITY BOOKSTORE PARKING LOT

**LEGEND OF BUILDINGS** ■ UNDER CONSTRUCTION □

- |  |  |
|--|--|
| 0021 OFFICE BUILDING A                     | 0282 UNIVERSITY OF TEXAS SYSTEM TEXAS-MEXICO BORDER HEALTH COORDINATION OFFICE |
| 0022 OFFICE BUILDING B                     | 0283 CENTRAL UTILITY PLANT   |
| 0023 OFFICE BUILDING C                     | 0284 WALKWAY   |
| 0024 OFFICE BUILDING D                     | 0285 COMPILING WAREHOUSE   |
| 0025 OFFICE BUILDING J                     | 0286 SUPPORT FACILITIES  |
| 0060 UNIVERSITY CENTER                     | 0287 PHYSICAL PLANT  |
| 0065 UNIVERSITY BOOKSTORE                  | 0288 TRAFFIC & SECURITY  |
| 0070 MILWAUKEE HALL                        | 0289 CENTRAL RECEIVING & MAIL ROOM   |
| 0071 WOMEN'S BATHROOM                      | 0290 CENTRAL STORE   |
| 0090 PHYSICAL SCIENCE BUILDING             | 0291 PHYSICAL PLANT STORAGE BUILDING   |
| 0101 PHYSICAL EDUCATION STORAGE            | 0292 CHAPEL  |
| 0180 MATHEMATICS BUILDING                  | 0293 SCIENCE COMPLEX   |
| 0181 LIBERAL ARTS BUILDING                 | 0294 TRACK & FIELD   |
| 0182 COMMUNICATION ARTS & SCIENCE BUILDING | 0295 FINE ARTS BUILDING A  |
| 0130 STUDENT SERVICES BUILDING             | 0296 FINE ARTS BUILDING B  |
| 0141 PLANTARIUM                            | 0297 FINE ARTS BUILDING C  |
| 0170 COMPUTER CENTER                       | 0298 FINE ARTS ANNEX   |
| 0171 ADMINISTRATION BUILDING               | 0299 HEALTH & PHYSICAL EDUCATION BUILDING                                      |
| 0190 GROUNDS MAINTENANCE SHOP              | 0300 HEALTH & PHYSICAL EDUCATION BUILDING II                                   |
| 0200 SOUTHVIEW HALL                        | 0301 EDUCATION COMPLEX   |
| 0203 MEN'S BATHROOM                        | 0302 NURSING EDUCATION BUILDING  |
| 0240 RESTROOMS, P.E.                       | 0303 BUSINESS ADMINISTRATION BUILDING  |
| 0273 JOBY HANSEY STADIUM                   | 0304 LEARNING RESOURCE CENTER  |
|  | T-001 ACADEMIC SERVICES BUILDING   |
|  | T-002 HEALTH SCIENCES ANNEX  |
|  | T-003 ENGINEERING START-UP LABORATORY  |

WEST CAMPUS PLAN



UNIVERSITY DRIVE (TEXAS HIGHWAY 107)

# University of Texas - Pan American

U.T. SYSTEM (OPPC 2)  
JULY 12, 1993

8. U. T. Pan American - Engineering Building: Request for Project Authorization; Appointment of Project Architect to Prepare Preliminary Plans; and Appropriation Therefor.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Nevarez that the U. T. Board of Regents:

- a. Authorize a project for the construction of an Engineering Building at U. T. Pan American at an estimated total project cost of \$20,000,000 to be funded from Tuition Revenue Bonds
- b. Appoint a Project Architect from the list set forth on Page FPCC - 15 to prepare preliminary plans, specifications and a cost estimate to be presented to the U. T. Board of Regents for consideration at a future meeting
- c. Appropriate \$400,000 from Unexpended Plant Funds for fees and administrative expenses through completion of preliminary plans. This appropriation will be reimbursed from Tuition Revenue Bond Proceeds when issued. This action satisfies the official intent requirement set forth in Section 1.103-18 of the Treasury Regulations.

This item requires the concurrence of the Academic Affairs Committee.

#### BACKGROUND INFORMATION

In October 1991, authorization was granted by the U. T. Board of Regents to establish programs leading to Bachelor of Science degrees in Electrical Engineering, Mechanical Engineering, and Manufacturing Engineering and to create a Department of Engineering within the College of Arts and Sciences at U. T. Pan American. Final approval of these programs by the Texas Higher Education Coordinating Board occurred in April 1992.

The Texas Legislature made appropriations for the 1990-1991 biennium and the 1992-1993 biennium to facilitate initiation of these programs.

A small engineering start-up building was constructed in the physical plant area of the campus with local funds. In June 1992, the U. T. Board of Regents authorized preparation of a Project Analysis and Conceptual Design for an Engineering Building which was subsequently presented to the Board in February 1993 and endorsed for use in a fund raising campaign.



The recently concluded 73rd Session of the Texas Legislature authorized the financing of the U. T. Pan American Engineering Building through Tuition Revenue Bonds as part of the South Texas/Border Initiative. The \$20,000,000 project is proposed in the FY 1994 Capital Improvement Plan and Capital Budget to be funded by Tuition Revenue Bonds.

List of Firms for Consideration

<u>Project Architect</u>	<u>Representative Projects</u>
Kell Muñoz Wigodsky (formerly JonesKell Architects) San Antonio, Texas	U. T. San Antonio: Engineering/Biotechnology Building  U. T. Health Science Center - San Antonio: Institute of Biotechnology  Southwest Oncology Group: Cancer Therapy & Research Center, San Antonio  Texas A&M System: Corpus Christi State University Classroom/Laboratory Building  Texas A&M University: Medical Sciences Library; Veterinary Medicine Complex
Graeber, Simmons & Cowan Austin, Texas	U. T. Pan American: Academic Services Building; Allied Health Annex  U. T. Austin: Microelectronics and Engineering Research Building  Texas A&M University: Chemistry Building Renovation  Southwest Texas State University: New Science Building
Garza Bomberger & Associates San Antonio, Texas	U. T. Health Science Center - San Antonio: School of Nursing; Basic Science Building Fifth Level; Allied Health Labs  Texas State Aquarium Corpus Christi, Texas  Veterans Administration Medical Center, Waco, Texas  San Antonio Community College: Learning Center; Science Building; Nurses Training Center

9. U. T. San Antonio - Student Apartment Complex Project (Phase III) with Century Development, a Texas Limited Partnership, Houston, Texas, as Limited Partner and Owner of General Partnership Entity in University Oaks Housing Partnership III, Ltd., a Texas Limited Partnership, Houston, Texas: Recommendation for Authorization of Project, Approval to Conclude Negotiations on Proposed Amended Ground Lease and Related Necessary Documents, and Authorization to Execute Amended Ground Lease and Related Documents.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Kirkpatrick that the U. T. Board of Regents:

- a. Authorize initiation of Phase III of a student apartment complex project by a private developer on the U. T. San Antonio campus to consist of approximately 200 units on a tract of approximately 10 acres
- b. Authorize U. T. San Antonio, the Office of Academic Affairs, and the Office of General Counsel to conclude negotiations on a proposed Amended Ground Lease and related necessary documents with Century Development, a Texas Limited Partnership, Houston, Texas, as Limited Partner and Owner of General Partnership Entity in University Oaks Housing Partnership III, Ltd., a Texas Limited Partnership, Houston, Texas, as Lessee
- c. Authorize the Chairman of the U. T. Board of Regents to execute the proposed Amended Ground Lease and related documents in a form substantially similar to the Ground Lease with Century Development previously approved by the U. T. Board of Regents upon review and recommendation by the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the Office of General Counsel and upon the condition that all obligations of the Lessee shall have under the existing Ground Lease been satisfactorily performed.

This item requires the concurrence of the Academic Affairs Committee.

## BACKGROUND INFORMATION

Pursuant to action in December 1992, the U. T. Board of Regents approved construction of Phase II of a student apartment complex project by Century Development, Houston, Texas, on the U. T. San Antonio campus. Phase II is nearing completion and will be ready for occupancy on or before August 15, 1993. Phase II consists of 200 units on a 9.5895-acre tract leased to University Oaks Housing Partnership II, Ltd., a Texas limited partnership, Houston, Texas, comprised of Century Development as sole limited partner and University Oaks Housing Corporation, Houston, Texas, for a term of forty (40) years and complements Phase I which was completed and occupied in August 1992. Phase I also consists of 200 units and occupies a 9-acre tract. The complex is operated by Century Property Management Company pursuant to an Operating Agreement that terminates when the Ground Lease ends.

The project has been very successful and there is a growing demand for housing on or near the campus.

The original Ground Lease with University Oaks Housing Partnership I, Ltd. grants to the Lessee the right of first refusal for further private development of student apartments on the U. T. San Antonio campus. Therefore, President Kirkpatrick is recommending consideration of Phase III of the Apartment project. As the principals of Century Development have indicated that they are interested in constructing Phase III and will exercise their option under the original Ground Lease, President Kirkpatrick has recommended authorization to conduct negotiations with Century.

The proposed project will add approximately 200 apartments designed to accommodate the needs of students, faculty and staff. The exact number of each style of unit is as follows:

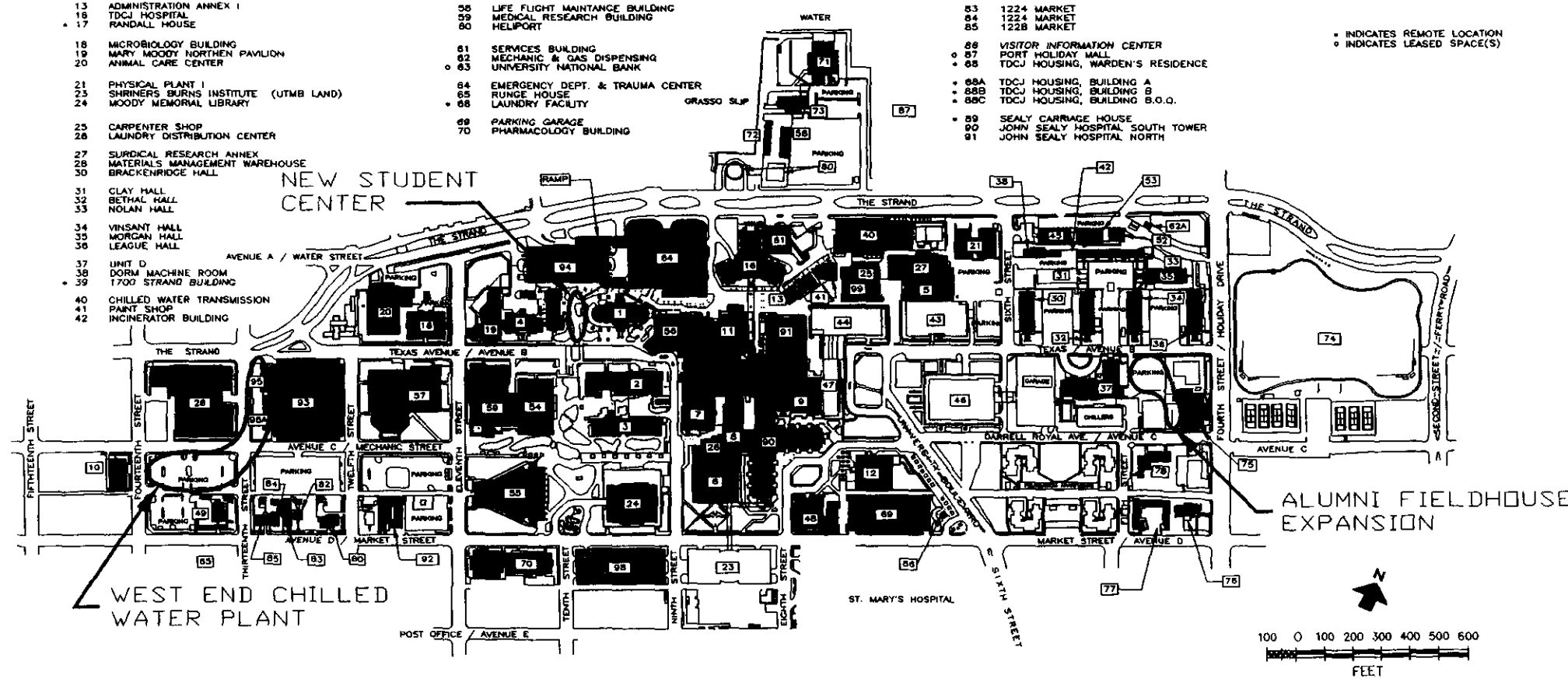
Efficiency Units	12
One bedroom/one bath units	16
Two bedroom/two bath units	132
Four bedroom/two bath units	40

Upon approval, the Capital Improvement Plan will be amended to add this project to the list of projects not requiring Permanent University Fund Bond Proceeds.

U. T. San Antonio has considered the possibility of building and operating the units, but feels that construction and management of Phase III of the facility by a private developer is the best way to proceed at this time. Therefore, U. T. San Antonio seeks authority to conclude negotiations with Century to build and manage Phase III pursuant to a long-term ground lease and an operating agreement. The negotiations and proposed amended ground lease will be coordinated with the Office of Academic Affairs, the Office of Business Affairs, and the Office of General Counsel. No contractual obligations will be incurred until proposed contract documents are recommended and presented to the Chairman for signature.

## BUILDING INDEX

- |   |                                      |                                       |  |
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| 1 ASHBEL SMITH BUILDING (aka "OLD RED") | 44 JENNIE SEALY HOSPITAL             | 71 MAURICE EWING HALL                 | * 92 CAMPUS VIEW CONDOMINIUMS            |
| 2 KELLER BUILDING                       | 45 MED. ENGINEERING MACH. SHOP       | 72 MARINE BIOMEDICAL INSTITUTE        | 93 PARKING GARAGE                        |
| 3 GAIL BORDEN BUILDING                  | 46 SEALY & SMITH PROFESSIONAL BLDG.  | 73 DOCKSIDE UTILITY BUILDING          | 94 STRAND PARKING GARAGE                 |
| 4 GRAVES HOSPITAL                       | 47 WAVERLY SMITH PAVILION            | 74 SEALY-SMITH FOUNDATION             | 95 CONSTRUCTION WAREHOUSE A              |
| 5 SURGICAL RESEARCH BUILDING            | 48 ADMINISTRATION ANNEX              | 75 ALUMNI FIELDHOUSE                  | 95A CONSTRUCTION WAREHOUSE B             |
| 6 CHILD HEALTH CENTER                   | 49 HENRY ROSENBERG HOME              | 76 PHI DELTA EPSILON                  | 95 PARKING GARAGE -- 10TH & MARKET       |
| 7 CLINICAL SCIENCES BUILDING            | 50 SHEARN MOODY PLAZA                | 77 NU SIGMA NU                        | * 99 PHYSICAL PLANT STOREROOM            |
| 8 OLD CHILDRENS HOSPITAL                | 53 LABOR BUILDING                    | 78 PHI RHO SIGMA                      | o *101 CORNERSTONE SHOPPING CENTER       |
| 9 JOHN SEALY HOSPITAL                   | 54 BASIC SCIENCE BUILDING            | * 79 ALPHA KAPPA KAPPA                | o *102 MUCKLERDY TRUST BUILDING          |
| 10 RONALD McDONALD HOUSE                | 55 WILLIAM C. LEVIN HALL             | 80 1202 MARKET                        | o *103 JEFFERSON COUNTY COURTHOUSE ANNEX |
| 11 JOHN W. McCULLOUGH                   | 56 AMBULATORY CARE CENTER            | * 81 SEALY CONFERENCE CENTER          |  |
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| 18 TDCJ HOSPITAL                        | 59 MEDICAL RESEARCH BUILDING         | 84 1224 MARKET                        |  |
| * 17 RANDALL HOUSE                      | 60 HELIPORT                          | 85 122B MARKET                        |  |
| 18 MICROBIOLOGY BUILDING                | 61 SERVICES BUILDING                 | 86 VISITOR INFORMATION CENTER         | * INDICATES REMOTE LOCATION              |
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| 20 ANIMAL CARE CENTER                   | o 63 UNIVERSITY NATIONAL BANK        | * 88 TDCJ HOUSING, WARDEN'S RESIDENCE |  |
| 21 PHYSICAL PLANT I                     | 64 EMERGENCY DEPT. & TRAUMA CENTER   | * 88A TDCJ HOUSING, BUILDING A        |  |
| 23 SHRINERS BURNS INSTITUTE (UTMB LAND) | 65 RUNGE HOUSE                       | * 88B TDCJ HOUSING, BUILDING B        |  |
| 24 WOODY MEMORIAL LIBRARY               | * 68 LAUNDRY FACILITY                | * 88C TDCJ HOUSING, BUILDING B.O.Q.   |  |
| 25 CARPENTER SHOP                       | 69 PARKING GARAGE                    | * 89 SEALY CARRIAGE HOUSE             |  |
| 26 LAUNDRY DISTRIBUTION CENTER          | 70 PHARMACOLOGY BUILDING             | 90 JOHN SEALY HOSPITAL SOUTH TOWER    |  |
| 27 SURGICAL RESEARCH ANNEX              |                                      | 91 JOHN SEALY HOSPITAL NORTH          |  |
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| 30 BRACKENRIDGE HALL                    |                                      |                                       |  |
| 31 CLAY HALL                            |                                      |                                       |  |
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| 36 LEAGUE HALL                          |                                      |                                       |  |
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| 38 DORM MACHINE ROOM                    |                                      |                                       |  |
| * 39 1700 STRAND BUILDING               |                                      |                                       |  |
| 40 CHILLED WATER TRANSMISSION           |                                      |                                       |  |
| 41 PAINT SHOP                           |                                      |                                       |  |
| 42 INCINERATOR BUILDING                 |                                      |                                       |  |



# The University of Texas Medical Branch at Galveston

U.T. SYSTEM (OFPC)  
JULY 12, 1993

10. U. T. Medical Branch - Galveston - Alumni Field House Expansion; Request for Project Authorization; Appointment of Project Architect to Prepare Final Plans; Submission of the Project to Coordinating Board; Advertisement for Bids; Executive Committee Award of Contracts; and Appropriation Therefor.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that the U. T. Board of Regents:

- a. Authorize a project for the construction of an Alumni Field House Expansion at the U. T. Medical Branch - Galveston at an estimated total project cost of \$3,000,000 to be funded from Auxiliary Enterprise Balances
- b. Appoint the firm of Oliver & Beerman, Architects, Inc., Galveston, Texas, as Project Architect with authorization to prepare final plans, specifications and a detailed cost estimate
- c. Authorize submission of the project to the Texas Higher Education Coordinating Board
- d. Upon completion of final review and approval of the Coordinating Board, authorize the Office of Facilities Planning and Construction to advertise for bids
- e. Authorize the Executive Committee to award all contracts associated with this project within the authorized total project cost
- f. Appropriate \$3,000,000 from Auxiliary Enterprise Balances for total project funding.

This item requires the concurrence of the Health Affairs Committee.

#### BACKGROUND INFORMATION

The existing Field House Facility, consisting of a one-story, 9,400 square foot building, was built in 1968. There is an adjacent open-air swimming pool which was built in 1979. The existing facilities have been well maintained, but they are over-utilized.

The proposed Alumni Field House Expansion project is for a two-story addition of about 8,000 square feet per floor for men's and women's locker rooms, steam and sauna rooms, small group meeting rooms, and public toilets. An adjacent one-story, approximately 9,200 square foot gymnasium is also planned. The gymnasium will be subdivided for the use of basketball and volleyball with fold down seating for approximately 120 spectators and a one-sixteenth mile running track on a mezzanine level. The existing Field House will remain in use until completion of the Field House Expansion and Gymnasium, at which time the existing interior will be renovated. The renovated interior will house the existing handball courts, new space for exercise equipment, aerobic activities, administration, and mechanical and electrical equipment.

The U. T. Medical Branch - Galveston recommends that the firm of Oliver & Beerman Architects, Inc., Galveston, Texas, be appointed as Project Architect. The firm is recommended because of its experience in foundation design unique to Galveston Island, knowledge of underground utility distribution systems on the site due to experience with adjacent nonuniversity properties and knowledge of the project as the architect for the last expansion of the building and consultation for design of the proposed project.

This project is proposed in the FY 1994-1999 Capital Improvement Plan and Capital Budget with funding in the amount of \$3,000,000 from Auxiliary Enterprise Balances.

11. U. T. Medical Branch - Galveston - New Student Center: Request for Project Authorization; Appointment of Project Architect to Prepare Preliminary Plans; Appropriation Therefor; and Recommendation to Waive the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.1 to Name the Building.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that the U. T. Board of Regents:

- a. Authorize a project for the construction of a New Student Center at the U. T. Medical Branch - Galveston at an estimated total project cost of \$2,850,000 to be funded from Gifts and Grants
- b. Appoint a Project Architect from the list set forth on Pages FPC 20 - 21 to prepare preliminary plans, specifications and a cost estimate to be presented to the U. T. Board of Regents for consideration at a future meeting
- c. Appropriate \$75,000 from Gifts and Grants for fees and administrative expenses through completion of preliminary plans

- d. Waive the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.1, requiring that persons to be honored with the naming of a building "shall have been deceased at least five years," and name the New Student Center at the U. T. Medical Branch - Galveston the "Lee Hage Jamail Student Center."

This item requires the concurrence of the Health Affairs Committee.

#### BACKGROUND INFORMATION

The proposed New Student Center will be a freestanding building designed to serve approximately 2,000 students at the U. T. Medical Branch - Galveston. The University Planning Committee determined the need for a New Student Center, identified the student services to be housed and the activities to be accommodated and designated the site. The New Student Center will include administrative offices for Campus Life, offices for student government and related service areas, student activities space, recreational and leisure reading facilities, meeting rooms, commons area, lobbies, telephones, post office, lockers, and food service facilities.

Funding for this project will be made available from private gifts and grants, the most significant of which is the \$2,000,000 gift from Mr. and Mrs. Joseph D. Jamail. Further, it is appropriate that the generosity of Mr. and Mrs. Jamail be recognized by having the Student Center named the "Lee Hage Jamail Student Center."

This project is proposed in the FY 1994-1999 Capital Improvement Plan and Capital Budget with funding in the amount of \$2,850,000 from Gifts and Grants.

#### List of Firms for Consideration

<u>Project Architect</u>	<u>Representative Projects</u>
The Mathes Group Houston, Texas	U. T. Medical Branch - Galveston: Sealy House Restoration; Runge House Restoration
	University of Houston: Music Building
	Baylor University: School of Music
	Loyola University: Student Union Addition

Project Architect

Morris Architects  
Houston, Texas

Budd Beets Harden Kolflat  
Houston, Texas

Representative Projects

U. T. M.D. Anderson Cancer  
Center: Rotary House  
International

Moody Foundation: Moody  
Gardens and Conference  
Center

University of Houston:  
West Houston Institute

University of West Florida:  
Library

U. T. Austin: Animal  
Resources Expansion

U. T. Medical Branch -  
Galveston: Brackenridge  
Hall Renovation

Victoria College:  
Student Center

University of Houston:  
Satellite Student Center

12. U. T. Medical Branch - Galveston - West End Chilled Water Plant: Request for Project Authorization; Appointment of Project Engineer to Prepare Final Plans; Submission of the Project to Coordinating Board; Advertisement for Bids; Executive Committee Award of Contracts; Appropriation Therefor; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate and Finding of Fact with Regard to Financial Capacity.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that the U. T. Board of Regents:

- a. Authorize a project for the construction of a West End Chilled Water Plant at U. T. Medical Branch - Galveston at an estimated total project cost of \$12,500,000 to be funded from Revenue Financing System Bond Proceeds
- b. Appoint the firm of Burns, DeLatta & McCoy, Inc., Houston, Texas, as Project Engineer, with authorization to prepare final plans, specifications and detailed cost estimates
- c. Authorize submission of the project to the Texas Higher Education Coordinating Board



- d. Upon completion of final review and approval of the Coordinating Board, authorize the Office of Facilities Planning and Construction to advertise for bids
- e. Authorize the Executive Committee to award all contracts associated with this project within the authorized total project cost
- f. Appropriate \$12,500,000 from Revenue Financing System Bond Proceeds for total project funding
- g. Prior to the sale of bonds, authorize an appropriation of \$750,000 from Unexpended Plant Funds for fees and administrative expenses through completion of final plans. This appropriation will be reimbursed from tax-exempt Revenue Financing System Bond Proceeds when issued. This notice of planned reimbursement is provided pursuant to the provisions of Section 1.103-18 of the U. S. Treasury Regulations.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President James that, in compliance with Section 5 of the Master Resolution Establishing The University of Texas System Revenue Financing System, approved by the U. T. Board of Regents in April 1990, amended October 12, 1990, and upon delivery of the Certificate of an Authorized Representative as set out on Page FPCC - 24, the U. T. Board of Regents resolve that:

- a. Parity Debt shall be issued to pay the project's cost including any project costs paid prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System
- c. U. T. Medical Branch - Galveston, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its Direct Obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the amount of \$12,500,000 for the construction of a West End Chilled Water Plant
- d. This resolution satisfies the official intent requirements set forth in Section 1.103-18 of the U. S. Treasury Regulations.

## BACKGROUND INFORMATION

With the construction of the Medical Research Building - Phase II now underway at the U. T. Medical Branch - Galveston, additional chilled water service for the west end of the campus is necessary. The existing distribution system on that part of the campus is also at its maximum capacity. The proposed West End Chilled Water Plant will provide for a building of approximately 8,000 square feet to house two 3,700 ton chillers, pumps, fans and cooling towers. The piping distribution system will also be expanded to accommodate this increased capacity. The estimated total project cost of \$12,500,000 is to be funded from Revenue Financing System Bond Proceeds.

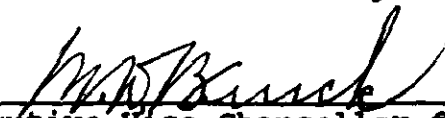
The firm of Burns, DeLatta & McCoy, Inc., Houston, Texas, has been involved in many facility engineering efforts on the U. T. Medical Branch - Galveston campus and has extensive knowledge regarding the utility infrastructure. This firm completed a recent analysis of the distribution system on the campus and is aware of the various restrictive site conditions that exist. In addition, this firm has recently completed engineering services for nearly identical plant facilities at other locations, allowing for some cost and time efficiencies to accrue to this project. For these reasons, the U. T. Medical Branch - Galveston administration is recommending the appointment of Burns, DeLatta & McCoy, Inc. as Project Engineer.

This project is proposed in the FY 1994-1999 Capital Improvement Plan and Capital Budget with funding in the amount of \$12,500,000 from Revenue Financing System Bond Proceeds.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Executive Vice Chancellor for Business Affairs of The University of Texas System, a U. T. System Representative under the Master Resolution Establishing The University of Texas System Revenue Financing System adopted by the Board on April 12, 1990 (the "Master Resolution"), do hereby execute this certificate for the benefit of the Board of Regents pursuant to Section 5(a)(ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" pursuant to the Master Resolution to finance the cost of the construction of a West End Chilled Water Plant at U. T. Medical Branch - Galveston, and do certify that to the best of my knowledge the Board of Regents is in compliance with all covenants contained in the Master Resolution, First Supplemental Resolution Establishing an Interim Financing Program, and the Second Supplemental Resolution, and is not in default of any of the terms, provisions and conditions in said Master Resolution, First Supplemental Resolution and Second Supplemental Resolution.

EXECUTED this 12 day of August, 1993

  
\_\_\_\_\_  
Executive Vice Chancellor for Business Affairs

**Asset  
Management Com.**

ASSET MANAGEMENT COMMITTEE  
Committee Chairman Cruikshank

**Date:** August 12, 1993  
**Time:** Following the meeting of the Facilities Planning  
and Construction Committee  
**Place:** Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

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I. PERMANENT UNIVERSITY FUND

INVESTMENT MATTER

Report on Clearance of Monies to the Permanent University Fund for May and June 1993 and Report on Oil and Gas Development as of June 30, 1993.--The following reports with respect to (a) certain monies cleared to the Permanent University Fund for May and June 1993 and (b) Oil and Gas Development as of June 30, 1993, are submitted by the Executive Vice Chancellor for Business Affairs:

	May 1993	June 1993	Cumulative Through June of this Fiscal Year (1992-1993)	Cumulative Through June of Preceding Fiscal Year (1991-1992)	Per Cent Change
Permanent University Fund					
Royalty					
Oil	\$3,757,817.84	\$4,086,071.57	\$40,616,990.81	\$39,958,945.38	1.65%
Gas	1,690,839.90	1,528,283.01	14,901,886.10	10,954,880.61	36.03%
Sulphur	0.00	0.00	0.00	(10,598.69)	--
Water	89,277.71	79,103.21	666,516.77	504,803.82	32.03%
Brine	2,462.46	3,922.44	50,107.53	44,817.00	11.80%
Trace Minerals	0.00	0.00	0.00	0.00	--
Rental					
Oil and Gas Lease	87,219.89	94,000.53	576,036.14	558,316.33	3.17%
Other	(1,152.00)	6,280.00	3,133.01	17,067.00	-81.64%
Sale of Sand, Gravel, Etc.	0.00	23,979.00	23,979.00	8,310.00	188.56%
Total University Lands Receipts Before Bonuses	5,626,465.80	5,821,639.76	56,838,649.36	52,036,541.45	9.23%
Bonuses					
Oil and Gas Lease Sales	0.00	2,670,314.05	2,740,201.75	1,932,665.52	41.78%
Amendments and Extensions to Mineral Leases	0.00	0.00	10.00	2,506.03	-99.60%
Total University Lands Receipts	5,626,465.80	8,491,953.81	59,578,861.11	53,971,713.00	10.39%
Gain or (Loss) on Sale of Securities	132,656,304.21	2,171,846.66	307,640,362.10	44,130,725.68	597.11%
<b>TOTAL CLEARANCES</b>	<b>\$138,282,770.01</b>	<b>\$10,663,800.47</b>	<b>\$367,219,223.21</b>	<b>\$98,102,438.68</b>	<b>274.32%</b>

Oil and Gas Development - June 30, 1993

Acreage Under Lease - 717,560

Number of Producing Acres - 523,143

Number of Producing Leases - 2,481

## II. TRUST AND SPECIAL FUNDS

### Gifts, Bequests and Estates

1. U. T. Arlington: Joan M. McCrea Scholarship - Recommendation to Accept Bequests from the Estate of James A. McCrea, Arlington, Texas.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Amacher that a bequest of the residue of the Estate of James A. McCrea, Arlington, Texas, comprised of cash, various securities, and book royalties totalling in excess of \$160,800, be accepted for addition to the Joan M. McCrea Scholarship at U. T. Arlington.

Additionally, it is recommended that a specific bequest of the contents of Mr. McCrea's personal library be accepted for addition to the U. T. Arlington Library.

#### BACKGROUND INFORMATION

The Joan M. McCrea Scholarship was established at the August 1984 meeting of the U. T. Board of Regents with gifts totalling in excess of \$10,000 from various donors. The Scholarship was established in memory of Mr. James A. McCrea's wife, Dr. Joan M. McCrea, a longtime faculty member of the Department of Economics at U. T. Arlington.

2. U. T. Austin: Recommendation to Accept Gifts and Transfer of Funds to Establish the ASE/EM Faculty Endowed Scholarship Fund in the College of Engineering.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$5,000 gift from Dr. Ching H. Yew, Austin, Texas, \$3,000 in gifts from various donors, and a \$2,000 transfer of previously reported gifts from unrestricted funds for a total of \$10,000 be accepted to establish the ASE/EM Faculty Endowed Scholarship Fund in the Department of Aerospace Engineering and Engineering Mechanics, College of Engineering, at U. T. Austin.

Income earned from the endowment will be used to support junior or senior aerospace engineering students who have at least 30 hours of course credit at U. T. Austin.

### BACKGROUND INFORMATION

This endowment is being funded by faculty members of the College of Engineering out of a genuine sense of commitment to increase the endowed undergraduate scholarships in the Department of Aerospace Engineering and Engineering Mechanics at U. T. Austin. Primary among the donors is Dr. Ching H. Yew, Austin, Texas, a highly esteemed professor in the Department of Aerospace Engineering and Engineering Mechanics.

3. U. T. Austin: Recommendation to Accept Gift and Pledge to Establish the Barrow Periodical Fund in the College of Natural Sciences.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$25,000 gift and a \$25,000 pledge, payable by August 31, 1995, from Dr. Thomas D. Barrow, Houston, Texas, and Mrs. L. T. Barrow, Houston, Texas, for a total of \$50,000 be accepted to establish an endowment in the Department of Geological Sciences, College of Natural Sciences, at U. T. Austin to be named the Barrow Periodical Fund.

Income earned from the endowment will be used for the purchase of periodicals for the Joseph C. and Elizabeth Walter, Jr. Geology Library.

### BACKGROUND INFORMATION

Dr. Thomas D. Barrow, Houston, Texas, received his B.S.P.E. in 1945 and his M.A. in Geological Sciences in 1948 from U. T. Austin. His mother, Mrs. L. T. Barrow, Houston, Texas, received her B.A. in Geological Sciences from U. T. Austin in 1923. They are both members of the Littlefield Society and Life Members of The President's Associates. Their contribution is being given in response to a challenge from Mr. Joseph C. Walter, Jr. for U. T. Austin to obtain additional endowment gifts benefiting the Geology Library.

4. U. T. Austin: Terrell Blodgett Endowment for Government Services in Urban Management and Finance in the Lyndon B. Johnson School of Public Affairs - Recommendation to Accept Estate Distributions.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that distributions totaling \$37,961 from Mr. Terrell Blodgett, Executor of the Estate of William S. Blodgett, Austin, Texas, be accepted for addition to the Terrell Blodgett Endowment for Government Services in Urban Management and Finance in the Lyndon B. Johnson School of Public Affairs at U. T. Austin.

## BACKGROUND INFORMATION

The Terrell Blodgett Endowment for Government Services in Urban Management and Finance was established at the June 1983 meeting of the U. T. Board of Regents with gifts totaling \$26,658.68 from various donors. Mr. William S. Blodgett left a portion of his estate to "charity" to be distributed at the discretion of his brother and executor, Mr. Terrell Blodgett, Austin, Texas. Mr. Terrell Blodgett is the Mike Hogg Professor of Urban Management in the Lyndon B. Johnson School of Public Affairs at U. T. Austin.

5. U. T. Austin: Recommendation to Accept Gift and Accumulated Earnings to Establish the Norman Campbell Endowed Presidential Scholarship in Advertising in the College of Communication and Eligibility for Matching Funds Under The Brackenridge Matching Program #2.--

## RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a gift of common stock valued at \$25,500 from Mr. Norman W. Campbell, Dallas, Texas, and accumulated earnings of \$497.81 for a total of \$25,997.81 be accepted to establish the Norman Campbell Endowed Presidential Scholarship in Advertising in the Department of Advertising, College of Communication, at U. T. Austin.

It is further recommended that matching funds in the amount of \$12,750 be allocated under The Brackenridge Matching Program #2 to increase the endowment to a total of \$38,747.81.

Income earned from the endowment will be used to provide scholarship support to students in the Department of Advertising.

## BACKGROUND INFORMATION

In September 1992, Mr. Norman W. Campbell, Dallas, Texas, gave 1,000 shares of Omnicom Group, Inc. common stock valued at \$35,500 to U. T. Austin pending a designation of use. He later requested that \$10,000 of his gift be used to help create the Tracy-Locke/Morris Hite Endowed Presidential Scholarship Fund for Advertising Studies which was established at the June 1993 meeting of the U. T. Board of Regents. Mr. Campbell has now requested that his remaining gift, and accumulated earnings from the original contribution, be used to create the Norman Campbell Endowed Presidential Scholarship in Advertising.

Mr. Campbell is the Director of Tracy-Locke, Inc., Dallas, Texas. He received his B.J. in 1955 from U. T. Austin. He is a member of the Littlefield Society.



6. U. T. Austin: G. B. Dealey Regents Professorship in Communication in the College of Communication - Recommendation to Redesignate as the G. B. Dealey Regents Professorship in Journalism and to Amend Income Use.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that the G. B. Dealey Regents Professorship in Communication in the College of Communication at U. T. Austin be redesignated as the G. B. Dealey Regents Professorship in Journalism.

It is further recommended that the income use for the endowment be amended to support a professorship in the Department of Journalism.

This recommendation is being made in accordance with a request from the A. H. Belo Corporation, Dallas, Texas, representing the donors to the endowment, and has been reviewed and approved by the U. T. System Office of General Counsel.

#### BACKGROUND INFORMATION

The G. B. Dealey Regents Professorship in Communication was established at the August 1984 meeting of the U. T. Board of Regents with a \$100,000 pledge from Mr. James M. Moroney, Jr., Dallas, Texas. This endowment was established in memory of Mr. George B. Dealey, former Manager of The Dallas Morning News and President of its parent company, the A. H. Belo Corporation, Dallas, Texas. Mr. Dealey had a long and distinguished career in the field of journalism and was known as the "Dean of American Journalism" at the time of his death in 1946.

7. U. T. Austin: Recommendation to Accept Gift and Transfer of Funds to Establish the E. W. Doty Endowed Presidential Scholarship in Music in the College of Fine Arts.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$25,000 gift from the I. D. and Marguerite Fairchild Foundation, Lufkin, Texas, and a \$12,500 transfer of President's designated funds for a total of \$37,500 be accepted to establish the E. W. Doty Endowed Presidential Scholarship in Music in the Department of Music, College of Fine Arts, at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support to students in the Department of Music.

### BACKGROUND INFORMATION

The I. D. and Marguerite Fairchild Foundation, Lufkin, Texas, is funding this endowment in honor of Professor Emeritus E. William Doty. Dr. Doty, the first Dean of the College of Fine Arts, served as Chairman and Professor of the Department of Music for many years, in addition to being Dean of the College of Fine Arts from 1938 until his retirement in 1976.

8. U. T. Austin: Recommendation to Accept Grant to Establish the Endowed Curatorship of Prints and Drawings in the College of Fine Arts.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$25,000 grant from the Susan Vaughan Foundation, Inc., Houston, Texas, be accepted to establish the Endowed Curatorship of Prints and Drawings for the Archer M. Huntington Art Gallery in the College of Fine Arts at U. T. Austin.

Income earned from the endowment will be used to augment the salary and activities of the Curator of Prints and Drawings at the Archer M. Huntington Art Gallery.

### BACKGROUND INFORMATION

The Archer M. Huntington Art Gallery is the fine arts teaching museum of U. T. Austin with over 10,000 objects in the permanent collection and a full-time staff of 24. Established in 1963 as a unit of the College of Fine Arts, the Gallery is one of the five top art museums in the State of Texas and among the top ten university museums in the nation. Curators are a vital part of any museum and are especially integral to a fine arts teaching museum of the caliber of the Huntington Art Gallery.

9. U. T. Austin: Recommendation to Accept Gifts and a Pledge to Establish the Helen Farabee Memorial Endowed Presidential Scholarship in the School of Social Work and Eligibility for Matching Funds Under The Brackenridge Matching Program #2.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that \$29,000 in gifts and a \$1,000 pledge, payable by August 31, 1995, from various donors for a total of \$30,000 be accepted to establish the Helen Farabee Memorial Endowed Presidential Scholarship in the School of Social Work at U. T. Austin.

It is further recommended that matching funds in the amount of \$15,000 be reserved under The Brackenridge Matching Program #2 to be allocated proportionately as gifts are received to increase the endowment to a total of \$45,000.

Income earned from the endowment will be used to fund scholarship awards for students in the School of Social Work.

#### BACKGROUND INFORMATION

This endowment is being funded in memory of Mrs. Helen Farabee. Primary among the donors are the Shield Ayres Foundation, San Antonio, Texas, and an anonymous donor, each of whose gift was \$10,000, and Mr. Ray Farabee, Austin, Texas, U. T. System Vice Chancellor and General Counsel, who gave \$5,000.

Mrs. Farabee, a former Assistant Dean of Women at U. T. Austin, devoted her life to improvement of health and human services in Texas and the nation. Her numerous volunteer positions included serving as Chair of the Special Senate Committee on Delivery of Human Services in Texas from 1978 to 1981. Mrs. Farabee's many awards were capped by induction into the Texas Women's Hall of Fame in 1985.

10. U. T. Austin: Recommendation to Accept Gift and Transfer of Funds to Establish the Happy Feller Endowed Scholarship in the Department of Intercollegiate Athletics for Men.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$25,000 gift from Mr. James Patrick "Happy" Feller, Austin, Texas, and a \$12,500 transfer of Second Century Fund matching funds for a total of \$37,500 be accepted to establish the Happy Feller Endowed Scholarship in the Department of Intercollegiate Athletics for Men at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support to student athletes in the men's athletics program.

#### BACKGROUND INFORMATION

Mr. James Patrick "Happy" Feller, Austin, Texas, a former football player at U. T. Austin and a member of the 1969 National Championship Team, received his B.J. in Advertising from U. T. Austin in 1972. He has been a valued supporter of the men's athletics program over the years.

The Departments of Intercollegiate Athletics for Women and Intercollegiate Athletics for Men have jointly initiated a \$10,000,000 scholarship fund raising effort known as The Second Century Fund which was authorized at the April 1993

meeting of the U. T. Board of Regents. Within The Second Century Fund, the Departments have adopted a program to match private gifts designated for student support endowments. Matching funds are being generated from gifts and other unrestricted funds available to the Departments.

11. U. T. Austin: Recommendation to Accept Gift, Pledge, and Transfer of Funds to Establish the Fondren Endowed Scholarship in Music in the College of Fine Arts.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$15,000 gift and a \$15,000 pledge, payable by June 30, 1994, from The Fondren Foundation, Houston, Texas, and a \$15,000 transfer of President's designated funds for a total of \$45,000 be accepted to establish the Fondren Endowed Scholarship in Music in the Department of Music, College of Fine Arts, at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support to orchestra students in the Department of Music.

#### BACKGROUND INFORMATION

The Fondren Foundation has been a valued supporter of U. T. Austin since 1975, having funded four other endowments in various departments. The Foundation is a member of the Littlefield Society.

12. U. T. Austin: Julius Glickman Research Chair in Legal and Professional Ethics in the School of Law - Recommendation to Redesignate as the Julius Glickman Research Chair in Business and Professional Ethics.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that the Julius Glickman Research Chair in Legal and Professional Ethics in the School of Law at U. T. Austin, held and administered by The University of Texas Law School Foundation (an external foundation), be redesignated as the Julius Glickman Research Chair in Business and Professional Ethics.

This recommendation is being made in accordance with the donor's request.

### BACKGROUND INFORMATION

The Julius Glickman Research Chair in Legal and Professional Ethics was established at the April 1993 meeting of the U. T. Board of Regents. The endowment was funded with \$250,000 from Mr. Julius Glickman and \$250,000 from Mr. Jimmy Janacek, both of Houston, Texas. Mr. Glickman received his B.A. in 1962 and his LL.B. in 1966 from U. T. Austin.

13. U. T. Austin: Recommendation to Accept Gift to Establish the Lucille and Lester Harrell Endowed Scholarship in the Department of Intercollegiate Athletics for Women.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$10,000 gift from Dr. and Mrs. Lester (Lucille) Harrell, Austin, Texas, be accepted to establish the Lucille and Lester Harrell Endowed Scholarship in the Department of Intercollegiate Athletics for Women at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support to student athletes who participate in the women's basketball program, or if none is available, to a student athlete participating in the women's volleyball program.

### BACKGROUND INFORMATION

Dr. Lester Harrell, Austin, Texas, received his M.A. in Psychology from U. T. Austin in 1947. Dr. Harrell is a Life Member of The Ex-Students' Association. His wife, Lucille, is currently employed in the Bureau of Economic Geology at U. T. Austin. They have been valued supporters of the women's athletics department over the years.

14. U. T. Austin: Recommendation to Accept Gift to Establish the Head Golf Coach Endowment in the Department of Intercollegiate Athletics for Men.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$10,000 gift from Mr. and Mrs. John D. (Jerry) Crawford, Dallas, Texas, be accepted to establish the Head Golf Coach Endowment in the Department of Intercollegiate Athletics for Men at U. T. Austin.

Income earned from the endowment will be used to supplement the salary of the head golf coach.

### BACKGROUND INFORMATION

Mr. John D. Crawford, Dallas, Texas, is an attorney who received his B.B.A. from U. T. Austin in 1953. He and his wife, Jerry, have been avid supporters of the Department of Intercollegiate Athletics for Men at U. T. Austin for many years and are members of the Littlefield Society.

15. U. T. Austin: Recommendation to Accept Gifts and Pledges to Establish the Head Swim Coach Endowment in the Department of Intercollegiate Athletics for Men.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that \$105,500.20 in gifts and \$8,900 in pledges, payable by August 31, 1995, from various donors for a total of \$114,400.20 be accepted to establish the Head Swim Coach Endowment in the Department of Intercollegiate Athletics for Men at U. T. Austin.

Income earned from the endowment will be used to supplement the salary of the Head Swim Coach in the Department of Intercollegiate Athletics for Men.

### BACKGROUND INFORMATION

One of the key factors in the success of an athletics program is its ability to attract and retain outstanding coaches and staff. Privately funded endowments play an essential role in providing the financial resources necessary to compete with other institutions across the nation. The Department of Intercollegiate Athletics for Men hopes to secure additional gifts and pledges to reach a total endowment of \$250,000.

16. U. T. Austin: Isabell Herzstein Endowed Scholarship in Painting in the College of Fine Arts - Recommendation to Accept Additional Gift and Redesignate as the Isabell Smith Herzstein Endowed Presidential Scholarship in Art and to Amend Scholarship Guidelines.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$15,000 gift from Mr. and Mrs. Max (Isabell) Herzstein, Houston, Texas, and a \$7,500 transfer of President's designated funds for a total of \$22,500 be accepted for addition to the Isabell Herzstein Endowed Scholarship in Painting in the Department of Art and Art History, College of Fine Arts, at U. T. Austin for a total endowment of \$32,562.50 and that the Scholarship be redesignated as the Isabell Smith Herzstein Endowed Presidential Scholarship in Art.

It is further recommended that the guidelines be amended to include all areas of study within the Department of Art and Art History.

This recommendation is being made in accordance with the donor's request and has been reviewed by the U. T. System Office of General Counsel.

#### BACKGROUND INFORMATION

The Isabell Herzstein Endowed Scholarship in Painting was established at the October 1984 meeting of the U. T. Board of Regents with a gift of \$10,062.50 from Mr. and Mrs. Max (Isabell) Herzstein, Houston, Texas. Mr. and Mrs. Herzstein are members of The Chancellor's Council.

17. U. T. Austin: Recommendation to Accept Gifts to Establish the Larry A. Holmes Endowed Scholarship in Chemical Engineering in the College of Engineering.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that \$11,994 in gifts from various donors be accepted to establish the Larry A. Holmes Endowed Scholarship in Chemical Engineering in the Department of Chemical Engineering, College of Engineering, at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support for undergraduate students with a 3.0 or above grade point average in the Department of Chemical Engineering.

#### BACKGROUND INFORMATION

This endowment is being funded in memory of Dr. Larry A. Holmes with contributions from family, friends, alumni, and through corporate matching programs. Dr. Holmes received his B.S.Ch.E. from U. T. Austin in 1963. Included among the donors is Dr. Holmes' widow, Mrs. Bonnie T. Holmes, Fort Worth, Texas.

18. U. T. Austin: Recommendation to Accept Gift to Establish the Larry Holmes · South Texas Section, Society of Plastics Engineers Endowed Presidential Scholarship in Chemical Engineering in the College of Engineering and Eligibility for Matching Funds Under The Brackenridge Matching Program #2.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$25,000 gift from the South Texas Section of the Society of Plastics Engineers, Inc., Houston, Texas, be accepted to establish the Larry Holmes · South Texas Section, Society of Plastics Engineers Endowed Presidential Scholarship in Chemical Engineering in the Department of Chemical Engineering, College of Engineering, at U. T. Austin.

It is further recommended that matching funds in the amount of \$12,500 be allocated under The Brackenridge Matching Program #2 to increase the endowment to a total of \$37,500.

Income earned from the endowment will be used to provide scholarship support for graduate students focusing on polymer engineering in the Department of Chemical Engineering.

#### BACKGROUND INFORMATION

This endowment is being funded by the South Texas Section of the Society of Plastics Engineers, Inc., Houston, Texas, in memory of Dr. Larry A. Holmes who received his B.S.Ch.E. from U. T. Austin in 1963.

19. U. T. Austin: Recommendation to Accept Gifts to Establish the Frederick J. Hunter Endowed Scholarship in History and Criticism in the College of Fine Arts.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that an \$8,000 gift from Dr. Oscar G. Brockett, Austin, Texas, and \$2,000 in gifts from various donors for a total of \$10,000 be accepted to establish the Frederick J. Hunter Endowed Scholarship in History and Criticism in the Department of Theatre and Dance, College of Fine Arts, at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support to graduate students in the Department of Theatre and Dance who are concentrating their studies in history and criticism.



### BACKGROUND INFORMATION

This endowment is being funded in honor of Dr. Frederick J. Hunter, Austin, Texas, Professor Emeritus in the Department of Theatre and Dance, who came to U. T. Austin in 1957 and served in many capacities until his retirement in 1987. He served as a professor in the Department of Drama, as acting chairman from 1976 to 1978, and curator of the Hoblitzelle Theatre Arts Library at U. T. Austin from 1960 to 1971. Dr. Hunter is listed in Who's Who in American Theatre and in the Directory of American Scholars.

Dr. Oscar G. Brockett, Austin, Texas, holder of the Z. T. Scott Family Chair in Drama in the Department of Theatre and Dance at U. T. Austin, has served as Director, Center for Dramatic and Performance Studies, Department of Theatre and Dance, at U. T. Austin since 1989.

20. U. T. Austin: Recommendation to Accept Gifts to Establish the IC<sup>2</sup> Institute Eugene B. Konecchi Endowed Internship for the IC<sup>2</sup> Institute.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$25,000 gift from Dr. and Mrs. George Kozmetsky, Austin, Texas, and family and a \$25,000 gift from The RGK Foundation, Austin, Texas, for a total of \$50,000 be accepted to establish the IC<sup>2</sup> Institute Eugene B. Konecchi Endowed Internship for the IC<sup>2</sup> Institute at U. T. Austin.

Income earned from the endowment will be used to provide experiential learning to graduate students in the Colleges of Business Administration, Engineering, Communication, Liberal Arts, and Natural Sciences, as well as the Lyndon B. Johnson School of Public Affairs, in the commercialization of science and technology and in technology management and entrepreneurship.

### BACKGROUND INFORMATION

Dr. and Mrs. George Kozmetsky, Austin, Texas, and family and The RGK Foundation, Austin, Texas, are funding this endowment in memory of Professor Eugene Konecchi, a founding faculty member of the IC<sup>2</sup> Institute and one of its first Endowed Fellows. Dr. and Mrs. Kozmetsky are members of The Chancellor's Council, The President's Associates, and the Littlefield Society.

21. U. T. Austin: Recommendation to Accept Gifts, Pledges, and Corporate Matching Funds Pledges to Establish the Robert C. Jeffrey Endowed Presidential Scholarship in Communication in the College of Communication.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that \$16,000 in gifts and \$7,400 in pledges, payable by August 31, 1995, from various donors and \$7,600 in corporate matching funds pledges from various corporations for a total of \$31,000 be accepted to establish the Robert C. Jeffrey Endowed Presidential Scholarship in Communication in the College of Communication at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support to students in the College of Communication.

#### BACKGROUND INFORMATION

This endowment honors Dr. Robert C. Jeffrey, Austin, Texas, Dean of the College of Communication, who will retire later this year. Dean Jeffrey joined the faculty of U. T. Austin in 1968 and served as Chairman of the Department of Speech Communication from 1968 to 1979, when he assumed the responsibilities of Dean of the College of Communication. Since becoming Dean, Dr. Jeffrey has presided over a growth in student enrollment and increased quality in the degree programs in the College. He has built the endowment for the College of Communication from \$386,000 to almost \$14 million. He is the holder of the Walter Cronkite Regents Chair in Communication and the Allan Shivers Centennial Chair in Communication.

22. U. T. Austin: Recommendation to Establish Two Endowments in the School of Law.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that two endowments in the School of Law at U. T. Austin be established as set out below. The funds for the endowments will be held and administered by The University of Texas Law School Foundation (an external foundation) in accordance with the Regents' Rules and Regulations.

ENDOWMENT:	Richard E. Gray, Jr. Endowed Presidential Scholarship in Law
Donor:	The Thompson & Knight Foundation, Dallas, Texas
Pledge Amount:	\$25,000
Law School Fdn.	
Matching:	\$25,000
Total Endowment:	\$50,000

<b>ENDOWMENT:</b>	Richard W. Yarborough Native American Endowed Presidential Scholarship in Law
Donor:	Various
Gift Amount:	\$70,196.63
Law School Fdn.	
Matching:	\$ 3,000
Total Endowment:	\$73,196.63

Income earned from the endowments will be used for scholarship support to students in the School of Law.

#### BACKGROUND INFORMATION

The Thompson & Knight Foundation, Dallas, Texas, and various donors are funding these endowments in memory of Mr. Richard E. Gray, Jr. and Mr. Richard W. Yarborough, respectively. Mr. Gray received his LL.B. from U. T. Austin in 1949. Mr. Yarborough, the only son of Senator Ralph W. Yarborough, Austin, Texas, received his B.A. in 1953 and his LL.B. in 1955 from U. T. Austin.

23. U. T. Austin: Oscar and Anne Mauzy Regents Professorship for Educational Research and Development in the College of Education - Recommendation to Transfer Previously Approved Matching Obligation Under The Regents' Endowed Teachers and Scholars Program and to Allocate Matching Funds Under The Brackenridge Matching Program #2.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$69,630.34 previously approved matching funds obligation, which was based on sales proceeds and which has not yet been vouchered, under The Regents' Endowed Teachers and Scholars Program for the Oscar and Anne Mauzy Regents Professorship for Educational Research and Development in the College of Education at U. T. Austin be transferred to and allocated under The Brackenridge Matching Program #2.

It is further recommended that additional matching funds in the amount of \$16,313.50, based on rental proceeds totaling \$32,627, be allocated under The Brackenridge Matching Program #2 to increase the endowment to a total of \$333,743.44.

#### BACKGROUND INFORMATION

At the August 1989 meeting, the U. T. Board of Regents accepted a gift of real property located in Austin, Texas, valued at \$250,000 from Judge and Mrs. Oscar H. Mauzy, Austin, Texas. Proceeds from the rental or sale of the property were dedicated to the establishment of the Oscar and Anne Mauzy Regents Professorship for Educational Research and Development in the College of Education at U. T. Austin. Approval was

given to allocate matching funds under The Regents' Endowed Teachers and Scholars Program based on proceeds from the sale of the property, to a maximum of \$250,000, for addition to the Professorship.

The property was sold on February 9, 1993. Proceeds credited to the endowment include rental proceeds of \$32,627 and gross sales proceeds of \$191,000 (which includes a \$111,000 mortgage amortized through February 2000) for a total endowment of \$223,627.

This endowment was funded with more than the minimum required, and enhanced with matching funds in order to provide not only salary supplementation for the holder but also to support much needed educational research, development, and school-related programs within the College. In order to maximize the original gift, it is requested that the basis for allocating matching funds be expanded to include the rental proceeds currently held in the endowment. The total endowment value of \$223,627 would then qualify for \$111,813.50 in matching funds, less \$25,869.66 in matching funds already allocated, leaving a matching funds balance due of \$85,943.84. As this balance will be added to the endowment when mortgage payments are received, and for ease of managing the matching funds over that span of time, it is recommended that the remaining matching obligation be transferred to The Brackenridge Matching Program #2.

24. U. T. Austin: Music Endowment Fund in the College of Fine Arts - Recommendation to Accept Bequest from the Estate of Emma Sue Bennett, Gladewater, Texas.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a bequest of five percent of the residue of the Estate of Emma Sue Bennett, Gladewater, Texas, valued at \$2,480 be accepted for addition to the Music Endowment Fund in the Department of Music, College of Fine Arts, at U. T. Austin for a total endowment of \$60,578.03.

#### BACKGROUND INFORMATION

The Music Endowment Fund was established at the February 1983 meeting of the U. T. Board of Regents as a scholarship fund for students in the Department of Music at U. T. Austin. Ms. Emma Sue Bennett, Gladewater, Texas, received her B.A. in 1934 and her M.A. in 1940 in English from U. T. Austin.

25. U. T. Austin: Recommendation to Accept Gift and Transfer of Funds to Establish the Robert L. Myer Endowed Scholarship in the Department of Intercollegiate Athletics for Men.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$25,000 gift from Mr. Robert L. Myer, Austin, Texas, and a \$12,500 transfer of Second Century Fund matching funds for a total of \$37,500 be accepted to establish the Robert L. Myer Endowed Scholarship in the Department of Intercollegiate Athletics for Men at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support to student athletes in the men's athletics program.

BACKGROUND INFORMATION

Mr. Robert L. Myer, Austin, Texas, is a member of the Longhorn Foundation and has been a valued supporter of the men's athletics department for many years.

The Departments of Intercollegiate Athletics for Women and Intercollegiate Athletics for Men have jointly initiated a \$10,000,000 scholarship fund raising effort known as The Second Century Fund which was authorized at the April 1993 meeting of the U. T. Board of Regents. Within The Second Century Fund, the Departments have adopted a program to match private gifts designated for student support endowments. Matching funds are being generated from gifts and other unrestricted funds available to the Departments.

26. U. T. Austin: Recommendation to Accept Gift and Transfer of Funds to Establish the Robert Parker Endowed Scholarship in the Department of Intercollegiate Athletics for Men (NO PUBLICITY).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$50,000 gift from an anonymous donor and a \$25,000 transfer of Second Century Fund matching funds for a total of \$75,000 be accepted to establish the Robert Parker Endowed Scholarship in the Department of Intercollegiate Athletics for Men at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support to student athletes in the men's athletic program.

## BACKGROUND INFORMATION

The donor wishes to remain anonymous.

The Departments of Intercollegiate Athletics for Women and Intercollegiate Athletics for Men have jointly initiated a \$10,000,000 scholarship fund raising effort known as The Second Century Fund which was authorized at the April 1993 meeting of the U. T. Board of Regents. Within The Second Century Fund, the Departments have adopted a program to match private gifts designated for student support endowments. Matching funds are being generated from gifts and other unrestricted funds available to the Departments.

### NO PUBLICITY

27. U. T. Austin: Recommendation to Accept Gifts and Pledges to Establish the Social Work Foundation Advisory Council Endowed Presidential Scholarship in the School of Social Work and Eligibility for Matching Funds Under The Brackenridge Matching Program #2.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that \$11,900 in gifts and \$19,000 in pledges, payable by August 31, 1995, from various donors for a total of \$30,900 be accepted to establish the Social Work Foundation Advisory Council Endowed Presidential Scholarship in the School of Social Work at U. T. Austin.

It is further recommended that matching funds in the amount of \$15,450 be reserved under The Brackenridge Matching Program #2 to be allocated proportionately as gifts are received, to increase the endowment to a total of \$46,350.

Income earned from the endowment will be used to provide scholarship support to students in the School of Social Work.

### BACKGROUND INFORMATION

This endowment is being funded in honor of the School of Social Work Foundation Advisory Council, whose members through their contributions and tireless fund raising efforts have been integral in building the base of faculty and student support endowments benefitting the School of Social Work. Primary among the donors are The Wolens Foundation, Corsicana, Texas, and Girling Health Care, Inc., Austin, Texas.

28. U. T. Austin: Recommendation to Accept Gift and Transfer of Funds to Establish the Lena "Mom" Nornhausser Stein Endowed Presidential Scholarship in the Department of Intercollegiate Athletics for Women.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$25,000 gift from Dr. and Mrs. Cecil (Margie) Hale, Austin, Texas, and a \$12,500 transfer of Second Century Fund matching funds for a total of \$37,500 be accepted to establish the Lena "Mom" Nornhausser Stein Endowed Presidential Scholarship in the Department of Intercollegiate Athletics for Women at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support to deserving volleyball or basketball players in the Women's Athletic Department.

#### BACKGROUND INFORMATION

Dr. and Mrs. Cecil (Margie) Hale, Austin, Texas, are funding this endowment in honor of Mrs. Hale's mother, Lena Florence Nornhausser Stein. Mrs. Hale received her B.A. in Chemistry from U. T. Austin in 1942. Dr. Hale attended U. T. Austin in 1946. The Hales are members of The Chancellor's Council, The President's Associates, and the Littlefield Society. Mrs. Hale is a member of the Longhorn Association for Women's Athletics.

The Departments of Intercollegiate Athletics for Women and Intercollegiate Athletics for Men have jointly initiated a \$10,000,000 scholarship fund raising effort known as The Second Century Fund which was authorized at the April 1993 meeting of the U. T. Board of Regents. Within The Second Century Fund, the Departments have adopted a program to match private gifts designated for student support endowments. Matching funds are being generated from gifts and other unrestricted funds available to the Departments.

29. U. T. Austin: Recommendation to Accept Gift and Transfer of Funds to Establish the Pat Weis Endowed Presidential Scholarship in the Department of Intercollegiate Athletics for Women.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that \$30,065 in gifts from various donors and a \$15,032.50 transfer of Second Century Fund matching funds for a total of \$45,097.50 be accepted to establish the Pat Weis Endowed Presidential Scholarship in the Department of Intercollegiate Athletics for Women at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support to student athletes participating in the women's golf program.

#### BACKGROUND INFORMATION

Friends and family of Ms. Patricia Ann "Pat" Weis, Austin, Texas, are funding this endowment in her honor. Ms. Weis, who is retiring later this year, has served as coach of the women's golf team at U. T. Austin since 1973.

The Departments of Intercollegiate Athletics for Women and Intercollegiate Athletics for Men have jointly initiated a \$10,000,000 scholarship fund raising effort known as The Second Century Fund which was authorized at the April 1993 meeting of the U. T. Board of Regents. Within The Second Century Fund, the Departments have adopted a program to match private gifts designated for student support endowments. Matching funds are being generated from gifts and other unrestricted funds available to the Departments.

30. U. T. Austin: Recommendation to Accept Remainder Interest in The Edgar O. and Melanie A. Weller Charitable Remainder Trust and to Accept Appointment as Trustee.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that the remainder interest in The Edgar O. and Melanie A. Weller Charitable Remainder Trust, funded with a gift of 125,000 shares of Frozen Food Express Industries, Inc. common stock valued at \$2,125,000 from Mr. and Mrs. Edgar O. (Melanie) Weller, Dallas, Texas, be accepted for the benefit of the varsity tennis programs at U. T. Austin. Additionally, it is recommended that the U. T. Board of Regents accept appointment as Trustee of the Trust.

The trust agreement provides for the annual distribution of the lesser of the trust income for the taxable year and five percent of the net fair market value of the trust assets, valued as of the first day of the taxable year to be paid quarterly to Mr. and Mrs. Weller during their lifetimes. If the trust income for any taxable year exceeds the annual distribution otherwise payable for such year, the Trustee shall also pay to Mr. and Mrs. Weller such excess income to the extent that the aggregate of the amounts paid to Mr. and Mrs. Weller in prior years is less than five percent of the aggregate fair market value of the trust assets for such years.

Upon termination of the Trust, the corpus of the Trust shall be distributed to the U. T. Board of Regents to be used by or for the benefit of U. T. Austin, specifically to create one or more permanent endowments, the income from which is to be used



to enhance and support varsity tennis at U. T. Austin, including the creation of student scholarships which would be known as "Weller Scholarships." A request to establish the endowment(s) will be made at a later date.

#### BACKGROUND INFORMATION

Mr. Edgar O. Weller, Dallas, Texas, received his LL.B. from U. T. Austin in 1939.

31. U. T. Austin: Recommendation to Accept Gift and Pledge to Establish the Bill and Alice Wright Endowment for Photography for the Harry Ransom Humanities Research Center and Eligibility for Matching Funds Under The Brackenridge Matching Program #2.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$10,000 gift and a \$15,000 pledge, payable by August 31, 1995, from Mr. and Mrs. William P. (Alice) Wright, Jr., Abilene, Texas, for a total of \$25,000 be accepted to establish the Bill and Alice Wright Endowment for Photography for the Harry Ransom Humanities Research Center at U. T. Austin.

It is further recommended that matching funds in the amount of \$12,500 be reserved under The Brackenridge Matching Program #2 to be allocated proportionately as gifts are received, to increase the endowment to a total of \$37,500.

Until such time as the endowment is fully funded, all income earned will be reinvested in the corpus of the endowment. When fully funded, eighty percent of the income earned from the endowment will be used to provide support for symposia, lectures, and public programs in photography, as well as for various publications for the photography collection. The remaining twenty percent of income earned will be reinvested in the corpus of the endowment.

#### BACKGROUND INFORMATION

Mr. and Mrs. William P. (Alice) Wright, Jr., Abilene, Texas, have been valued supporters of U. T. Austin in general and of the Harry Ransom Humanities Research Center in particular. Mr. Wright received his B.B.A. in 1956 from U. T. Austin. He is Chairman of the Harry Ransom Humanities Research Center Advisory Council and he and his wife, Alice, are members of The Chancellor's Council.

32. U. T. Austin: Recommendation to Allocate Matching Funds Under The Brackenridge Matching Program #2 and Transfer Funds to Various Endowments in the School of Law and to Terminate the Jane Dunn Wilson Endowment in the School of Law.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that matching funds in the amount of \$80,000 be allocated under The Brackenridge Matching Program #2 and added to the following previously established endowed academic positions in the School of Law at U. T. Austin:

ENDOWMENT:	Baker and Botts Professorship in Law, established 6/7/68
Matching amount:	\$21,500
ENDOWMENT:	William Stamps Farish Professorship in Law, established 9/13/67
Matching amount:	\$21,500
ENDOWMENT:	The Fulbright & Jaworski Professorship in Law, established 12/12/69
Matching amount:	\$21,500
ENDOWMENT:	Ben Gardner Sewell Professorship in Civil Trial Advocacy, established 7/26/79
Matching amount:	\$15,500

It is further recommended that \$6,000 be transferred from the Jane Dunn Wilson Endowment in the School of Law at U. T. Austin and added to the Ben Gardner Sewell Professorship in Civil Trial Advocacy in the School of Law.

Additionally, it is recommended that all remaining assets held in the Jane Dunn Wilson Endowment be transferred to the above four endowments in equal proportions and that the Wilson Endowment be terminated.

BACKGROUND INFORMATION

At the December 1991 meeting, the U. T. Board of Regents accepted a bequest, consisting of \$603,024.56 in cash and mineral interests valued at \$15,877.50 for a total of \$618,902.06, from the Estate of Jane Dunn Wilson, Corpus Christi, Texas. Accumulated cash and royalty payments, as received, together with an amount of reinvested earnings were used to increase the endowment principal of eighteen academic position endowments and to establish the Jane Dunn Wilson Endowment as a quasi-endowment in the School of Law. The Wilson bequest qualified for matching funds and at the

June 1992 meeting, the U. T. Board of Regents approved the allocation of \$231,000 in matching funds under The Regents' Endowment Program to increase the endowment principal of six existing academic positions in the School of Law.

33. U. T. Austin: Recommendation to Allocate Matching Funds Under The Regents' Endowment Program and The Brackenridge Matching Program #2.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that based on \$40,000 in gifts, matching funds of \$11,727.54 under The Regents' Endowment Program and matching funds of \$8,272.46 under The Brackenridge Matching Program #2 for a total of \$20,000 be allocated and used to increase the Frances Goff Scholarship Fund in the Lyndon B. Johnson School of Public Affairs at U. T. Austin (established 2/13/92) to a total endowment of \$80,771.74.

It is further recommended that matching funds totaling \$1,081,057.45 be allocated under The Brackenridge Matching Program #2 and used to increase the previously established endowments at U. T. Austin as set out below:

<u>Eligible Endowment and Date of Establishment</u>	<u>Qualifying Gift</u>	<u>Matching Amount</u>
<u>College of Communication</u>		
Tracy-Locke/Morris Hite Endowed Presidential Scholarship Fund for Advertising Studies established 6/10/93	\$ 101,875.00	\$ 59,937.50
<u>College of Education</u>		
Amanda Howze Amsler Endowed Presidential Scholarship in Science and Mathematics Education established 6/10/93	\$ 50,000.00	\$ 25,000.00
College of Education Centennial Endowed Presidential Scholarship established 6/10/93	\$ 26,305.90	\$ 13,152.95
Donald T. and Gwen Rippey Endowed Scholarship in Community College Leadership established 4/1/93	\$ 38,175.00	\$ 19,087.50
<u>College of Engineering</u>		
Osmar Abib Memorial Endowed Presidential Scholarship in Petroleum Engineering established 4/9/92	\$ 25,000.00	\$ 12,500.00

<u>Eligible Endowment and Date of Establishment</u>	<u>Qualifying Gift</u>	<u>Matching Amount</u>
Byron E. Short Endowed Presidential Scholarship in Mechanical Engineering established 6/10/93	\$ 25,200.00	\$ 12,600.00
Thrust 2000 Graduate Fellowships established 2/14/91	\$1,500,000.00	\$ 750,000.00
<u>College of Liberal Arts</u>		
Jack S. Blanton, Sr. Chair in Australian Studies established 10/7/88	\$ 12,649.00	\$ 6,324.50
Caltex Professorship in Australian Studies established 8/11/88	\$ 17,050.00	\$ 8,525.00
Dr. Bailey R. Collins/ Ellene Collins Ward/ Mary Sue Collins Hibbs Scholarship Fund established 8/13/92	\$ 60,000.00	\$ 30,000.00
<u>College of Natural Sciences</u>		
Lois Sager Foxhall Memorial Fund established 10/13/89	\$ 20,000.00	\$ 10,000.00
John A. and Katherine G. Jackson Fellowship in Geohydrology established 2/11/93	\$ 25,000.00	\$ 12,500.00
Arthur Lockenvitz Memorial Endowed Scholarship in Experimental Physics established 10/11/91	\$ 15,805.00	\$ 7,902.50
William R. Muehlberger Field Geology Scholarship Fund established 6/10/93	\$ 27,055.00	\$ 13,527.50
<u>School of Nursing</u>		
Betty J. Bomar Endowed Presidential Scholarship in Nursing established 2/11/93	\$ 25,000.00	\$ 12,500.00
Mitzi I. Nuhn Dreher Endowed Presidential Scholarship established 4/1/93	\$ 25,000.00	\$ 12,500.00
<u>College of Pharmacy</u>		
James T. Doluisio Regents Chair in Pharmacy established 6/6/91	\$ 140,000.00	\$ 70,000.00

<u>Eligible Endowment and Date of Establishment</u>	<u>Qualifying Gift</u>	<u>Matching Amount</u>
<u>Harry Ransom Humanities Research Center</u>		
Elizabeth Olds Scholarship Fund in Conservation established 4/9/92	\$ 10,000.00	\$ 5,000.00

BACKGROUND INFORMATION

U. T. Austin has been favored during the year with gifts from numerous alumni and friends to build the private endowment supporting excellence in higher education. Funds made available by the U. T. Board of Regents to match private gifts to endowments for academic positions, student scholarships and fellowships, and library support have once again offered a much appreciated enhancement to those gifts.

34. U. T. Dallas: Recommendation to Accept Gifts to Establish the Vibhooti Shukla Graduate Fellowship.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Rutford that \$17,413 in gifts from various donors be accepted to establish the Vibhooti Shukla Graduate Fellowship at U. T. Dallas.

Ninety percent of the income earned from the endowment will be used to award graduate fellowships. The remaining ten percent of earned income will be reinvested in the corpus of the endowment.

BACKGROUND INFORMATION

This endowment is being funded by various donors in memory of Professor Vibhooti Shukla, Assistant Professor of Economics and Political Economy, at U. T. Dallas. Dr. Shukla was a specialist in the economics of third world urbanization, infrastructure, development, rural industrialization, and technological change. She was awarded a Texas Advanced Research Program grant to study Dallas-Fort Worth industrial location decision making. Dr. Shukla handcrafted the micro-economics course for freshmen and sophomores at U. T. Dallas and through it attracted students to the economics major.

35. U. T. El Paso: The American Society for Quality Control/Rio Grande Section Scholarship Fund - Recommendation to Redesignate as The American Society for Quality Control/Section 1401 Scholarship Fund and to Amend Scholarship Guidelines.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that The American Society for Quality Control/Rio Grande Section Scholarship Fund at U. T. El Paso be redesignated as The American Society for Quality Control/Section 1401 Scholarship Fund.

It is further recommended that the guidelines be amended to discontinue the essay competition requirement of the scholarship.

These recommendations are being made to reflect the new organization name and to reduce the cumbersome requirement of administering the essay competition. These recommendations have been reviewed and approved by the U. T. System Office of General Counsel and are consistent with the donors' wishes.

#### BACKGROUND INFORMATION

The American Society for Quality Control/Rio Grande Section Scholarship Fund was established at the December 1991 meeting of the U. T. Board of Regents with a \$10,000 gift from the Rio Grande Section of The American Society for Quality Control, El Paso, Texas.

The American Society for Quality Control is a professional organization dedicated to the advancement of quality. Through its Professional Development Program, courses are offered in quality costs, product liability, probability statistics, and management of inspection functions.

36. U. T. El Paso: Recommendation to Accept Gift and Pledge to Establish The Helen M. C. Stern and J. Edward Stern Endowed Professorship in Psychology.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that a \$20,000 gift and an \$80,000 pledge, payable by May 31, 1997, from J. Edward Stern, M.D., El Paso, Texas, for a total of \$100,000 be accepted to establish The Helen M. C. Stern and J. Edward Stern Endowed Professorship in Psychology at U. T. El Paso.

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

### BACKGROUND INFORMATION

Before retiring, J. Edward Stern, M.D., and his wife, Dr. Helen M. C. Stern, El Paso, Texas, each had impressive careers in their respective fields of medicine and psychology. Dr. J. Edward Stern, introduced the science of electroencephalography to El Paso and pioneered other forms of electrodiagnosis. Dr. Helen M. C. Stern was an Assistant Professor of Psychology in the Department of Philosophy at U. T. El Paso and was well respected in her field of specialization, the diagnosis of schizophrenia. Both Drs. Stern attended U. T. El Paso in the 1950s and previously established another professorship at U. T. El Paso.

37. U. T. Pan American: Recommendation to Establish The V. F. (Doc) and Gertrude M. Neuhaus Chair for Entrepreneurship.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Nevarez that The V. F. (Doc) and Gertrude M. Neuhaus Chair for Entrepreneurship at U. T. Pan American be established. The funds for the Neuhaus Chair will be held and administered by Texas Commerce Bank - McAllen.

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

### BACKGROUND INFORMATION

The V. F. (Doc) and Gertrude M. Neuhaus Chair for Entrepreneurship was created in 1987 through an irrevocable charitable trust created by Mrs. Gertrude M. Neuhaus, Edinburg, Texas, and became fully funded in 1990. The current balance of the Chair is \$691,376.10. Mrs. Neuhaus' gift assists the School of Business in its efforts to recruit faculty with records of research, publication, and professional achievement.

38. U. T. San Antonio: Recommendation to Accept Gift to Establish The Anna May Day Memorial Endowed Scholarship and for Current Purpose Use.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Kirkpatrick that a \$30,000 gift from Ms. Vada Ellen Dunkin, San Antonio, Texas, be accepted with \$25,000 to be used to establish The Anna May Day Memorial Endowed Scholarship for the Division of Music at U. T. San Antonio and \$5,000 to be used outright to award scholarships to music students in the 1993-94 and 1994-95 academic years.

Income earned from the endowment will be used to award scholarships to talented and promising music students who are pursuing professional careers in music.

#### BACKGROUND INFORMATION

Ms. Vada Ellen Dunkin is funding this endowment in memory of her sister, Anna May Day, an accomplished pianist and vocalist. Ms. Dunkin is a member of The Chancellor's Council and has been a supporter of the orchestra fund at U. T. San Antonio.

39. U. T. San Antonio: Recommendation to Accept Gifts and Pledges to Establish The Peter T. Flawn Endowed Scholarship Fund.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Kirkpatrick that a \$10,000 gift and a \$40,000 pledge from Harte-Hanks Communications, Inc., San Antonio, Texas, a \$5,000 gift and a \$20,000 pledge from Mr. Houston H. Harte, San Antonio, Texas, and a \$2,000 gift and an \$8,000 pledge from Mr. and Mrs. Larry D. Franklin, San Antonio, Texas, with all pledges payable by April 30, 1997, for a total of \$85,000 be accepted to establish The Peter T. Flawn Endowed Scholarship Fund at U. T. San Antonio.

Income earned from the endowment will be used for scholarship support.

#### BACKGROUND INFORMATION

Mr. Larry D. Franklin, San Antonio, Texas, President and Chief Executive Officer of Harte-Hanks Communications, Inc., San Antonio, Texas, his wife, Charlotte Walker Franklin, and Mr. Houston H. Harte, San Antonio, Texas, Chairman of the Board of Harte-Hanks Communications, Inc., are funding this endowment in honor of Dr. Peter T. Flawn and in support of the San Antonio Engineering and Bioscience Initiative approved by the U. T. Board of Regents at the December 1988 meeting.

Dr. Flawn is a member of the Harte-Hanks Communications, Inc. Board of Directors. Dr. Flawn, President Emeritus and Professor Emeritus of Geological Sciences and Public Affairs at U. T. Austin, served as President of U. T. Austin from 1979 to 1985, President of U. T. San Antonio from 1973 to 1977, and Executive Vice President of U. T. Austin from 1972 to 1973.



40. U. T. Southwestern Medical Center - Dallas: Recommendation to Accept Gift and Allocate Funds from the Private Fund Development Campaign to Establish the Mr. and Mrs. Bruce G. Brookshire Professorship in Head and Neck Cancer Surgery in Honor of Dr. Lanny Close and Eligibility for Matching Funds Under the Texas Eminent Scholars Program (NO PUBLICITY).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that a \$50,000 gift from Mr. and Mrs. Bruce G. Brookshire, Tyler, Texas, be accepted to establish the Mr. and Mrs. Bruce G. Brookshire Professorship in Head and Neck Cancer Surgery in Honor of Dr. Lanny Close at the U. T. Southwestern Medical Center - Dallas.

It is further recommended that \$50,000 be allocated from the \$25,000,000 challenge fund established by an anonymous donor as part of the Private Fund Development Campaign and be used to increase the endowment to a total of \$100,000.

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

Additionally, it is recommended that the actual income that will be earned on the \$50,000 gift and the \$50,000 allocation of challenge funds be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

#### BACKGROUND INFORMATION

Mr. and Mrs. Bruce G. Brookshire, Tyler, Texas, are prominent civic leaders who are actively involved in numerous organizations in the Dallas and Tyler areas. Mr. Brookshire is Chairman of the Board and Chief Executive Officer of Brookshire Grocery Company, Tyler, Texas, which operates in the East Texas area.

Lanny Close, M.D., Dallas, Texas, is Professor and Vice Chairman, Department of Otorhinolaryngology and Chairman, Division of Head and Neck Surgery, Department of Otorhinolaryngology at the U. T. Southwestern Medical Center - Dallas.

See Item 1 on Page HAC - 2 related to a proposed appointment to this Professorship.

NO PUBLICITY

41. U. T. Southwestern Medical Center - Dallas; Carl B. & Florence E. King Foundation Distinguished Chair in Pediatric Oncology Research - Recommendation to Redesignate Trustee and Rescind Previous Approval of Matching Funds and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that the trustee for the Carl B. & Florence E. King Foundation Distinguished Chair in Pediatric Oncology Research at the U. T. Southwestern Medical Center - Dallas be redesignated from the U. T. Board of Regents to the Southwestern Medical Foundation, Dallas, Texas (an external foundation).

Because the funds for the endowment will be held and administered by the Southwestern Medical Foundation (an external foundation), it is further recommended that the original approval of the allocation of matching funds from the \$25,000,000 challenge fund established by an anonymous donor as part of the Private Fund Development Campaign at the U. T. Southwestern Medical Center - Dallas and of certification for the Texas Eminent Scholars Program be rescinded.

These recommendations are being made in accordance with the intent of the donors and have been reviewed and approved by the U. T. System Office of General Counsel.

#### BACKGROUND INFORMATION

At the February 1993 meeting of the U. T. Board of Regents, a \$100,000 gift and a \$400,000 pledge from the Carl B. and Florence E. King Foundation, Dallas, Texas, were accepted to establish the Carl B. & Florence E. King Foundation Distinguished Chair in Pediatric Oncology Research and \$500,000 in matching funds was allocated from the \$25,000,000 challenge fund established by an anonymous donor as part of the Private Fund Development Campaign at the U. T. Southwestern Medical Center - Dallas. The King Foundation subsequently indicated that it preferred that the endowment be held in trust by the Southwestern Medical Foundation.

42. U. T. Southwestern Medical Center - Dallas: Recommendation to Accept Gift and Allocate Funds from the Private Fund Development Campaign to Establish the Mr. and Mrs. Samuel Leake Fund for Research in Amyotrophic Lateral Sclerosis and Eligibility for Matching Funds Under the Texas Eminent Scholars Program (NO PUBLICITY).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that a \$50,000 gift from an anonymous donor be accepted to establish an endowment at the U. T. Southwestern Medical Center - Dallas to be named the Mr. and Mrs. Samuel Leake Fund for Research in Amyotrophic Lateral Sclerosis.

It is further recommended that \$50,000 be allocated from the \$25,000,000 challenge fund established by an anonymous donor as part of the Private Fund Development Campaign and be used to increase the endowment to a total of \$100,000.

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

It is further recommended that the actual income that will be earned on the \$50,000 gift and the \$50,000 allocation of challenge funds be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

#### BACKGROUND INFORMATION

The donor wishes to remain anonymous.

#### NO PUBLICITY

43. U. T. Southwestern Medical Center - Dallas: Eva A. Rosenthal Professorship in Internal Medicine, in Honor of Gary Reed, M.D. - Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that the actual income that will be earned on the \$103,992.78 gift that originally funded the Eva A. Rosenthal Professorship in Internal Medicine, in Honor of Gary Reed, M.D., at the U. T. Southwestern Medical Center - Dallas be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

### BACKGROUND INFORMATION

The Eva A. Rosenthal Professorship in Internal Medicine, in Honor of Gary Reed, M.D., was established at the October 1991 meeting of the U. T. Board of Regents with a gift of a \$100,000 par value Tarrant County, Texas, bond valued at \$103,992.78 from Mr. Ben Rosenthal, Sr., Dallas, Texas. A request was not submitted at that time to certify the income from the gift for matching funds under the Texas Eminent Scholars Program.

44. U. T. Southwestern Medical Center - Dallas: Recommendation to Accept Gift and Pledge and Allocate Funds from the Private Fund Development Campaign to Establish the H. Lloyd and Willye V. Skaggs Professorship in Medical Research and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that a \$10,000 gift and a \$40,000 pledge, payable by January 31, 1997, from Mr. and Mrs. Ronald L. Skaggs, Dallas, Texas, for a total of \$50,000 be accepted to establish the H. Lloyd and Willye V. Skaggs Professorship in Medical Research at the U. T. Southwestern Medical Center - Dallas.

It is further recommended that \$50,000 be allocated from the \$25,000,000 challenge fund established by an anonymous donor as part of the Private Fund Development Campaign and be used to increase the endowment to a total of \$100,000.

Income earned from the endowment will be used to support the Professorship which will be held by a researcher in the fields of immunology and oncology.

It is further recommended that the actual income that will be earned on the \$10,000 gift, the \$40,000 pledge, and the \$50,000 allocation of challenge funds be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

### BACKGROUND INFORMATION

This endowment is being funded by Mr. and Mrs. Ronald L. Skaggs, Dallas, Texas, in honor of Mr. Skaggs' parents, H. Lloyd and Willye V. Skaggs. Mr. and Mrs. Ronald L. Skaggs are civic leaders in the Dallas community. Mr. Ronald L. Skaggs is Chairman and Chief Executive Officer of the Dallas architectural firm of Harwood K. Smith & Partners.

45. U. T. Southwestern Medical Center - Dallas: Recommendation to Accept Gift and Pledge and Allocate Funds from the Private Fund Development Campaign to Establish The Edwin Ide Smith, M.D. Professorship in Pediatric Surgery and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that a \$10,200 gift and a \$39,800 pledge, payable by January 31, 1997, from Mr. and Mrs. Robert B. Crotty, Dallas, Texas, Mr. and Mrs. Charles C. Smith, St. Joseph, Missouri, and Mr. and Mrs. Pete Thurmond, Cheyenne, Oklahoma, for a total of \$50,000 be accepted to establish The Edwin Ide Smith, M.D. Professorship in Pediatric Surgery at the U. T. Southwestern Medical Center - Dallas.

It is further recommended that \$50,000 be allocated from the \$25,000,000 challenge fund established by an anonymous donor as part of the Private Fund Development Campaign and be used to increase the endowment to a total of \$100,000.

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

Additionally, it is recommended that the actual income that will be earned on the \$10,200 gift, the \$39,800 pledge, as received, and the \$50,000 allocation of challenge funds be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

#### BACKGROUND INFORMATION

This endowment is being funded in honor of Edwin Ide Smith, M.D., Dallas, Texas, by his family. Dr. Smith, a distinguished leader in the field of pediatric surgery, has served as Chairman of the Division of Pediatric Surgery at the U. T. Southwestern Medical Center - Dallas for four years. Currently Professor of Surgery at the U. T. Southwestern Medical Center - Dallas, Dr. Smith has made outstanding contributions in the areas of teaching, research, and patient care.

See Item 1 on Page HAC - 2 related to a proposed appointment to this Professorship.

46. U. T. Southwestern Medical Center - Dallas: Recommendation to Establish the Roy and Christine Sturgis Chair in Biomedical Research.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that the Roy and Christine Sturgis Chair in Biomedical Research at the U. T. Southwestern Medical Center - Dallas be established. The funds for the endowment will be held and administered by the Southwestern Medical Foundation, Dallas, Texas (an external foundation).

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

BACKGROUND INFORMATION

This endowment is being funded with a \$50,000 gift and a \$200,000 pledge, payable by January 31, 1997, from the Roy and Christine Sturgis Charitable and Educational Trust, Dallas, Texas, and \$250,000 in matching funds from the Southwestern Medical Foundation.

Mr. and Mrs. Roy (Christine) Sturgis were civic leaders in Arkansas and Dallas. After Mrs. Sturgis died in 1981, the residue of her estate funded the Roy and Christine Sturgis Charitable and Educational Trust of which NationsBank of Texas, N.A, is the sole Trustee. The Trust supports a variety of philanthropic activities in Dallas and Arkansas.

47. U. T. Southwestern Medical Center - Dallas: Recommendation to Accept Gift and Allocate Funds from the Private Fund Development Campaign to Establish the Sweetheart Ball Fund for Basic Research in Molecular Cardiology and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that a \$140,000 gift from the Sweetheart Ball, Dallas, Texas, be accepted to establish the Sweetheart Ball Fund for Basic Research in Molecular Cardiology at the U. T. Southwestern Medical Center - Dallas.

It is further recommended that \$140,000 be allocated from the \$25,000,000 challenge fund established by an anonymous donor as part of the Private Fund Development Campaign and be used to increase the endowment to a total of \$280,000.

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

It is further recommended that the actual income that will be earned on the \$140,000 gift and the \$140,000 allocation of challenge funds be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

#### BACKGROUND INFORMATION

The Sweetheart Ball, Dallas, Texas, composed of women civic leaders, was established in 1982 to promote fund raising activities benefitting organizations that concentrate primarily on the prevention and treatment of heart disease.

48. U. T. Southwestern Medical Center - Dallas: Recommendation to Accept Gift and Pledge and Allocate Funds from the Private Fund Development Campaign to Establish the Lydia Bryant Test Professorship in Psychiatric Research and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that a \$10,000 gift and a \$40,000 pledge, payable by January 31, 1997, from Mrs. Lydia Bryant Test, Dallas, Texas, for a total of \$50,000 be accepted to establish the Lydia Bryant Test Professorship in Psychiatric Research at the U. T. Southwestern Medical Center - Dallas.

It is further recommended that \$50,000 be allocated from the \$12,500,000 challenge fund established with MSRDP funds at the U. T. Southwestern Medical Center - Dallas as part of the Private Fund Development Campaign and be used to increase the endowment to a total of \$100,000.

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

Additionally, it is recommended that the actual income that will be earned on the \$50,000 gift be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

#### BACKGROUND INFORMATION

Mrs. Lydia Bryant Test is a prominent member of the Dallas community who is actively involved in numerous civic groups. She has a special interest in mental illness and in the psychiatric research being conducted in the Department of Psychiatry at the U. T. Southwestern Medical Center - Dallas.

49. U. T. Southwestern Medical Center - Dallas: Recommendation to Accept Gift and Pledge and Allocate Funds from the Private Fund Development Campaign to Establish the Dr. Eugene Tragus Chair in Molecular Cardiology and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that a \$50,000 gift and a \$200,000 pledge, payable by January 31, 1997, from the Westcott Foundation, Dallas, Texas, for a total of \$250,000 be accepted to establish the Dr. Eugene Tragus Chair in Molecular Cardiology at the U. T. Southwestern Medical Center - Dallas.

It is further recommended that \$250,000 be allocated from the \$25,000,000 challenge fund established by an anonymous donor as part of the Private Fund Development Campaign and be used to increase the endowment to a total of \$500,000.

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

Additionally, it is recommended that the actual income that will be earned on the \$50,000 gift, the \$200,000 pledge, as received, and the \$250,000 allocation of challenge funds be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

#### BACKGROUND INFORMATION

The Westcott Foundation is a family foundation created by Mr. and Mrs. Carl Westcott, Dallas, Texas, who are actively involved in local civic and other organizations. Mr. Westcott is founder and Chief Executive Officer of Westcott Communications, Inc., Dallas, Texas, and serves on the Board of Zale Lipshy University Hospital at the U. T. Southwestern Medical Center - Dallas.

Eugene Tragus, M.D., Dallas, Texas, a close friend of the Westcotts, is an Emergency Medicine physician who has served for 23 years as a member of the volunteer faculty at the U. T. Southwestern Medical Center - Dallas.

See Item 1 on Page HAC - 2 related to a proposed appointment to this Chair.



50. U. T. Medical Branch - Galveston: Recommendation to Accept Grant and Transfer of Funds to Establish The Moody Medical Library Endowment and The Moody Fund for Student and Employee Services and Request for Authorization to Conclude Negotiations.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that a \$4,000,000 grant, payable in two installments of \$2,000,000 each by December 31, 1995, from The Moody Foundation, Galveston, Texas, and a \$4,000,000 transfer of institutional funds, to be transferred in two installments as the grant funds are received, for a total of \$8,000,000 be accepted to establish two endowments of \$4,000,000 each at the U. T. Medical Branch - Galveston as follows:

- a. The Moody Medical Library Endowment will be comprised of \$2,000,000 in grant funds and \$2,000,000 in transfers of institutional funds.

Income earned from the endowment will be used for library support in such areas as the acquisition of books and journals and for the development and support of an electronic information system.

- b. The Moody Fund for Student and Employee Services will be comprised of \$2,000,000 in grant funds and \$2,000,000 in transfers of institutional funds.

Income earned from the endowment will be used to provide support for the operations of the Student Center, the Field House, and dependent care programs at the U. T. Medical Branch - Galveston.

The acceptance of these funds and the establishment of these two endowments are subject to the negotiation of terms which are mutually acceptable to the U. T. Board of Regents and The Moody Foundation as to the investment management and custody of the \$4,000,000 in grant funds from The Moody Foundation.

Additionally, it is requested that the U. T. System Vice Chancellor for Asset Management be authorized to conclude negotiations and execute all documents related to this agreement following approval by appropriate U. T. System Administration officials.

#### BACKGROUND INFORMATION

The Moody Foundation, Galveston, Texas, was established in 1942 by the late W. L. Moody and his wife, Libby Shearn Moody, both of Galveston, for the perpetual benefit of the people of the State of Texas. The Foundation supports a variety of charitable endeavors with higher education being

one of its principal funding objectives. The Trustees of The Moody Foundation have supported a range of programs at the U. T. Medical Branch - Galveston, including the construction of the Moody Medical Library, the establishment of the Marine Biomedical Institute, several endowed academic positions, and numerous research projects.

51. U. T. Health Science Center - Houston: Recommendation to Accept Gifts to Establish the Walter M. Kirkendall, M.D. Endowed Lecture Series.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Low that \$62,878.96 in gifts from various donors be accepted to establish the Walter M. Kirkendall, M.D. Endowed Lecture Series in the U. T. Medical School - Houston at the U. T. Health Science Center - Houston.

Income earned from the endowment will be used to defray expenses for an annual lecture series in clinical medicine in the Department of Internal Medicine.

#### BACKGROUND INFORMATION

This endowment is being funded in memory of Walter M. Kirkendall, M.D., by family members, colleagues, and alumni of the U. T. Health Science Center - Houston to commemorate his life and work. Dr. Kirkendall served as the first Chairman of the Department of Internal Medicine at the U. T. Medical School - Houston and was director of the Hypertension Unit from 1976 until his death in 1991.

52. U. T. Health Science Center - Houston: Recommendation to Accept Gifts to Establish the Susan G. Sampson Endowed Memorial Scholarship Fund.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Low that \$10,000 in gifts from various donors be accepted to establish the Susan G. Sampson Endowed Memorial Scholarship Fund in the U. T. Public Health School - Houston at the U. T. Health Science Center - Houston.

Eighty percent of the income earned from the endowment will be awarded to a Master of Public Health student in financial need who has demonstrated promising academic performance. The remaining twenty percent of income earned will be reinvested in the corpus of the endowment.

### BACKGROUND INFORMATION

This endowment is being funded in memory of Ms. Susan G. Sampson by her parents, Mr. and Mrs. Casper I. (Frances B.) Sampson, Sierra Madre, California, other family members, friends, and associates for the purpose of student scholarships in the area of community mental health.

53. U. T. Health Science Center - Houston: Recommendation to Accept Gifts to Establish the Doris Simon Student Fund.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Low that \$10,000 in gifts from various donors be accepted to establish an endowment at the U. T. Health Science Center - Houston to be named the Doris Simon Student Fund.

Eighty percent of the income earned from the endowment will be used to provide support to medical students faced with unexpected financial emergencies, to fund awards benefitting the academic environment of students at the U. T. Medical School - Houston, and to award students for outstanding achievement. The remaining twenty percent of income earned will be reinvested in the corpus of the endowment.

### BACKGROUND INFORMATION

This endowment is being funded in memory of Mrs. Doris Simon by family, friends, and members of the U. T. - Houston Medical School Organization of Faculty Wives and Women Faculty. Mrs. Simon was active in the U. T. - Houston Medical School Organization of Faculty Wives and Women Faculty, serving as a founding member, president, and program chair.

54. U. T. Health Science Center - Houston: Recommendation to Accept Gifts and Pledges to Establish the Andrew Sowell-Wade Huggins Endowed Scholarship for Cancer Biology.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Low that \$26,120 in gifts from various donors be accepted to establish the Andrew Sowell-Wade Huggins Endowed Scholarship for Cancer Biology in the U. T. G.S.B.S. - Houston at the U. T. Health Science Center - Houston.

Income earned from the endowment will be used to provide scholarship support to graduate students engaged in biomedical research projects.

### BACKGROUND INFORMATION

This endowment is being funded by family members and friends in honor of Mr. Andrew Sowell and Mr. Wade Huggins. Primary among the donors are the honorees' mothers, Mrs. Joann Sowell, Houston, Texas, and Mrs. Marcia W. Huggins, Houston, Texas, respectively.

55. U. T. Health Science Center - Houston: Recommendation to Accept Gifts to Establish the Reuel A. Stallones Memorial Endowed Lecture Series.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Low that \$28,847 in gifts from various donors be accepted to establish the Reuel A. Stallones Memorial Endowed Lecture Series in the U. T. Public Health School - Houston at the U. T. Health Science Center - Houston.

Income earned from the endowment will be used to defray expenses for an annual lecture series which will address topics of broad societal concern in the field of public health and preventive medicine.

### BACKGROUND INFORMATION

This endowment is being funded in memory of Reuel A. Stallones, M.D., by family members, friends, and colleagues to honor his accomplishments and dedication to education. Dr. Stallones was considered one of the world's foremost epidemiologists. He served as the first dean of the U. T. Public Health School - Houston, serving in that capacity until his death in 1986.

56. U. T. Health Science Center - San Antonio: Recommendation to Accept Gift to Establish the Jim and Dorothy Doyle Endowed Scholarship Fund.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Howe that a \$25,000 gift from Mr. and Mrs. Jim (Dorothy) Doyle, Fredericksburg, Texas, be accepted to establish the Jim and Dorothy Doyle Endowed Scholarship Fund at the U. T. Health Science Center - San Antonio.

Income earned from the endowment will be used to provide scholarship support to students of average ability, based on need, who have dedication and desire to succeed in their field.

### BACKGROUND INFORMATION

Mr. and Mrs. Jim (Dorothy) Doyle, Fredericksburg, Texas, are members of The Chancellor's Council. Mrs. Doyle serves on the Executive Committee of The Chancellor's Council.

57. U. T. M.D. Anderson Cancer Center: Recommendation to Accept Bequest from the Estate of Sydney I. Hecht, New York, New York.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that a five percent interest in the residue of the Estate of Sydney I. Hecht, New York, New York, valued at \$18,387.37 be accepted and that sixty percent of the funds received be used to support research as to cancer vaccines and forty percent of the funds received be used to support research as to the tumor necrosis factor and/or tumor infiltration lymphocytes at the U. T. M.D. Anderson Cancer Center.

### BACKGROUND INFORMATION

Although Mr. Sydney I. Hecht, New York, New York, had no known affiliation with the U. T. M.D. Anderson Cancer Center, his interest in the furtherance of cancer research is evidenced by his generous bequest.

58. U. T. M.D. Anderson Cancer Center: Recommendation to Accept Bequest from the Estate of Myrtle Marie Hickman, Waco, Texas, and Remainder Interest in the Ollie Bigham Jones Trust, Waco, Texas.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that a one-sixth interest in the residue of the Estate of Myrtle Marie Hickman, Waco, Texas, totalling \$16,025.55 and a one-half remainder interest in the Ollie Bigham Jones Trust, Waco, Texas (to be held in trust by Baylor University), initially funded with approximately \$30,000 be accepted to support lymphoma research at the U. T. M.D. Anderson Cancer Center.

### BACKGROUND INFORMATION

A former patient of the U. T. M.D. Anderson Cancer Center, Mrs. Myrtle Marie Hickman taught in the Waco public school system for over twenty years.

The Ollie Bigham Jones Trust, Waco, Texas, was established for the lifetime benefit of Mrs. Hickman's sister, Mrs. Ollie Bigham Jones, Waco, Texas. Upon the death of Mrs. Jones, the Trust will terminate and fifty percent of the remaining balance of the Trust will be distributed to the U. T. Board of Regents for the benefit of the U. T. M.D. Anderson Cancer Center. Mrs. Hickman's Will named NCNB Texas National Bank, Waco, Texas, as Trustee of the Trust. Because of the size of the Trust, an agreement was reached to appoint Baylor University, Waco, Texas, as Successor Trustee.

### III. INTELLECTUAL PROPERTY MATTERS

1. U. T. Arlington: Recommendation for (a) Approval of a Patent License Agreement with PushCorp, Inc., Dallas, Texas, and (b) Approval for Dr. Edwin A. Erlbacher II to Acquire Equity in and Serve as an Officer and Director of PushCorp, Inc.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Amacher that the U. T. Board of Regents:

- a. Approve the Patent License Agreement set out on Pages AMC 52 - 61 between the U. T. Board of Regents, for and on behalf of U. T. Arlington, and PushCorp, Inc., Dallas, Texas, a Texas Corporation
- b. Approve the acquisition of equity in and service as an officer and director of PushCorp, Inc. by Dr. Edwin A. Erlbacher II, Faculty Associate in the Automation and Robotics Research Institute at U. T. Arlington.

### BACKGROUND INFORMATION

Dr. Edwin A. Erlbacher II of U. T. Arlington has created an invention entitled "Method for Applying Constant Force with Nonlinear Feedback Control and Constant Force Device Using Same" for which U. S. Patent Application Serial No. 08/011,658 was filed on January 29, 1993, and assigned to the U. T. Board of Regents.

Under the proposed Patent License Agreement, PushCorp, Inc. is granted a royalty-bearing, exclusive, world-wide license under the subject invention, patent application, and any patent(s) that issues thereon, to manufacture, have manufactured, use, and sell licensed subject matter.

PushCorp, Inc. will pay the U. T. Board of Regents (1) a running royalty of three percent (3%) of net sales, and (2) one-half of gross revenues received from any sublicensee. Upon issuance of the patent, PushCorp, Inc. will also reimburse the University for all of its out-of-pocket expenses incurred in filing, prosecuting, and maintaining the patent application.

The proposed arrangement is consistent with Section 51.912 of the Texas Education Code and corresponding provisions of the U. T. System Intellectual Property Policy. Pursuant to the Regents' Rules and Regulations, Part Two, Chapter XII, Subsections 6.2 and 7.1, approval by the U. T. Board of Regents is necessary for Dr. Erlbacher to acquire equity in and serve as an officer and director of PushCorp, Inc. concurrently with approval of the proposed license agreement with such company.

## **PATENT LICENSE AGREEMENT**

This Agreement is made by and between the Board of Regents (hereinafter referred to as "Board") of The University of Texas System (hereinafter referred to as "System"), an agency of the State of Texas, whose address is 201 West 7th Street, Austin, Texas 78701, and PushCorp, Inc., a Texas corporation having a principal place of business located at 8719 Groveland, Dallas, TX 75218 (hereinafter referred to as "Licensee").

### **RECITALS**

A. WHEREAS Board owns certain Patent Rights and Technology Rights related to the Licensed Subject Matter, which were developed at The University of Texas at Arlington/ARRI (hereinafter referred to as "University"), a component institution of System;

B. WHEREAS Board desires to have the Licensed Subject Matter developed and used for the benefit of Licensee, the inventor, Board, and the public as outlined in the Intellectual Property Policy promulgated by the Board; and

C. WHEREAS Licensee wishes to obtain a license from Board to practice the Licensed Subject Matter.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements herein set forth and other good and valuable consideration, the parties hereto agree as follows:

#### **1. EFFECTIVE DATE**

This agreement shall be effective as of March 1, 1993 (the "Effective Date"), subject to approval by Board.

#### **2. DEFINITION**

As used in this Agreement, the following terms shall have the meanings indicated:

2.1 "Invention" shall mean methods and devices useful in the robotics industry as described in the United States Patent Application, Serial No. 08/011.658, entitled "Method for Applying Constant Force with Nonlinear Feedback Control and Constant Force Device Using Same" filed on January 29, 1993 listing Edwin A. Erlbacher II, Ph.D. as inventor, and any improvements, modifications, or applications thereof as may exist on the Effective Date of this Agreement, whether or not described in issued patents.



2.2 "Patent Rights" shall mean Board's rights to any and all patents and/or patent applications, both United States and foreign, relating to the Invention, to the extent that the patents and/or patent applications or any claims thereof cover the Invention, including all divisions, continuations, continuations-in-part, reissues, reexaminations and extensions or substitutions thereof.

2.3 "Technology Rights" shall mean Board's rights to any and all technical information, know-how, process, procedure, composition, device, method, formula, protocol, technique, software, design, drawing, or data as may exist on the Effective Date of this Agreement relating to the Invention which is not covered by Patent Rights but which is necessary for practicing the Invention.

2.4 "Licensed Subject Matter" shall mean the Invention and all subject matter covered by Patent Rights or Technology rights.

2.5 "Licensed Product" shall mean any product Sold (as defined hereinafter) by Licensee comprising Licensed Subject Matter.

2.6 "Subsidiary" shall mean any business entity more than fifty percent (50%) owned by Licensee, any business entity which owns more than fifty percent (50%) of Licensee, or any business entity that is more than fifty percent (50%) owned by a business entity that owns more than fifty percent (50%) of Licensee.

2.7 "Sale" or "Sold" shall mean the transfer or disposition of a Licensed Product for value by Licensee to a party other than Licensee or a Subsidiary.

2.8 "Net Sales" shall mean the gross revenue received by Licensee from the Sale of Licensed Products less sales and/or use taxes actually paid, import and/or export duties actually paid, outbound transportation prepaid or allowed, and amounts allowed or credited due to returns (not to exceed the original billing or invoice amount).

### **3. WARRANTY: SUPERIOR RIGHTS**

3.1 Except for the rights, if any, of the Government of the United States, as set forth below, Board represents and warrants its belief that it is the owner of the entire right, title, and interest in and to the Licensed Subject Matter, and that it has the sole right to grant licenses thereunder, and that it has not knowingly granted licenses thereunder to any other entity that would restrict rights granted hereunder except as stated herein.

3.2 Licensee understands that the Licensed Subject Matter may have been developed under a funding agreement with the Government of the United States of America, and, if so, that the Government may have certain rights relative thereto. This Agreement is explicitly made subject to the Government's rights under any such agreement

and any applicable law or regulation. To the extent that there is a conflict between any such agreement, applicable law or regulation and this Agreement, the terms of such Government agreement, applicable law or regulation shall prevail.

#### **4. LICENSE**

4.1 Board hereby grants to Licensee a worldwide, royalty-bearing, exclusive license (with the right to sublicense as set forth in Paragraph 4.4) under the Licensed Subject Matter to make, have made, use, and sell Licensed Products, including a worldwide, royalty-bearing, exclusive license under any letters patent, both United States and foreign, which may be granted relating to the aforesaid Invention, including all divisions, continuations, continuations-in-part, reissues, reexaminations or other extensions thereof. This grant shall be subject to rights retained by Board to:

- (A) Publish the general scientific findings resulting from research related to the Licensed Subject Matter; and
- (B) Use any information contained in Licensed Subject Matter for research, teaching, and other educationally-related purposes.

4.2 Board expressly agrees that the rights granted herein to Licensee are exclusive and that Board will not grant any license under the Licensed Subject Matter to any third party during the Term of this Agreement, except as provided in Paragraph 4.5.

4.3 Licensee shall have the right to extend and assign the license granted herein to any Subsidiary, provided that such Subsidiary consents to be bound by this Agreement to the same extent as Licensee.

4.4 Licensee shall have the right to grant sublicenses consistent with this Agreement provided that Licensee shall be responsible for the operations of its sublicensees relevant to this Agreement, including the payment of royalties to Board as set forth in Paragraph 5.1 (B) whether or not royalties are paid to licensee by a sublicensee. Licensee further agrees to deliver to Board a true and correct copy of each sublicense granted by Licensee, and any modification or termination thereof, within thirty (30) days after execution modification, or termination. Upon termination of this Agreement, any and all existing sublicenses under the Licensed Subject Matter granted by Licensee shall be assigned to Board.

4.5 Board shall have the right at any time after two (2) years from the Effective Date of this Agreement, to terminate the exclusivity of the license granted herein in any national political jurisdiction within ninety (90) days after written notice from Board as to such intended termination of exclusivity, if Licensee fails to provide written evidence that it has commercialized or is actively attempting to commercialize Licensed Subject Matter within such jurisdiction. Board agrees to negotiate in good faith with Licensee for adjusting

terms under such a non-exclusive arrangement. Board shall have the right at any time after three (3) years from the Effective Date of this Agreement to terminate the license completely in any national political jurisdiction if Licensee, within ninety days after written notice from Board of such intended termination, fails to provide written evidence that it has commercialized or is actively attempting to commercialize Licensed Subject Matter within such jurisdiction. Evidence provided by Licensee that it has an ongoing and active research, development, manufacturing, marketing or licensing program as appropriate, directed toward production and sale of Licensed Products within such jurisdiction shall be deemed satisfactory evidence of commercialization for all purposes herein.

## **5. PAYMENTS AND REPORTS**

5.1 In consideration of the rights granted by Board to Licensee under this Agreement, Licensee agrees to pay Board the following:

- (A) A running royalty equal to three percent (3%) of Licensee's Net Sales for Licensed Products; and
- (B) Fifty percent (50%) of the gross revenue received by Licensee directly attributable to any sublicense granted by Licensee under the Licensed Subject Matter.

5.2 In the event that any patent covering the Invention is deemed invalid or unenforceable, without fault on the part of Licensee or its directors, officers, employees or representatives, or in the event no patent covering the Invention is issued within three (3) years from the Effective Date of this Agreement, the royalties which Licensee is obligated to pay Board under the provisions of this Agreement shall drop to the following:

- (A) A running royalty equal to one and one-half percent (1.5%) of Licensee's Net Sales for Licensed Products; and
- (B) Twenty-five percent (25%) of the gross revenue received by Licensee directly attributable to any sublicense granted by Licensee under the Licensed Subject Matter.

For purposes of this Paragraph 5.2., Board and any person representing Board in prosecuting any patent covering the invention shall not be considered a director, officer, employee or representative of Licensee. In the event a patent later issues covering the Invention, the royalties will revert to the rates set forth in Paragraph 5.1.

5.3 During the Term of this Agreement and for one (1) year thereafter, Licensee shall keep complete and accurate records of its and its sublicensees' Sales and Net Sales of Licensed Products under the license granted in this Agreement in sufficient detail to enable the royalties payable hereunder to be determined. Board shall have the right to select an

accountant which is acceptable to Licensee (such acceptance not to be unreasonably withheld) to inspect the records of Licensee once a year on reasonable notice and during regular business hours, to verify Licensee's reports and payments. The entire cost for such inspection shall be borne by Board, and such certified public accountant shall not disclose to Board any information other than information directly relating to this Agreement. Board shall maintain in confidence and shall obligate the independent certified public accountant to maintain in confidence all information pursuant to this paragraph. In the event an inspection by the independent certified public accountant reveals any underpayment of royalties due Board under the provisions of this Agreement, Licensee will promptly pay to Board the full amount of that underpayment, together with interest thereon at the rate of ten percent (10%) per annum. In the event the inspection reveals an underpayment in excess of ten percent (10%) of royalties actually due, Licensee will also promptly reimburse Board for the reasonable cost of the inspection.

5.4 Within thirty (30) days after March 31, June 30, September 30, and December 31, Licensee shall deliver to Board a true and accurate report, giving such particulars of the business conducted by Licensee and its sublicensee(s), if any exist, during the preceding three (3) calendar months under this Agreement as are pertinent to an account for payments hereunder. Such report shall include at least (a) the quantities of Licensed Product that it has produced; (b) the total Sales; (c) the calculation of royalties thereon; and (d) the total royalties so computed and due Board. Simultaneously with the delivery of each such report, Licensee shall pay to the Board the amount, if any, due for the period of such report. If no payments are due, it shall be so reported.

5.5 Upon request of Board, but not more often than once per calendar year, Licensee shall deliver to Board a written report as to Licensee's efforts and accomplishments during the preceding year in commercializing Licensed Subject Matter and in commercialization plans for the upcoming year.

5.6 All amounts payable hereunder by Licensee shall be payable in United States funds without deductions for taxes, assessments, fees or charges of any kind. Checks shall be made payable to The University of Texas at Arlington.

5.7 Edwin A. Erlbacher II, Ph.D., in his personal capacity and as an officer of Licensee, expressly waives his right to receive any royalties or other benefits under the Rules and Regulations of the Board of Regents of The University of Texas System, relating to intellectual property rights in the Licensed Subject Matter, and acknowledges that any such royalties or other benefits that would be so due Erlbacher, but for this Agreement, shall be and remain the property of the Board.

## **6. TERM AND TERMINATION**

6.1 The Term of this Agreement shall extend from the Effective Date to the full end of the term or terms for which Patent Rights have not expired or, if only Technology Rights are licensed and no Patent Rights are applicable, for a term of ten (10) years following the Effective Date.

6.2 This Agreement will earlier terminate:

- (A) Automatically if Licensee shall become bankrupt or insolvent and/or if the business of Licensee shall be placed in the hands of a receiver, or trustee, whether by voluntary act of Licensee or otherwise;
- (B) Upon ninety (90) days written notice by Board if Licensee shall breach or default on any substantial obligation under this Agreement; provided, however, that Licensee may avoid such termination if before the end of such period Licensee notifies Board that such breach will be cured and states the manner of such cure;
- (C) Under the provisions of Paragraph 4.5, if invoked; and
- (D) At any time upon ninety (90) days written notice by Licensee to Board.

6.3 Upon termination of this Agreement for any cause, nothing herein shall be construed to release either party of any obligation which has accrued prior to the effective date of such termination. Licensee may, after the effective date of such termination, sell all Licensed Products that it may have on hand at the date of termination, provided that it pays earned royalties thereon as provided by the terms of this Agreement.

## **7. INFRINGEMENT BY THIRD PARTIES**

7.1 If any infringement or threatened infringement of any patent covering the Invention comes to the attention of either party, it will promptly notify the other party, giving particulars thereof.

7.2 In the event that any infringement of any patent covering the Invention occurs on a commercial scale, then subject to any legal advice to the contrary, the parties agree that steps will be taken to end the infringement, including the institution of legal proceedings. The parties agree to fully cooperate with each other in all steps taken to end the infringement. However, Licensee shall have the right to independently institute and maintain legal proceedings to enforce any patent covering the Invention. In respect to any legal proceedings, Licensee will bear the costs and expenses thereof.

7.3 In the event that compensatory damages are obtained in any action for infringement, they will be applied (a) in payment of the costs of the action, and (b) insofar as damages are awarded on account of economic loss, they will be awarded to licensee, subject to payment to Board of a royalty thereon pursuant to Paragraph 5.1(A) above. In the event that non-compensatory damages (such as increased damages or attorney fees) are obtained, they will be awarded to Licensee free of any obligation to pay Board a royalty thereon except, however, such amounts, if any, will be applied in payment of the costs of the action for purposes of calculating the royalty payment to Board pursuant to the previous sentence.

## **8. ASSIGNMENT**

8.1 This Agreement and the rights granted hereunder will inure to the benefit of the parties hereto and will not be assignable by either party, except as provided in Paragraph 4.3, without the prior written consent of the other party, which consent will not be unreasonably withheld.

8.2 In the event Board, during the Term of this Agreement shall desire to assign its rights to the Invention or the Licensed Subject Matter, including any patents covering the Invention, Board shall give to Licensee the first opportunity to purchase the same at a price to be mutually agreed upon by the parties in good faith, which price shall not be greater than that for which the Invention, Licensed Subject Matter, and/or patents is offered for sale to any other purchaser.

## **9. PATENT MARKING**

Licensee agrees to mark permanently and legibly all products and documentation manufactured or sold by it under this Agreement with such patent notice as may be permitted or required under Title 35, United States Code.

## **10. INDEMNIFICATION**

Licensee shall hold harmless and indemnify Board, System, University, its Regents, officers, employees and agents from and against any claims, demands, or causes of action whatsoever, including without limitation those arising on account of any injury or death of persons or damage to property caused by, or arising out of, or resulting from, the exercise of practice of the license granted hereunder by Licensee, its Subsidiaries, or their officers, employees, agents or representatives.

## **11. USE OF BOARD AND COMPONENTS NAME**

Licensee shall not use the name of University, System, Board, or Regents without express written consent of Board.

## **12. CONFIDENTIAL INFORMATION**

12.1 Board and Licensee each agree that all information contained in documents marked "CONFIDENTIAL" which are forwarded to one by the other shall be received in strict confidence, used only for the purposes of this Agreement, and not disclosed by the recipient party (except as required by law or court order) its agents or employees without the prior written consent of the other party, unless such information (a) was in the public domain at the time of disclosure, (b) later became part of the public domain through no act or omission of the recipient party, its employees, agents, successors or assigns, (c) was lawfully disclosed to the recipient party by a third party having the right to disclose it, (d) was already known by the recipient party at the time of disclosure, (e) was independently developed by the recipient, or (f) is required to be disclosed to a government agency.

12.2 Each party's obligation of confidence hereunder shall be fulfilled by using at least the same degree of care with the other party's confidential information as it uses to protect its own confidential information. This obligation shall exist while this Agreement is in force and for a period of three (3) years thereafter.

## **13. PATENTS AND INVENTIONS**

13.1 Except as otherwise provided hereinafter, Board agrees at its own expense (subject to reimbursement by Licensee pursuant to Paragraph 13.4 below) to do each of the following: (a) to file in the United States Patent and Trademark Office applications for letters patent covering the Invention, (b) to prosecute diligently said Applications, and (c) to maintain in force any patents that issue from said Applications.

13.2 Board agrees to promptly supply Licensee with a complete copy of each of said Applications, and agrees to promptly furnish Licensee with copies of all communications received from, or sent to, the United States Patent and Trademark Office concerning said Applications.

13.3 Board agrees to submit to licensee for consideration and advice all responses to United States Patent and Trademark Office communications before filing them, and to give due consideration to the advice of Licensee in this connection.

13.4 Licensee agrees to reimburse Board for all reasonable expenses incurred by Board in searching, preparing, filing, prosecuting and maintaining any patent which issues covering the Invention. The obligations of Licensee under this paragraph shall not accrue until the issue date of any such patent.

13.5 If at any time during the term of this Agreement, Board intends to allow any of said Applications or any patent granted thereon to lapse or to become abandoned or forfeited without having first filed a substitute, Board shall: (a) notify Licensee in writing of its intention at least ninety (90) days before the date on which the application or patent

is due to lapse or to become abandoned or forfeited, and (b) if requested by Licensee, assign the entire right, title, and interest in and to that application or patent to Licensee. Licensee shall be under no obligation to prosecute or maintain in force any application or patent assigned to it, but shall continue to make payments pursuant to Paragraph 5.2 and shall continue to provide reports pursuant to Paragraphs 5.3, 5.4 and 5.5.

#### **14. GENERAL**

14.1 This Agreement constitutes the entire and only agreement between the parties for the Licensed Subject Matter and all other prior negotiations, representations, agreements, and understandings are superseded hereby. No agreements altering or supplementing the terms hereof may be made except by means of a written document signed by the duly authorized representatives of the parties.

14.2 Any notice required by this License Agreement shall be given by prepaid, first class, certified mail, return receipt required, addressed in the case of Board to:

Board of Regents  
The University of Texas System  
201 West Seventh Street  
Austin, Texas 78701  
ATTENTION: Office of General Counsel  
FAX: (512) 499-4523  
PHONE: (512) 499-4462

or in the case of Licensee to:

PUSHCORP, Inc.  
8719 Groveland  
Dallas, Texas 75218  
ATTENTION: Edwin Erlbacher  
FAX:  
PHONE: (214) 320-8372

or such other addresses as may be given from time to time under the terms of this notice provision.

14.3 Licensee shall comply with all applicable federal, state and local laws and regulations in connection with its activities pursuant to this Agreement.

14.4 This Agreement shall be construed and enforced in accordance with the laws of the United States of America and of the State of Texas.



14.5 Failure of either party to enforce a right under this Agreement shall not act as a waiver of that right or the ability to later assert that right relative to the particular situation involved.

14.6 Headings included herein are for convenience only and shall not be used to construe this Agreement.

14.7 If any provision of this Agreement shall be found by a court to be void, invalid or unenforceable, the same shall be reformed to comply with applicable law or stricken if not so conformable, so as not to affect the validity or enforceability of this Agreement.

IN WITNESS WHEREOF, parties hereto have caused their duly authorized representatives to execute this Agreement.

ATTEST:

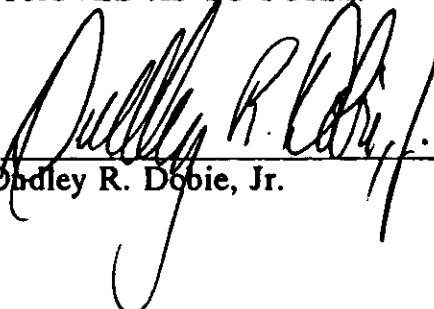
BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM


By \_\_\_\_\_  
Arthur H. Dilly, Executive  
Secretary to the Board

By \_\_\_\_\_  
Ray Farabee, Vice Chancellor  
and General Counsel


APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

By  \_\_\_\_\_  
Dudley R. Doobie, Jr.

By  \_\_\_\_\_  
W. A. Baker  
Vice President  
for Academic Affairs

(CONTRACTING PARTY)

By  \_\_\_\_\_  
Edwin A. Erlbacher II  
President  
PUSHCORP, Inc.

2. U. T. Dallas: Recommended Approval for Individuals to Acquire Equity in SI Diamond Technology, Inc., Houston, Texas.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Rutford that the U. T. Board of Regents approve the acquisition by Dr. Carl B. Collins, Professor, and Dr. Farzin Davanloo, Research Scientist, both in the School of Natural Sciences and Mathematics at U. T. Dallas, of equity in SI Diamond Technology, Inc., a Texas Corporation, Houston, Texas.

#### BACKGROUND INFORMATION

Dr. Carl B. Collins and Dr. Farzin Davanloo are faculty members of U. T. Dallas and have created inventions relating to methods and apparatus for creating diamond-like structures and coatings for which patent applications have been filed. At the June 1993 meeting, the U. T. Board of Regents approved via the institutional docket an agreement whereby the inventions were licensed to SI Diamond Technology, Inc. for purposes of commercializing the technology.

Dr. Collins and Dr. Davanloo will consult with SI Diamond Technology, Inc. in exchange for which they each wish to accept 5,000 shares of common stock of the company. Such consulting activities will conform with the policies of U. T. Dallas relating to outside employment.

The proposed arrangement is consistent with Section 51.912 of the Texas Education Code and corresponding provisions of the U. T. System Intellectual Property Policy. Pursuant to the Regents' Rules and Regulations, Part Two, Chapter XII, Section 6, Subsection 6.2, approval by the U. T. Board of Regents is necessary to allow the faculty-inventors to acquire equity in SI Diamond Technology, Inc.

3. U. T. Health Science Center - San Antonio: Recommendation for (a) Approval of an Agreement with Certain Individuals and (b) Approval for Such Individuals to Acquire Equity in OsteoBiologics, Inc., San Antonio, Texas.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Howe that the U. T. Board of Regents:

- a. Approve the Agreement set out on Pages AMC 64 - 66 among the U. T. Board of Regents, the U. T. Health Science Center - San Antonio, and Dr. Kyriacos Athanasiou, Assistant Professor; Dr. Barbara Boyan, Professor; and Mr. George Constantinides,

Research Engineering Associate, of the Department of Orthopaedics at the U. T. Health Science Center - San Antonio, whereby such individuals waive their respective rights to receive royalty pursuant to the Rules and Regulations of the U. T. Board of Regents from the commercialization of certain technology that they created and that the U. T. Board of Regents previously has licensed to OsteoBiologics, Inc., San Antonio, Texas

- b. Approve the acquisition by such individuals of equity in OsteoBiologics, Inc.

#### BACKGROUND INFORMATION

Dr. Kyriacos Athanasiou, Dr. Barbara Boyan, and Mr. George Constantinides are faculty members of the U. T. Health Science Center - San Antonio and have created two inventions ("Arthroscopic Indenter and Method for Using the Same" and "Multi-Phase Bioerodible Implant/Carrier and Method of Manufacturing and Using Same") for which patent applications have been filed. At the June 1993 meeting, the U. T. Board of Regents approved via the docket agreements whereby each invention was licensed to OsteoBiologics, Inc. of San Antonio, Texas, for purposes of commercializing the technology. The Rules and Regulations of the U. T. Board of Regents provide for the faculty-inventors to receive a share of royalty income that may be received from OsteoBiologics, Inc., but they wish to waive such right and instead be permitted to receive equity in OsteoBiologics, Inc. The subject agreement formalizes the waiver by the faculty-inventors of entitlement to royalty income and approves their receipt of common stock of OsteoBiologics, Inc. in the amounts of 125,000 shares for Dr. Athanasiou, 50,000 shares for Dr. Boyan, and 25,000 shares for Mr. Constantinides.

The proposed arrangement is consistent with Section 51.912 of the Texas Education Code and corresponding provisions of the U. T. System Intellectual Property Policy. Pursuant to Subsection 6.2, Chapter XII, Part Two of the Regents' Rules and Regulations, approval by the U. T. Board of Regents is necessary for the faculty-inventors' equity ownership in OsteoBiologics, Inc.

## AGREEMENT

This Agreement, dated the 12 day of August, 1993, is among The University of Texas Health Science Center at San Antonio (UNIVERSITY), the Board of Regents of The University of Texas System (BOARD), and Dr. Kyriacos Athanasiou, Dr. Barbara Boyan, and Mr. George Constantinides (each being referred to herein individually as Inventor or collectively as Inventors).

WHEREAS, on April 21, 1992, a patent application entitled "Arthroscopic Indenter and Method for Using the Same" listing Kyriacos Athanasiou and George Constantinides as Inventors, Serial Number 07/871,523, was filed;

WHEREAS, on February 14, 1992, a patent application entitled "Multi-Phase Bioerodible Implant/Carrier and Method of Manufacturing and Using Same" listing Kyriacos Athanasiou and Barbara Boyan as Inventors, Serial Number 07/837,401, was filed;

WHEREAS, the Inventors of both inventions are full-time UNIVERSITY employees and each Inventor is subject to the Rules and Regulations of the BOARD;

WHEREAS, on February 12, 1993, each of the above referenced inventions was licensed by the BOARD to OsteoBiologics, Inc.;

WHEREAS, pursuant to the Rules and Regulations of the BOARD, each Inventor is entitled to receive a percentage of royalty and other income produced as a result of the commercialization of the inventions;

WHEREAS, each of the Inventors has informed the UNIVERSITY that he or she does not wish to receive any royalty income resulting from such license agreements but does wish to receive stock from OsteoBiologics, Inc.;

WHEREAS, neither the UNIVERSITY nor the BOARD presently wishes to receive stock from OsteoBiologics, Inc., a closely held corporation, whose shares are not publicly traded;

WHEREAS, OsteoBiologics, Inc. has determined that it is willing to provide 200,000 shares of common stock to the Inventors.

NOW, THEREFORE, the parties agree as follows:

1. Each Inventor acknowledges and agrees that he or she will not receive any portion of the income or other consideration which BOARD or UNIVERSITY may receive from the licensing to OsteoBiologics, Inc. of and commercialization of these inventions, and each Inventor thus expressly waives his or her right with respect thereto under BOARD'S Rules and Regulations, Part 2, Chapter XII, subdivision 5.23 and subsection 6.1.

2. In consideration of the foregoing, UNIVERSITY and BOARD approve the Inventors' receipt of common stock of OsteoBiologics, Inc. as follows:

"Arthroscopic Indenter and Method for Using the Same"

Kyriacos Athanasiou	75,000 shares
George Constantinides	<u>25,000 shares</u>
	100,000 shares

"Multi-Phase Bioerodible Implant/ Carrier and Method of Manufacturing and Using Same"

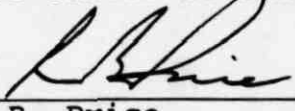
Kyriacos Athanasiou	50,000 shares
Barbara Boyan	<u>50,000 shares</u>
	100,000 shares

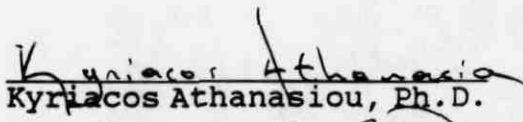
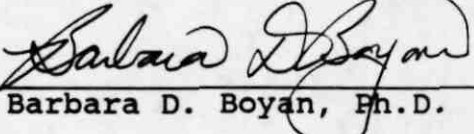
3. The relative allocation of shares of stock among the Inventors as set forth above is acceptable to each Inventor.

4. This Agreement shall not prohibit the Inventors from receiving compensation from OsteoBiologics, Inc. for services (e.g., consulting) rendered in the future. Any such agreement for future services shall be negotiated between the Inventors and OsteoBiologics, Inc. and shall be subject to applicable UNIVERSITY rules.

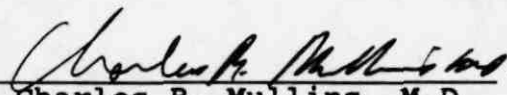
IN WITNESS WHEREOF, the parties have duly executed this Agreement.

The University of Texas Health  
Science Center at San Antonio

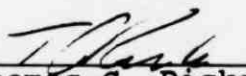
By:   
R. B. Price  
Executive Vice President  
for Administration and  
Business Affairs

  
Kyriacos Athanasiou, Ph.D.  
  
Barbara D. Boyan, Ph.D.

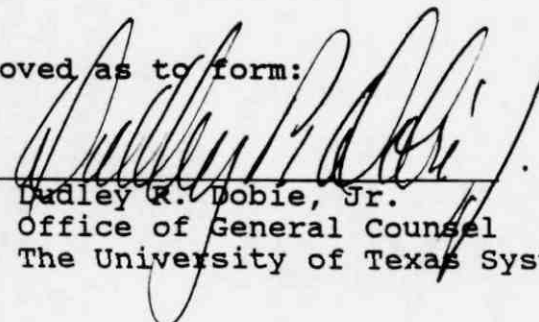
Board of Regents of  
The University of Texas System

By:   
Charles B. Mullins, M.D.  
Executive Vice Chancellor  
for Health Affairs

  
George P. Constantinides

By:   
Thomas G. Ricks  
Vice Chancellor for  
Asset Management

Approved as to form:

By:   
Dudley R. Dobie, Jr.  
Office of General Counsel  
The University of Texas System

4. U. T. Health Science Center - San Antonio: Recommendation for (a) Approval of a Patent and Software License and Distribution Agreement with RadWorks Corporation, San Antonio, Texas, and (b) Approval for Individuals to Acquire Equity in and Serve as Officers and Directors of RadWorks Corporation.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Howe that the U. T. Board of Regents:

- a. Approve the Patent and Software License and Distribution Agreement set out on Pages AMC 69 - 77 between the U. T. Board of Regents, for and on behalf of the U. T. Health Science Center - San Antonio, and RadWorks Corporation, San Antonio, Texas
- b. Approve the acquisition of equity in and service as officers and directors of RadWorks Corporation by Dr. S. Brent Dove, Instructor in the Department of Periodontics, and Dr. W. Doss McDavid, Professor in the Department of Dental Diagnostic Science, in the U. T. Dental School - San Antonio at the U. T. Health Science Center - San Antonio.

#### BACKGROUND INFORMATION

Dr. S. Brent Dove and Dr. W. Doss McDavid of the U. T. Health Science Center - San Antonio have created an invention entitled "Radiograph Display System with Anatomical Icon for Selecting Digitized Stored Images" for which U. S. Patent No. 5,179,579 was granted on January 12, 1993, and assigned to the U. T. Board of Regents.

Under the proposed Patent and Software License and Distribution Agreement, RadWorks Corporation is granted a royalty-bearing, exclusive, world-wide license under U. S. Patent No. 5,179,579 to manufacture, have manufactured, copy, distribute and/or sell licensed subject matter. RadWorks Corporation will pay the U. T. Board of Regents (1) a license documentation fee of \$10.00, (2) a running royalty of four percent (4%) of net sales, and (3) one-half of gross revenues received from any sublicensee. RadWorks also will reimburse the University for all of its out-of-pocket expenses incurred in obtaining the patent.

Dr. Dove and Dr. McDavid formed RadWorks Corporation for the purpose of commercializing the licensed technology and are the owners, officers and directors of the company. The technology is an integrated software package that provides for the acquisition and management of digital images for dental X-ray units. RadWorks Corporation will develop specific computer programs for various manufacturers' X-ray equipment and will develop the necessary users' manuals. A license to a faculty-owned company is appropriate inasmuch as the activities by RadWorks Corporation will not involve basic research.

The proposed arrangement is consistent with Section 51.912 of the Texas Education Code and corresponding provisions of the U. T. System Intellectual Property Policy. Pursuant to Subsections 6.2 and 7.1, Chapter XII, Part Two of the Regents' Rules and Regulations, approval by the U. T. Board of Regents is necessary for Dr. Dove and Dr. McDavid to acquire equity in and serve as officers and directors of RadWorks Corporation concurrent with approval of the proposed license agreement with such company.



**PATENT AND SOFTWARE LICENSE**  
**and DISTRIBUTION AGREEMENT**

THIS AGREEMENT is made by and between the BOARD OF REGENTS (BOARD) OF THE UNIVERSITY OF TEXAS SYSTEM (SYSTEM), an agency of the State of Texas, whose address is 201 West Seventh Street, Austin, Texas 78701, and RadWorks Corporation (LICENSEE), a Texas corporation having a principal place of business located at Texas Research Park, 14785 Omicron Drive, San Antonio, Texas 78245.

W I T N E S S E T H :

Whereas BOARD owns certain PATENT RIGHTS, SOFTWARE RIGHTS and TECHNOLOGY RIGHTS related to LICENSED SUBJECT MATTER, which were developed at The University of Texas Health Science Center at San Antonio, a component institution of The University of Texas System;

Whereas LICENSEE wishes to further develop LICENSED SUBJECT MATTER;

Whereas BOARD desires to have the LICENSED SUBJECT MATTER developed and used for the benefit of LICENSEE, the inventor, BOARD, and the public as outlined in the Intellectual Property Policy promulgated by the BOARD; and

Whereas LICENSEE wishes to obtain a license from BOARD to practice LICENSED SUBJECT MATTER;

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

I. EFFECTIVE DATE

This agreement shall be effective as of July 1, 1992, subject to approval by BOARD.

II. DEFINITIONS

As used in this Agreement, the following terms shall have the meanings indicated:

2.1 LICENSED SUBJECT MATTER shall mean inventions and discoveries covered by PATENT RIGHTS, SOFTWARE RIGHTS or TECHNOLOGY RIGHTS which is within LICENSED FIELD.

2.2 PATENT RIGHTS shall mean BOARD'S rights in information or discoveries covered by patents and/or patent applications, whether domestic or foreign, and all divisions, continuations, continuations-in-part, reissues, reexaminations or extensions thereof, and any letters patent that issue thereon, which name S. Brent Dove, W. Doss McDavid, Donald Wilcox as either sole or joint

inventor and which relate to the manufacture, use, or sale of "Radiograph Display System With Anatomical Icon for Selecting Digitized Stored Images," U.S. Patent Application Serial No. 07/717,211.

2.3 SOFTWARE shall mean the computer program entitled "RadWorks" as more fully described in Attachment A,\* regardless of the storage medium or form in which it is expressed.

2.4 LICENSED SOFTWARE shall mean SOFTWARE and any DERIVATIVE thereof.

2.5 DERIVATIVE shall mean any software that includes all or part of SOFTWARE, any translation of SOFTWARE into a different programming language, or any adaptation of SOFTWARE for use in a different operating system or with different computer equipment.

2.6 SOFTWARE RIGHTS shall mean the right to make copies of LICENSED SOFTWARE, to prepare derivatives thereof, to distribute such copies and derivatives, and to maintain SOFTWARE and information relating thereto confidential.

2.7 TECHNOLOGY RIGHTS shall mean BOARD'S rights in any technical information, know-how, process, procedure, composition, device, method, formula, protocol, technique, software, design, drawing or data relating to management of manipulation of digital images which is not covered by PATENT RIGHTS but which is necessary for practicing the invention at any time covered by PATENT RIGHTS.

2.8 LICENSED FIELD shall mean the dental and medical industries.

2.9 LICENSED TERRITORY shall mean the world.

2.10 LICENSED PRODUCT shall mean any product SOLD by LICENSEE comprising LICENSED SUBJECT MATTER pursuant to this Agreement.

2.11 SALE or SOLD shall mean the transfer or disposition of a LICENSED PRODUCT for value to a party other than LICENSEE or a SUBSIDIARY.

2.12 SUBSIDIARY shall mean any business entity more than 50% owned by LICENSEE, any business entity which owns more than 50% of LICENSEE, or any business entity that is more than 50% owned by a business entity that owns more than 50% of LICENSEE.

2.13 NET SALES shall mean the gross revenues received by LICENSEE from the SALE of LICENSED PRODUCTS less sales and/or use tax actually paid, import and/or export duties actually paid, outbound transportation prepaid or allowed, and amounts allowed or credited due to returns (not to exceed the original billing or invoice amount).

\* Attachment A is on file in the Office of the Board of Regents.

### III. WARRANTY; SUPERIOR-RIGHTS

3.1 Except for the rights, if any, of the Government of the United States, as set forth hereinbelow, BOARD represents and warrants its belief that it is the owner of the entire right, title, and interest in and to LICENSED SUBJECT MATTER, and that it has the sole right to grant licenses thereunder, and that it has not knowingly granted licenses thereunder to any other entity that would restrict rights granted hereunder except as stated herein.

3.2 LICENSEE understands that the LICENSED SUBJECT MATTER may have been developed under a funding agreement with the Government of the United States of America and, if so, that the Government may have certain rights relative thereto. This Agreement is explicitly made subject to the Government's rights under any such agreement and any applicable law or regulation. To the extent that there is a conflict between any such agreement, applicable law or regulation and this Agreement, the terms of such Government agreement, applicable law, or regulation shall prevail.

### IV. LICENSE

4.1 BOARD hereby grants to LICENSEE a royalty-bearing, exclusive license under LICENSED SUBJECT MATTER to manufacture, have manufactured, copy, distribute and/or sell LICENSED PRODUCTS within LICENSED TERRITORY for use within LICENSED FIELD. This grant shall be subject to the payment by LICENSEE to BOARD of all consideration as provided in this Agreement, and shall be further subject to rights retained by BOARD to:

(a) Publish the general scientific findings from research related to LICENSED SUBJECT MATTER; and

(b) Use any information contained in LICENSED SUBJECT MATTER for research, teaching, and other educationally-related purposes.

4.2 LICENSEE shall have the right to extend the license granted herein to any SUBSIDIARY provided that such SUBSIDIARY consents to be bound by this Agreement to the same extent as LICENSEE.

4.3 LICENSEE shall have the right to grant sublicenses consistent with this Agreement provided that LICENSEE shall be responsible for the operations of its sublicensee relevant to this Agreement as if such operations were carried out by LICENSEE, including the payment of royalties whether or not paid to LICENSEE by the sublicensee. LICENSEE further agrees to deliver to BOARD a true and correct copy of each sublicense granted by LICENSEE, and any modification or termination thereof, within thirty (30) days after execution, modification, or termination. Upon termination

of this Agreement, any and all existing sublicenses granted by LICENSEE shall be assigned to BOARD.

4.4 BOARD shall have the right at any time after two (2) years from the date of this Agreement, to terminate the exclusivity of the license granted herein in any national political jurisdiction within LICENSED TERRITORY if LICENSEE, within ninety (90) days after written notice from BOARD as to such intended termination of exclusivity, fails to provide written evidence that it has commercialized or is actively attempting to commercialize an invention hereunder within such jurisdiction. BOARD agrees to negotiate in good faith with LICENSEE for adjusting terms under such a non-exclusive arrangement. BOARD shall have the right at any time after three (3) years from the date of this Agreement to terminate the license completely in any national political jurisdiction if LICENSEE, within ninety (90) days after written notice from BOARD of such intended termination, fails to provide written evidence that it has commercialized or is actively attempting to commercialize an invention licensed hereunder within such jurisdiction. Evidence provided by LICENSEE that it has an ongoing and active research, development, manufacturing, marketing, or licensing program as appropriate, directed toward production and sale of products based on the invention disclosed and claimed in PATENTS, SOFTWARE RIGHTS or incorporating TECHNOLOGY within such jurisdiction shall be deemed satisfactory evidence.

#### V. PAYMENTS AND REPORTS

5.1 In consideration of rights granted by BOARD to LICENSEE under this Agreement, LICENSEE agrees to pay BOARD the following:

(a) A nonrefundable license documentation fee in the amount of \$10.00, which shall be due and payable when this Agreement is executed by LICENSEE;

(b) A running royalty equal to four percent (4%) of NET SALES for LICENSED PRODUCTS;

(c) One half of the gross revenues received by LICENSEE from any sublicensee.

5.2 During the Term of this Agreement and for one (1) year thereafter, LICENSEE shall keep complete and accurate records of its and its sublicensee's SALES and NET SALES of LICENSED PRODUCTS under the license granted in this Agreement in sufficient detail to enable the royalties payable hereunder to be determined. LICENSEE shall permit BOARD or its representatives, at BOARD'S expense, to periodically examine its books, ledgers, and records during regular business hours for the purpose of and to the extent necessary to verify any report required under this Agreement. In the event that the amounts due to BOARD are determined to have been

underpaid, LICENSEE shall pay the cost of such examination, and accrued interest at the highest allowable rate.

5.3 Within thirty (30) days after March 31, June 30, September 30, and December 31, LICENSEE shall deliver to BOARD a true and accurate report, giving such particulars of the business conducted by LICENSEE and its sublicensees, if any exist, during the preceding three (3) calendar months under this Agreement as are pertinent to an account for payments hereunder. Such report shall include at least (a) the quantities of LICENSED SUBJECT MATTER that it has produced; (b) the total SALES; (c) the calculation of royalties thereon; and (d) the total royalties so computed and due BOARD. Simultaneously with the delivery of each such report, LICENSEE shall pay to BOARD the amount, if any, due for the period of such report. If no payments are due, it shall be so reported.

5.4 Upon the request of BOARD but not more often than once per calendar year, LICENSEE shall deliver to BOARD written report as to LICENSEE'S efforts and accomplishments during the preceding year in commercializing LICENSED SUBJECT MATTER in various parts of the LICENSED TERRITORY and its commercialization plans for the upcoming year.

5.5 All amounts payable hereunder by LICENSEE shall be payable in United States funds without deductions for taxes, assessments, fees, or charges of any kind. Checks shall be made payable to BOARD OF REGENTS, The University of Texas System.

5.6 LICENSEE shall reimburse BOARD for all its out-of-pocket expenses thus far incurred in filing, prosecuting, enforcing and maintaining PATENT RIGHTS exclusively licensed hereunder and shall pay all such future expenses so long as and in such countries as its license remains exclusive.

## VI. TERM AND TERMINATION

6.1 The Term of this Agreement shall extend from the Effective Date set forth hereinabove to the full end of the term or terms for which PATENT RIGHTS have not expired and if only SOFTWARE RIGHTS and/or TECHNOLOGY RIGHTS are licensed and no PATENT RIGHTS are applicable, for a term of fifteen (15) years.

6.2 This Agreement will earlier terminate:

(a) automatically if LICENSEE shall become bankrupt or insolvent and/or if the business of LICENSEE shall be placed in the hands of a receiver, assignee, or trustee, whether by voluntary act of LICENSEE or otherwise;

(b) upon ninety (90) days' written notice if LICENSEE shall breach or default on any obligation under this License Agreement; provided, however, LICENSEE may avoid such

termination if before the end of such period LICENSEE notifies BOARD that such breach has been cured and states the manner of such cure;

(c) under the provisions of paragraph 4.4 if invoked.

6.3 Upon termination of this Agreement for any cause, nothing herein shall be construed to release either party of any obligation matured prior to the effective date of such termination. LICENSEE may, after the effective date of such termination, sell all LICENSED PRODUCT and parts therefor that it may have on hand at the date of termination, provided that it pays earned royalty thereon as provided in this Agreement.

6.4 Upon and effective as of the date of termination of this Agreement pursuant to paragraph 4.4 above, LICENSEE grants to BOARD a non-exclusive license with the right to sublicense others with respect to improvements made by LICENSEE in the LICENSED SUBJECT MATTER.

6.5 BOARD'S right to sublicense others hereunder shall be solely for purposes of permitting others to develop and commercialize the entire technology package.

#### VII. INFRINGEMENT BY THIRD PARTIES

7.1 LICENSEE shall have the obligation of enforcing at its expense any patent or copyright exclusively licensed hereunder against infringement by third parties and shall be entitled to retain recovery from such enforcement. LICENSEE shall pay BOARD royalty on any monetary recovery to the extent that such monetary recovery by LICENSEE is held to be damages or a reasonable royalty in lieu thereof. In the event that LICENSEE does not file suit against a substantial infringer of such patents within six (6) months of knowledge thereof, then BOARD shall have the right to enforce any patent licensed hereunder on behalf of itself and LICENSEE and/or reduce the license granted hereunder to non-exclusive.

7.2 In any suit or dispute involving an infringer, the parties shall cooperate fully, and upon the request and at the expense of the party bringing suit, the other party shall make available to the party bringing suit at reasonable times and under appropriate conditions all relevant personnel, records, papers, information, samples, specimens, and the like which are in its possession.

#### VIII. ASSIGNMENT

This Agreement may not be assigned by LICENSEE without the prior written consent of BOARD.

#### IX. PATENT AND COPYRIGHT MARKING AND REGISTRATION

9.1 LICENSEE agrees to mark permanently and legibly all products and documentation manufactured or sold by it under this Agreement with such patent notice as may be permitted or required under Title 35, United States Code and with such copyright notice as may be permitted under Title 17, United States Code.

9.2 LICENSEE may register LICENSED SOFTWARE with the United States Copyright Office, provided the registration is in the name of the SYSTEM, and the SYSTEM is provided copies of all documents relating to such registration.

#### X. INDEMNIFICATION

LICENSEE shall hold harmless and indemnify BOARD, SYSTEM, UNIVERSITY, its Regents, officers, employees and agents from and against any claims, demands, or causes of action whatsoever, including without limitation those arising on account of any injury or death of persons or damage to property caused by, or arising out of, or resulting from, the exercise or practice of the license granted hereunder by LICENSEE or its officers, employees, agents, or representatives.

#### XI. USE OF BOARD AND COMPONENT'S NAME

LICENSEE shall not use the name of UNIVERSITY, SYSTEM, BOARD, or Regents without express written consent.

#### XII. CONFIDENTIAL INFORMATION

12.1 BOARD and LICENSEE each agree that all information contained in documents marked "confidential" which are forwarded to one by the other shall be received in strict confidence, used only for the purposes of this Agreement, and not disclosed by the recipient party (except as required by law or court order), its agents or employees without the prior written consent of the other party, unless such information (a) was in the public domain at the time of disclosure, (b) later became part of the public domain through no act or omission of the recipient party, its employees, agents, successors, or assigns, (c) was lawfully disclosed to the recipient party by third party having the right to disclose it, (d) was already known by the recipient party at the time of disclosure, (e) was independently developed or (f) is required to be submitted to a government agency pursuant to any preexisting obligation.

12.2 Each party's obligation of confidence hereunder shall be fulfilled by using at least the same degree of care with the other party's confidential information it uses to protect its own confidential information. This obligation shall exist while this agreement is in force and for a period of three (3) years thereafter.

### XIII. PATENTS AND INVENTIONS

LICENSEE shall reimburse BOARD for all expenses incurred by BOARD in searching, preparing, filing, prosecuting and maintaining patent applications and patents relating to PATENT RIGHTS. If after consultation with LICENSEE it is agreed by BOARD and LICENSEE that a patent application should be filed for LICENSED SUBJECT MATTER, BOARD will prepare and file appropriate patent applications, and LICENSEE will pay the cost of searching, preparing, filing, prosecuting and maintaining same. If LICENSEE notifies BOARD that it does not intend to pay the cost of an application, or if LICENSEE does not respond or make an effort to agree with BOARD on the disposition of rights of the subject invention, then BOARD may file such application at its own expense and LICENSEE shall have no rights to such invention. BOARD shall provide LICENSEE with a copy of the application filed for which LICENSEE has paid the cost of filing, as well as copies of any documents received or filed during prosecution thereof.

### XIV. GENERAL

14.1 This Agreement constitutes the entire and only agreement between the parties for LICENSED SUBJECT MATTER and all other prior negotiations, representations, agreements, and understandings are superseded hereby. No agreements altering or supplementing the terms hereof may be made except by means of a written document signed by the duly authorized representatives of the parties.

14.2 Any notice required by this License Agreement shall be given by prepaid, first class, certified mail, return receipt requested, addressed in the case of BOARD to:

BOARD OF REGENTS  
The University of Texas System  
201 West 7th Street  
Austin, TX 78701  
ATTENTION: System Intellectual Property Office

or in the case of LICENSEE to:

RadWorks Corporation  
Texas Research Park  
14785 Omicron Drive  
San Antonio, TX 78245  
ATTENTION: Intellectual Property Division

or such other addresses as may be given from time to time under the terms of this notice provision.

14.3 LICENSEE shall comply with all applicable federal, state and local laws and regulations in connection with its activities



pursuant to this Agreement.

14.4 This License Agreement shall be construed and enforced in accordance with the laws of the United States of America and of the State of Texas.

14.5 Failure of BOARD to enforce a right under this Agreement shall not act as a waiver of that right or the ability to later assert that right relative to the particular situation involved.

14.6 Headings included herein are for convenience only and shall not be used to construe this Agreement.

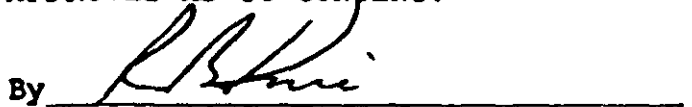
14.7 If any provision of this Agreement shall be found by a court to be void, invalid or unenforceable, the same shall be reformed to comply with applicable law or stricken if not so conformable, so as not to affect the validity or enforceability of this Agreement.

IN WITNESS WHEREOF, parties hereto have caused their duly authorized representatives to execute this AGREEMENT.

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

By   
Ray Farabee  
Vice Chancellor and General Counsel

APPROVED AS TO CONTENT:

By   
R. B. Price  
Executive Vice President  
for Administration and  
Business Affairs

RADWORKS CORPORATION

By   
S. Brent Dove, President

IV. OTHER MATTERS

NOTE: The following two agenda items contain recommendations which incorporate language consistent with current policies and procedures regarding gifts and add references to existing policy guidelines approved by the Board.

1. U. T. Board of Regents: Proposed Amendments to the Regents' Rules and Regulations, Part Two, Chapter I, Section 1 (Gifts to The University of Texas System).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Vice Chancellor for Asset Management that the Regents' Rules and Regulations, Part Two, Chapter I, Section 1 regarding gifts to The University of Texas System be amended as set forth below in congressional style:

Sec. 1. Gifts to The University of Texas System.

- 1.1 The authority to accept gifts to the System or to any of the component institutions is vested in the Board.
- 1.2 Recommendations to the Board for the acceptance of gifts showing details as to value, form, stipulations regarding use, ~~[and-provisions-for-custody]~~ and disbursement of funds shall be transmitted by the chief administrative officer through the appropriate Executive Vice Chancellor to the Chancellor.
- 1.3 Recommendations to the Board for the acceptance of gifts should be made in accordance with the provisions of the U. T. System Endowment Policy Guidelines, the U. T. System Planned Giving Policy Guidelines, and related Business Procedure Memoranda.
- 1.4[3] Gifts to Establish [Permanent] Endowments.  
1.41[31] All gifts to establish [permanent] endowments of any nature shall be accepted by the Board via the Agenda after review and recommendation by the appropriate Executive Vice Chancellor and the Chancellor, including the Office of Asset Management, of the terms of the endowment and the nature of the donated assets. Gifts to an [permanent] endowment previously established by the Board may be accepted by the chief administrative officer of a component institution after review and approval by the Office of Asset Management of the nature of the donated asset.

1.42[32] [Permanent] E[ndowments will be established with gifts which have been completed for tax purposes or a combination of such gifts and pledges at a minimum funding level of \$10,000. Endowments may be established to fund scholarship programs and other educational activities as well as the endowed academic positions specified in Section 3 below.

1.43[33] [~~All-endowment-gifts-are-subject to-the-ensuing-provisions~~]

[1+331] Should the Board determine at any time that an endowment [the] fund is not of sufficient size, and has no foreseeable prospects of growing to sufficient size to justify the continuing costs of maintenance of such fund as a separate fund, then in the Board's discretion the principal of such fund may be expended for or otherwise devoted to the accomplishment, as near as may be possible, of the purposes for which the fund was established.

[1+332-----A-permanent-register of-memorial-gifts shall-be-maintained-at each-component-institution-to-record gifts,-or-where-the gift-or-donation-is not-specifically directed-to-a-component,-the-register shall-be-maintained-by System-Administration]

1.5[4] Except as provided in other subsections of this Section, the authority to accept gifts to a component institution is delegated to the chief administrative officer when the gift is to a fund, foundation, or enterprise already approved by the Board or is a continuation of a series which has been previously approved by the Board. Each chief administrative officer, or a designee specified in writing, is empowered to accept cash gifts (except to establish endowments) to a component institution of the System in the amount of \$25,000 or less and gifts in kind (except from estates) having a value of \$25,000 or less, within the policies of the Board and Legislature governing the acceptability of gifts, and to deposit such gifts to the appropriate accounts.

All gifts (except those described in Subsections 1.6 and 1.7 [1+5] below) shall be reported by the dockets of each component institution as prescribed by the Board.

- 1.6[5] A quarterly report of all such gifts of \$25,000 or less showing name and address of donor, amount of cash gift or value of gift in kind, purpose, and date of the gift shall be filed with the Board via the System Development Office within thirty (30) days after August 31, November 30, February 28, and May 31 of each year. Such reports will summarize gifts of \$2,500 or less showing only total dollars and number of gifts.
- 1.7 The authority to accept specific cash bequests to a component institution of \$25,000 or less that are not to be used to fund an endowment is delegated to the chief administrative officer. These gifts must be reported as specified in Subsections 1.5 and 1.6 above. All bequests that are not specific cash bequests (regardless of the value), are over \$25,000, or are to fund an endowment must be accepted by the Board via the Agenda.
- 1.8[6] Except as provided in this Sub[8]section and the preceding Sub[8]sections, no member of the staff of any institution has the authority to accept gifts to the System or to any of its component institutions. Gifts to the component institutions (except from estates) of books or other objects of very small value and very obvious propriety, without conditions attached, may be accepted by individual members of the staffs provided these gifts are reported to the Board as specified in Subsections 1.5 [1+4] or 1.6 [1+5] as appropriate.
- 1.9[7] Due to the inefficiencies and high costs associated with separately tailoring investment management programs for gifts that are investment-restricted, notwithstanding any other provision of this Chapter, a gift subject to investment restrictions shall be referred for review and approval as specified in the U. T. System Endowment Policy Guidelines and the U. T. System Planned Giving Policy Guidelines [~~to-the-System-Director-of-Development-who-shall-review-the-terms-of-the-gift-instrument-with-the-Office-of-Asset-Management-and-the-Office-of-General-Counsel-prior-to-acceptance-of-the-gift-and/or-prior-to-its-recommendation-for-acceptance-by-the-U-T-Board-of-Regents~~].
- 1.(10)[8] Neither the System nor any of its component institutions will accept a gift for the benefit of any designated student unless the donor is exempt from Federal Income Taxes as defined by the Commissioner of Internal Revenue.

1. (11)[9] The acceptance of gifts of real property is prohibited without prior express approval of the Legislature except for establishing scholarships, professorships, or other trusts for educational purposes, provided that such property will not thereafter require legislative appropriations for operation, maintenance, repair, or construction of buildings (current Appropriations Act [B111]). Acceptance of all gifts of real estate shall be subject to the U. T. System Trust Fund Real Estate Policy Statement and the Environmental Review Policy for Acquisitions of Real Estate.

#### BACKGROUND INFORMATION

The primary purpose of these amendments is to ensure that Part Two, Chapter I of the Regents' Rules and Regulations is clearly consistent with current policies and procedures. The proposed language codifies current procedures for the processing of bequests, adds a clarification of the definition of a gift, and includes references to existing policy guidelines approved by the Board.

2. U. T. System: Proposed Amendments to the U. T. System Planned Giving Policy Guidelines.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Vice Chancellor for Asset Management that the U. T. System Planned Giving Policy Guidelines be amended as set forth below in congressional style:

#### U. T. SYSTEM PLANNED GIVING POLICY GUIDELINES

Planned giving provides a meaningful opportunity to expand donor support of The University of Texas System's drive to develop and maintain quality in faculty, students, and facilities. A planned gift is a transfer of assets to charity, given outright or deferred, in forms such as charitable remainder trusts, charitable lead trusts, pooled income funds, bargain sales, gift annuities, gifts with retained life estates, and bequests. The U. T. Board of Regents recognizes the importance of establishing policies and procedures to meet the planned giving development needs of the U. T. System and component institutions and of directing vigorous efforts to attract private fund support. This document, including the attached definitions, is designed to communicate the responsibility of the U. T. Board of Regents to donors and the goals for and the limitations upon planned giving activities. These guidelines state the preferences of the U. T. Board of Regents for the structure and management of planned gifts. Staff members are encouraged to work with potential donors to design planned gifts which are beneficial to donors and comply with these guidelines. When these guidelines do not indicate the appropriate course of action, or are inappropriate in light of

all aspects of a specific situation, staff members are to work with the relevant offices or the Planned Giving Committee, as outlined in these guidelines, to establish the course of action to be recommended to the U. T. Board of Regents. These guidelines are intended to supplement, not replace, the U. T. System Endowment Policy Guidelines, the U. T. System Trust Fund Real Estate Policy Statement, the Environmental Review Policy for Acquisitions of Real Estate and the Regents' Rules and Regulations. These guidelines are further intended to provide direction solely to U. T. System employees working with planned gifts and should not be used or distributed as a planned giving brochure.

A. Responsibility to Donors

1. In all matters related to planned giving, the U. T. System, the component institutions and staff and representatives must be aware of and sensitive to the potential donor's financial needs and concerns.
2. All representatives of the U. T. System and the component institutions shall use their best judgment to help donors make appropriate gifts. Each representative should be knowledgeable about planned gifts and should disclose to the donor advantages and disadvantages that could reasonably be expected to influence the decision of the donor to make an agreement with the U. T. Board of Regents. In particular, items subject to variability (such as market value and income payments) should be discussed fully. Donors shall be advised in writing to seek legal and/or tax advice from their own counsel.
3. The U. T. Board of Regents will not knowingly accept a gift that is contrary to the donor's best interests.

B. Acceptance of Gifts

1. All planned gifts meeting the standards established in these guidelines may be submitted as a proposed agenda item directly to the appropriate Executive Vice Chancellor following routine procedures.
2. In order to create a consensus on the appropriate terms and conditions of planned gifts which do not conform to the standards established in these guidelines and related schedules of approved payout rates, a Planned Giving Committee ("PGC") is to be created. The PGC shall consist of designees of the Office of Asset Management ("OAM"), the Office of General Counsel ("OGC"), the Office of Health Affairs ("OHA"), the Office of Academic Affairs ("OAA"), the Office of Business Affairs ("OBA"), the Office of Development and External Relations ("DER"), [~~U-T-System-Development-Office-("SDE")~~] and a representative of the component institution proposing terms for the planned gift. In the event that a designee is unable to attend a meeting of the PGC, an alternate may be appointed.
3. All planned gifts with terms and conditions which vary in any substantial respect from the format of the sample agreements discussed below, or otherwise vary from the requirements of these guidelines, must be reviewed in advance by the PGC.

4. The PGC should make every effort to reach a decision concerning a component's proposal within two [one] weeks after the component's proposal is received or within the time period requested. The PGC should either make a recommendation or request additional information within two [one] weeks after the component requests a review.
5. Upon review of the terms and conditions of a proposed agreement, the PGC shall make a recommendation for acceptance or amendment of the agreement to the appropriate members of the Executive Staff for final recommendation to the U. T. Board of Regents.

C. Restrictions on Acceptance of Gifts and Donated Assets

1. State law prohibits the U. T. Board of Regents from accepting gift annuities and deferred gift annuities. Inquiries concerning gift annuities and deferred gift annuities will be referred to appropriate external foundations established to benefit the U. T. System and/or its component institutions.
2. The U. T. Board of Regents is willing to serve as trustee of trusts that are revocable by the donor, or where the donor retains the right to change the charitable beneficiary only if: (1) the U. T. System component institution will receive irrevocably at least 51% of the total funding of the trust; and (2) the value of the U. T. System component institution's irrevocable interest equals the minimum requirements established below in H.2. for accounts that cannot be pooled for investment purposes. These restrictions have been established to insure that Article III, Section 51 of the Texas Constitution is not violated. (Section 51 has been interpreted to prohibit the U. T. Board of Regents from providing trustee services to an individual without receiving a benefit in return.)
3. The U. T. Board of Regents is willing to serve as trustee of trusts which allow for invasions of principal based upon objective, non-discretionary standards only if: (1) the U. T. System component institution will receive irrevocably at least 51% of the total funding of the trust; and (2) the value of the U. T. System component institution's irrevocable interest equals the minimum requirements established below in H.2. for accounts that cannot be pooled for investment purposes. The U. T. Board of Regents should not be asked to serve as trustee of trusts which allow income beneficiaries to invade the principal of the trust at the discretion of the trustee because of the potential for conflicts of interest and the constitutional provision referred to in C.2. above.
4. The U. T. Board of Regents is willing to serve as trustee of a charitable remainder trust with multiple charitable remainder beneficiaries only if: (1) the U. T. System component institution will receive at least 51% of the remainder; (2) the value of the U. T. System component institution's interest will be at least the minimum trust gift levels established below in H.2.; and (3) the other charities agree to provisions deemed appropriate by OGC.

5. Because of the current tax laws and the potential for conflicts of interest, the U. T. Board of Regents will accept charitable lead trusts as a beneficiary, but should not be asked to serve as trustee of charitable lead trusts. Upon request, information may be provided the donor on institutions in his/her locale having the legal authority to act as a trustee.
6. Section 116 of the Texas Probate Code prohibits the U. T. Board of Regents from accepting a gift which would require the U. T. Board of Regents to serve as a guardian of the person or estate.
7. A planned gift that creates unrelated business income tax problems for a charitable remainder trust should not be proposed for acceptance because of potential adverse tax consequences that result to the trust and the income beneficiary. (In any year in which a charitable remainder trust has any unrelated business income, the trust loses its tax exempt status for the entire year.)
8. Stock in a Subchapter-S corporation is not to be proposed for acceptance without the written consent of all other shareholders to forfeit the corporation's Subchapter-S status.

D. Donated Assets Requiring Review

1. Planned gift assets other than cash or marketable securities must be reviewed by the OAM. Reviews to determine whether a planned gift asset should be recommended for acceptance shall include consideration of any required cash expenses, liabilities, contingent liabilities, unrelated business income taxes, donor requirements which may result in risk of loss, as well as any other source of funds available to cover such expenses and liabilities. The OAM shall determine whether the economic risks are appropriate prior to recommending acceptance of the gift to the Chancellor and appropriate Executive Vice Chancellor. The PGC may offer advisory opinions to the OAM concerning this decision. A decision or a request for additional information should be made within two [one] weeks after the component requests a review.
2. All planned gifts of real estate must be reviewed by the OAM and are subject to the provisions of the U. T. System Trust Fund Real Estate Policy Statement and the Environmental Review Policy for Acquisitions of Real Estate.
3. Bequests and/or bargain sales involving assets creating unrelated business income tax should be reviewed by the OAM and the OBA for economic implications and by the OGC for legal implications.
4. Bequests of general partnerships, limited partnerships, and working interests may be accepted, subject to a thorough legal and financial analysis by the OGC, the OAM and the OBA. Interests in general partnerships, limited partnerships, and working interests will not be accepted as assets in a charitable remainder trust. Ownership of these assets could create unrelated business income tax problems and liability for the trust. (See C.7.)



**E. Gifts of Real Property with Retained Life Estates**

1. Gifts of real estate with retained life estates shall be reviewed and approved by the OAM, in consultation with the OGC, prior to recommendation for acceptance of the gift to the Chancellor and appropriate Executive Vice Chancellor. Acceptance of such gifts must also be in accordance with the guidelines for acceptance of outright gifts of real property as set forth in the U. T. System Trust Fund Real Estate Policy Statement and the Environmental Review Policy for Acquisitions of Real Estate.
2. Such gifts shall be proposed to the U. T. Board of Regents for acceptance only if adequate provision is made by the donor for any expense in connection with ownership, including payment of mortgages, taxes, insurance and utilities, unless a source of funds to cover such expenses has been identified by the component institution for whose benefit the gift is being made.

**F. Wills and Bequests**

1. Sample language approved by the OGC may be provided to an individual inquiring about naming the U. T. System or a component institution as a beneficiary.
2. If an individual provides a copy of his or her will naming the U. T. System or a component institution as a beneficiary, a copy of the will shall be sent to the Office of Endowment[s] Management and Administration [~~and-Trusts-~~["OEF"]] ("OEMA") for review. The OEMA [OEF] shall furnish copies to the OGC, the DER [SDO], and the component institution development office for further review. Any person to whom an individual's will is furnished must protect the confidentiality of its contents taking all possible precautions to protect the donor's right to privacy.
3. The U. T. Board of Regents should not be requested to serve as executor or administrator of an estate because of the potential for conflicts of interest and the scope of the required duties.
4. U. T. System and component institution employees who agree to serve as executor or administrator of a donor's estate which benefits a U. T. System component institution are immediately to notify the OEMA [OEF] of their appointment. Upon notification, the employee will be furnished a statement advising of the potential for conflicts of interest and directing that all communications pertaining to the estate between the employee and any office of the U. T. System or the component institutions shall be in writing.
5. U. T. System and component institution employees will not knowingly act as witnesses to wills in which the U. T. System or a component institution is named as a beneficiary because their doing so may jeopardize the receipt of the bequest.

## G. Life Insurance

1. Gifts of life insurance policies naming the U. T. Board of Regents as owner and/or beneficiary may be accepted in accordance with the Regents' Rules and Regulations for acceptance of gifts.
2. A component institution is responsible for preserving the value to the U. T. System component institution of a life insurance policy owned by the U. T. Board of Regents pursuant to institutional guidelines. The guidelines should cover situations in which the insurance policy is not paid-up and does not have any source of funds for payment of the premiums identified at the time of the gift or thereafter.

## H. Charitable Trusts

1. Because of the potential for conflicts of interest, U. T. System and component institution employees who agree to serve as trustee of a trust benefitting a U. T. System component institution are immediately to notify the OEMA [OEF] of their appointment. Upon notification, the employee will be furnished with a statement advising of the potential for conflicts of interest and directing that all communications pertaining to the trust between the employee and any office of the U. T. System or the component institutions shall be in writing.
2. Recommendations for acceptance of charitable remainder trusts of which the U. T. Board of Regents is proposed to be the trustee may be made to the U. T. Board of Regents only if the trust: (1) meets all of the criteria outlined in these guidelines and related schedules of payout rates or (2) has been reviewed and recommended by the PGC and the Executive Staff.

A life charitable remainder trust of which the U. T. Board of Regents is proposed to be trustee should have no more than two income beneficiaries, the youngest of which is at least 55 years of age. A term charitable remainder trust may have income beneficiaries of any age.

If the trust: (1) has acceptable terms, (2) is funded with cash or marketable securities, and (3) may be pooled for investment purposes, the trust should be initially funded at a minimum gift level of \$50,000.

If the trust: (1) has acceptable terms, (2) is funded with cash or marketable securities, and (3) may not be pooled for investment purposes, the trust should be initially funded at a minimum gift level of \$100,000.

If the trust is funded with assets other than cash or marketable securities, the terms of the agreement must be reviewed and approved by the OAM and, when necessary, the PGC. A unitrust with a net income payout or net income with make-up provision payout should be established for trusts funded with assets other than cash or marketable securities. Other acceptable terms depend upon the standard criteria plus the ability and length of time required to liquidate or manage the asset used to fund the

trust. Such trusts shall be reviewed by the OAM and, when necessary, the PGC and approved by the Executive Staff prior to being recommended to the U. T. Board of Regents for acceptance.

I. Pooled Income Fund

1. Gifts to a Pooled Income Fund may be proposed for acceptance only for beneficiaries over the age of 55 if there are no more than two income beneficiaries for each account established in a Pooled Income Fund by a donor. The minimum gift needed to enter a Pooled Income Fund is \$10,000, or a contribution of \$5,000 with a pledge that additional contributions will be made to bring the total dollar share in the Fund to \$10,000 within five years.
2. The Pooled Income Fund charter requires that all gifts must be made in cash or readily marketable securities.

J. Management and Investments

1. Multiple pooled funds for unitrusts and annuity trusts, allowing the generation of diverse yields through the selection of a growth or yield investment emphasis, are essential.
2. The OAM shall have primary responsibility for policies on the deposit, investment, custody and reporting of charitable trust funds and pooled income funds and for the negotiation and approval of agreements governing the provision of such services by outside parties.
3. The U. T. Board of Regents will not authorize the OAM to administer and manage [~~life-income~~] charitable trusts of which the U. T. Board of Regents is not trustee.
4. Costs associated with the U. T. System staff's management of planned gifts will be borne by the U. T. System. However, the U. T. System may request reimbursement from the trust for any third party charges incurred by the trust. Such charges may include, but are not limited to, bank custodial fees, real estate expenses such as appraisals, surveys, environmental assessments, maintenance and repairs, and extraordinary legal fees. In circumstances where it is deemed inappropriate for the affected trusts to bear such expenses, reimbursements may be requested from the component institution for whose benefit the trust is administered.

K. Use of Legal Counsel

1. A representative of the U. T. System or a component institution shall seek the advice of designated attorneys in the OGC or outside counsel, upon specific referral by the OGC, in all matters pertaining to the U. T. System planned giving program which may have adverse legal consequences to the U. T. System.
2. Negotiation, execution, and acceptance of any planned gift shall follow procedures outlined in Section L. of this policy including review of any planned gift agreement by the OGC as to legal consequences. All agreements shall conform to the sample

agreements approved by the OGC unless otherwise approved in accordance with the procedures set forth in these guidelines.

3. Each potential donor shall be advised to seek counsel from his/her own lawyer or accountant where applicable in matters relating to planned gifts, tax and estate planning.

L. Negotiation and Execution of Documents

1. The chief administrative officer of each U. T. System component institution shall designate in writing the staff members who are authorized to enter into negotiations concerning planned gift agreements with potential donors. All negotiations shall be conducted in accordance with these guidelines and the format of the sample agreements approved by the OGC.
2. It is the responsibility of each U. T. System or component institution representative to keep detailed written notes to supplement written correspondence as evidence of ethical practices in negotiations with each donor.
3. The representative working with a donor who desires to make a planned gift which deviates from these guidelines, the sample agreements, or the schedule of approved payout rates, shall contact the OAM as soon as possible which will contact the OGC and/or the PGC as appropriate. A current list of the names of designated representatives of these offices shall be furnished to the component institution and U. T. System development offices.
4. The OAM shall furnish a regular schedule of approved payout rates to all U. T. System staff members authorized to enter into negotiations concerning planned gift agreements to assist them during discussions with donors.
5. Donors should be informed that approved payout rates may be adjusted if market conditions change significantly before an agreement is finalized. Requested payout rates for charitable trusts are to be approved immediately prior to finalization of the trust by the [Executive] Vice Chancellor for Asset Management or his/her designee(s). Any request to deviate from the schedule of approved payout rates established by the OAM shall be considered in the same manner as outlined above in Section B. for gifts that deviate from the standard criteria.
6. If the donor requests or requires that the donative instrument be signed by a representative of the U. T. Board of Regents, the document may be signed only after acceptance of the gift by the U. T. Board of Regents.
7. The Chancellor and the [Executive] Vice Chancellor for Asset Management or his/her designee(s) are each authorized to execute a donative instrument for a planned gift that has been accepted by the U. T. Board of Regents.

M. Administrative Policy

1. Component institution business offices and development offices, the DER, the OAM, and the OGC should operate in a cooperative manner to insure prompt transmission of information on proposed planned gifts. Prompt internal notification of potential bequests and life insurance claims must occur to allow the U. T. System offices to monitor these situations.
2. All planned giving agreements will be deemed confidential to the extent permitted by law. However, a donor may authorize public announcement of any feature of an agreement. All files will be made available to agents of the Internal Revenue Service (IRS). All other requests for information will be honored only if the donor approves the release of information or if current law requires release of the information.
3. Any advertisement or planned giving brochure to be mailed or otherwise furnished to potential donors shall be sent to the OAA or the OHA, as appropriate, for administrative approval and coordinated review for compliance with policy statements by that office and the DER [SBO], the OAM, and the OGC, before distribution to donors. Every attempt should be made to complete the reviews and provide a definitive response within two weeks of receipt of the materials.

## Appendix

### Glossary of Terms

1. **Planned Giving:** A planned gift is a transfer of assets to charity, given outright or deferred, in forms such as charitable remainder trusts, charitable lead trusts, pooled income funds, bargain sales, gift annuities, gifts with retained life estates, and bequests.
2. **Charitable Remainder Trust:** A charitable remainder trust is a type of trust arrangement whereby non-charitable entities or individuals are usually the income beneficiaries for a specified term of years ("term charitable remainder trust") or for a person's or persons' life-time(s) ("life charitable remainder trust"). At the end of the applicable time period, the trust assets remaining (the "remainder") are transferred to a qualified charity. Two types of charitable remainder trusts allowed by the IRS are the charitable remainder unitrust and the charitable remainder annuity trust.
  - a. **Charitable remainder unitrust:** A charitable remainder unitrust is a charitable remainder trust from which the trustee is required to pay to the income beneficiaries a fixed percentage of the trust's fair market value each year. The amount paid to the income beneficiary may, or may not, be limited by the income earned by the trust.
  - b. **Charitable remainder annuity trust:** A charitable remainder annuity trust is a charitable remainder trust from which the trustee is required to pay to the income beneficiaries a fixed dollar amount each year.
3. **Charitable Lead Trust:** A charitable lead trust is a trust whereby a charity is the income beneficiary for a specified term or for a person's lifetime. At the end of the applicable time period, the remaining trust assets are transferred to non-charitable entities or individuals.
4. **Pooled Income Fund:** A pooled income fund is a trust:
  - a. To which each donor transfers property, contributing an irrevocable remainder in the property to the charity that manages the fund;
  - b. In which the property transferred by each donor is commingled with property contributed by other donors; and
  - c. From which each beneficiary of an income percentage receives a pro rata share of the income each year.
5. **Gift Annuity:** A gift annuity is an agreement whereby a donor gives property to a charity in exchange for the charity's promise to pay a guaranteed annual income for a person's lifetime. The promise to make the payments is usually considered to be a general obligation of the charity and is backed by all the assets of the organization.

6. **Deferred Gift Annuity:** A deferred gift annuity is essentially the same as a gift annuity with the exception that the donor picks a date in the future for payments to begin.
7. **Bargain Sale:** A bargain sale is a sale of an asset to a charity for less than its fair market value. The difference between the fair market value and the purchase price is treated as an outright gift for income tax purposes.
8. **Gift of Real Property with Retained Life Estate:** A gift of real property with a retained life estate is a gift of real property in which the donor reserves the right to use the property for a person's lifetime.

#### **BACKGROUND INFORMATION**

At the December 1989 meeting, the U. T. Board of Regents approved the U. T. System Planned Giving Policy Guidelines. The proposed amendments would extend the available review period of the Planned Giving Committee from one week to two weeks, reference the Environmental Review Policy for Acquisitions of Real Estate where appropriate, and make various minor editorial corrections.

**NOTE:** The following three agenda items acknowledge that various types of funds defined by Section 51.009 of the Texas Education Code as institutional funds are not intended to be principally governed, with respect to investment, by The University of Texas System Institutional Funds Investment Policy. This Investment Policy is intended to govern the investment of all institutional funds excluding the following funds:

- a. Endowment funds and funds functioning as endowments, trust funds, and agency funds administered by the Office of Asset Management
- b. Medical Liability Self-Insurance Fund authorized by Chapter 59 of the Texas Education Code administered by the Office of Asset Management
- c. Investment income related to endowment funds and funds functioning as endowments, trust funds, agency funds and the self-insurance funds in b. above as long as such income remains administered by the Office of Asset Management.

For clarity, these proposed agenda items define "operating funds" to be this subset of institutional funds. These agenda items conform the language of relevant sections of the Regents' Rules and Regulations, The University of Texas System Institutional Funds Short/Intermediate Term Fund Information Memorandum, and The University of Texas System Institutional Funds Investment Policy to include this definition of "operating funds." Each of these agenda items also proposes other specific changes as described in the Background Information of each item.



3. U. T. Board of Regents: Proposed Amendments to the Regents' Rules and Regulations, Part Two, Chapter III, Section 3 (Deposits with the State Treasurer) and Section 4, Subsection 4.1 (Local Institutional Funds).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs and the Vice Chancellor for Asset Management that the Regents' Rules and Regulations, Part Two, Chapter III, Section 3 and Subsection 4.1 of Section 4 be amended as set forth below in congressional style:

Sec. 3. Deposits with the State Treasurer.

- 3.1 The statutes and the current Appropriations Act require that all cash receipts [~~of the general academic-teaching~~] accruing to component institutions be deposited in the State Treasury, with the exception of those funds named in Section 51.008 of the Texas Education Code, including those funds from auxiliary enterprises, noninstructional services, [matriculation-fees-collected-in-lieu-of-student-activity fees], agency, designated and restricted funds, endowment funds, trust funds, other gift funds, student loan funds, funds retained under Chapter 145 of the Texas Education Code, and Constitutional College Building Amendment Funds.
- 3.2 Cash [Institutional] receipts that are required to be deposited in the State Treasury shall be so deposited in the manner prescribed in the statutes and the current Appropriations Act.
- 3.3 Component institutions of the System are authorized by the current Appropriations Act to establish Revolving Funds under certain prescribed procedures to facilitate the payment of nominal expenses and to pay bills within cash discount periods, as well as for regular monthly payrolls, weekly, and special payrolls. Such Revolving Funds are authorized, subject to approval of the Director of the Office of Budget and Fiscal Policy.

Sec. 4. [~~Local~~] Institutional Funds.

- 4.1 All institutional funds [~~local-income~~] not required to be deposited in the State Treasury must be deposited in official depository banks for safekeeping or invested as specified by law and by the applicable Rules and Regulations, Business Procedure Memoranda and Investment Policy Statements [The-University-of-Texas System-Institutional-Funds-Investment-Policy].
- 4.11 Funds held in demand deposits, time deposits, or non-negotiable certificates of deposit shall be deposited or invested only in banks with which the Board has a depository agreement. Depository and custody agreements may be negotiated and executed by the Vice Chancellor for Asset Management when such depository agreements are in substantially the same form as a standard depository agreement

approved by the Board or, for other agreements, in a form approved by the Office of General Counsel and are with banks meeting the then current policies of the Board. Each chief administrative officer and chief business officer of a component institution or the Executive Vice Chancellor for Business Affairs may negotiate and execute contracts for banking services with banks which have entered into a depository agreement with the Board if the contract has been approved by the Office of General Counsel and the Office of Business Affairs.

4.12[3] Requests for documentation specifying staff authorized to sign checks or initiate funds movements, or changes thereto, for all bank accounts, bank common trust funds, or money market funds shall be approved by each institutional chief administrative officer and chief business officer with copies of the changes and/or authorization sent to the Director of the Office of Budget and Fiscal Policy.

4.13[2] Operating funds, as defined by The University of Texas System Operating Funds Investment Policy, shall be invested in compliance with that investment policy statement. Operating f[F]unds held in bank common trust funds or money market funds shall be invested in funds approved by the Vice Chancellor for Asset Management based on, at a minimum, the criteria specified in The University of Texas System Operating [Institutional] Funds Investment Policy. The Vice Chancellor for Asset Management shall administer pooled investment funds for the investment of operating funds as authorized by the Board. The chief business officer of any component institution may add or withdraw operating funds of the component to or from (i) demand deposits, time deposits, or non-negotiable certificates of deposit as set forth in Subsection 4.11 of this Section. (ii) any common trust fund or money market fund approved by the Vice Chancellor for Asset Management or (iii) any investment pool administered by the Office of Asset Management for the investment of such operating funds on any established addition or withdrawal date of the pool.

[4.14--The Vice Chancellor for Asset Management shall invest, upon the request of the chief business officer of any component institution, local institutional funds as specified by law and by The University of Texas System Institutional Funds Investment Policy and shall negotiate and execute all agreements and instruments necessary for such investments.]

## BACKGROUND INFORMATION

The proposed amendments to the Regents' Rules and Regulations, Part Two, Chapter III, Sections 3 and 4 acknowledge that various types of funds are defined by Section 51.009 of the Texas Education Code as institutional funds and that various Regents' Rules and Regulations apply to the depositing, custody, and investing of each of these types of funds. The proposed amendments reference a definition of "operating funds" set out in a proposed amendment to The University of Texas System Operating Funds Investment Policy. This Policy defines "operating funds" to be a subset of institutional funds, excluding the following funds:

- a. Endowment funds and funds functioning as endowments, trust funds, and agency funds administered by the Office of Asset Management
- b. Medical Liability Self-Insurance Fund authorized by Chapter 59 of the Texas Education Code administered by the Office of Asset Management
- c. Investment income related to endowment funds and funds functioning as endowments, trust funds, agency funds and the self-insurance fund in b. above as long as such income remains administered by the Office of Asset Management.

The proposed amendments also describe the appropriate investment options for operating funds and conform the Regents' Rules and Regulations with the Regents' standard bank depository agreement by authorizing specified officers of components and U. T. System to execute contracts for banking services.

4. U. T. System: Proposed Amendments to The University of Texas System Institutional Funds Short/Intermediate Term Fund Information Memorandum.--

## RECOMMENDATION

The Chancellor concurs in the recommendation of the Vice Chancellor for Asset Management that The University of Texas System Institutional Funds Short/Intermediate Term Fund Information Memorandum be amended as follows:

- a. The word "operating" be substituted for the word "institutional" throughout the Information Memorandum
- b. The Performance Benchmark section of the Information Memorandum be amended as set out on Page AMC - 96 in congressional style.

### PERFORMANCE BENCHMARK

Attainment of Fund investment objectives shall be defined as the achievement over an interest rate cycle (i.e. 5 years) of a total return in excess of the Fund's performance benchmark.

No single index represents the Fund's portfolio composition as permitted under [~~the-Public-Funds-Investment-Act~~] the Operating [~~Institutional~~] Funds Investment Policy or the Fund's liquidity requirements. A combination of indices weighted as follows shall comprise the Fund's normal performance benchmark:

- 10% Merrill Lynch U. S. Treasury [~~Payden-&-Ryge~~] 6 month Bill [~~Bank-&-B~~] Index
- 10% Merrill Lynch U. S. 91-day Treasury Bill Index
- 30% Merrill Lynch U. S. Treasury 1-3 year Index
- 30% Merrill Lynch Federal Agencies 1-3 year Index
- 10% Merrill Lynch U. S. Treasury 3-5 year Index
- 10% Merrill Lynch Federal Agencies 3-5 year Index

This performance benchmark is believed to represent how the Fund should "normally" look in terms of risk, composition by securities, duration, and other factors governed by the Investment Policy. It also is believed to embody the trade-offs between risk and return or between the total return and yield objectives established for the Fund. The performance benchmark may be revised by the Fund Advisory Board if deemed appropriate. During the estimated 2-year phased buy-in period, the performance benchmark weightings shall be adjusted (with approval by the Fund Advisory Board) to reflect the higher levels of liquidity.

### BACKGROUND INFORMATION

The proposed amendments to The University of Texas System Institutional Funds Short/Intermediate Term Fund Information Memorandum conform this document to the proposed definitions in The University of Texas System Institutional Funds Investment Policy which defines "operating funds" to be a subset of institutional funds as defined by Sections 51.008 and 51.009 of the Texas Education Code excluding the following funds:

- a. Endowment funds and funds functioning as endowments, trust funds, and agency funds administered by the Office of Asset Management
- b. Medical Liability Self-Insurance Fund authorized by Chapter 59 of the Texas Education Code administered by the Office of Asset Management
- c. Investment income related to endowment funds and funds functioning as endowments, trust funds, agency funds and the self-insurance fund in b. above as long as such income remains administered by the Office of Asset Management.

The proposed amendments to the Performance Benchmark section of The University of Texas System Institutional Funds Short/Intermediate Term Fund Information Memorandum have been approved by the Operating Fund Advisory Board due to the difficulty in obtaining the Payden & Rygel 6 month Bank C.D. Index.

5. U. T. System: Recommendation to Revoke The University of Texas System Medical/Dental Self-Insurance Fund Investment Policy Statement and Proposed Amendments to The University of Texas System Institutional Funds Investment Policy.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Vice Chancellor for Asset Management that The University of Texas System Medical/Dental Self-Insurance Fund Investment Policy Statement be revoked and that The University of Texas System Institutional Funds Investment Policy be amended as set out below in congressional style:

THE UNIVERSITY OF TEXAS SYSTEM  
OPERATING [INSTITUTIONAL] FUNDS INVESTMENT POLICY STATEMENT  
(Adopted on October 13, 1989,  
Amended on December 3, 1992, and  
Amended on August 12, 1993)

#### SCOPE

This investment policy statement shall govern the investment of institutional funds, as defined by Sections 51.008 and 51.009 of the Texas Education Code, under the control of The University of Texas System and its component institutions, excluding the following funds:

- a. Endowment funds and funds functioning as endowments, trust funds, and agency funds administered by the Office of Asset Management
- b. Medical Liability Self-Insurance Fund authorized by Chapter 59 of the Texas Education Code administered by the Office of Asset Management
- c. Investment income related to endowment funds and funds functioning as endowments, trust funds, agency funds and the self-insurance fund in b. above as long as such income remains administered by the Office of Asset Management.

Funds governed by this investment policy statement shall hereinafter be referred to as "operating funds." Nothing in this investment policy statement shall be construed to limit the holding, management, or sale of non-cash gifts or bequests by The University of Texas System and its component institutions.

## BACKGROUND

The investment of operating funds [~~excluding those required to be deposited in the State Treasury or classified as endowment, trust or agency funds~~] of or under the control of component institutions of The University of Texas System is governed by the following statutes:

- a. Section 51.0031 of the Texas Education Code, and
- b. [a+] The Public Funds Investment Act of 1987 (Article 842a-2, Texas Revised Civil Statutes Annotated [V.A.E.S.]), as amended, [7]  
[b+] [Section 4047-Government Code, and, c+ Article 6252-5a, V.A.E.S.]

This policy is written in compliance with Section 5 of the Public Funds Investment Act of 1987 which requires that investments be made in accordance with written policies approved by the governing body of an institution of higher education. [~~It applies to all existing institutions of The University of Texas System and any other institution or branch hereafter operated by or under the jurisdiction of the Board of Regents.~~]

## INVESTMENT OBJECTIVE

The primary objective of the operating [~~institutional~~] funds investment program is to generate a high rate of income and secondly to produce capital appreciation when consistent with the reasonable preservation of principal and the maintenance of adequate liquidity. Within the exposure limits contained herein, investments shall be diversified among authorized investment categories and issuers in order to minimize portfolio risk for a given level of expected return. Volatility of interest rates is expected, and therefore, periodic maturities of portions of each portfolio afford opportunities to restructure portfolios through yield and maturity adjustment.

## INVESTMENT GUIDELINES

Investment restrictions include the following:

1. All investments must be U. S. dollar denominated.
2. No investments may be made in securities of the South African government, government agencies, or firms.
3. Commercial paper must be rated in the two highest quality classes by Moody's Investors Service, Inc. (P1 or P2) or Standard & Poor's Corporation (A1 or A2).
4. Negotiable certificates of deposit must be with a bank that is associated with a holding company meeting the commercial paper rating criteria specified above or that has a certificate of deposit rating of 1 or better by Duff & Phelps.
5. Bankers' Acceptances must be guaranteed by an accepting bank with a minimum certificate of deposit rating of 1 by Duff & Phelps.

6. Repurchase Agreements and Reverse Repurchase Agreements shall conform to the Repurchase Agreement Investment Guidelines as approved by the Operating Fund Advisory Board.
7. All investments in bonds or other evidence of indebtedness shall be issued by or guaranteed by the U. S. government or U. S. government agencies or instrumentalities except for the securities listed in restrictions 3, 4, 5, and 6 above.
8. No preferred or common stocks or other ownership interests or securities convertible into ownership interests may be purchased.
9. No securities may be purchased or held which would jeopardize the Fund's tax exempt status.
10. No securities may be purchased on margin or leverage.
11. No transactions in short sales will be made.
12. Transactions in financial futures and options (other than those received as a part of an investment unit) may occur only as part of a hedging program authorized by the Operating Funds Advisory Board and Asset Management Committee.
13. Any unaffiliated liquid investment fund must be reviewed and approved by the Vice Chancellor for Asset Management and the Fund Advisory Board prior to investment of Fund monies in such liquid investment fund.

**[ AUTHORIZED INVESTMENTS ]**

**Institutional funds may be invested in the following securities:**

1. U.S. Treasury Obligations  
 -----includes obligations of agencies and instrumentalities  
 Term: 5 years or less (unless otherwise approved by Vice Chancellor for Asset Management)  
 Quality Rating: none  
 Security: none  
 Exposure Limits:  
     a) To Investment Category: no limit  
     b) To any one issuer: no limit
2. State of Texas Obligations  
 ---includes direct obligations of agencies  
 Term: 5 years or less (unless otherwise approved by Vice Chancellor for Asset Management)  
 Quality Rating: none  
 Security: none  
 Exposure Limits:  
     a) To Investment Category: no limit  
     b) To any one issuer: no limit

**3r---Guaranteed/Insured-Obligations**

**Term+---5-years-or-less-(unless-otherwise-approved  
by-Vice-Chancellor-for-Asset-Management)**

**Quality-Rating+--none**

**Security+--principal-of-and-interest-on-obligations  
unconditionally-guaranteed-or-insured-by+  
a)--the-U-S-or-its-agencies-and  
instrumentalities, or,  
b)--the-State-of-Texas**

**Exposure-Limits+**

**a)----To-Investment-Category+--no-limit**

**b)----To-any-one-Issuer+--no-limit**

**4r---Municipal-Obligations**

**-----includes-obligations-of-states, agencies, coun-  
ties, cities-and-other-potential-subdivisions  
of-any-state**

**Term+---5-years-or-less-(unless-otherwise  
approved-by-Vice-Chancellor-for-Asset-Man-  
agement)**

**Quality-Rating+--not-less-than-A-or-its-equivalent  
by-a-nationally-recognized  
investment-rating-firm+**

**Exposure-Limits+**

**a)----To-Investment-Category+--20%-of-Fund-net  
assets**

**b)----To-any-one-Issuer+--2% Fund-net-assets**

**5r---Bank-Certificates-of-Deposit**

**-----issued-by-state-and-national-banks-domiciled-in  
Texas**

**Term+---maximum-2-years-(unless-otherwise-approved  
by-Vice-Chancellor-for-Asset-Management)**

**Quality-Rating+--n-r-a+**

**Security+--a--guaranteed-or-insured-by-F.D.I.C.-(or  
its-successor), or**

**b--(-i)-secured-by-U-S-Treasury-obli-  
gations-with-a-market-value  
greater-than-or-equal-to-princi-  
pal-amount-of-certificates, or**

**(ii)-in-any-other-manner-and-amount  
as-provided-by-law-and-consis-  
tent-with-the-bank-depository  
agreement+**

**Exposure-Limits+**

**a)----To-Investment-Category+--no-limit**

**b)----To-any-one-Issuer+--no-limit**

**(-i)--Fund-Level+--no-limit**

**(ii)--Component-Level+--per-component  
policy-as-approved-by-Executive  
Vice-Chancellor-for-Business  
Affairs**

**6r---S&I-Association-Certificates-of-Deposit**

**-----issued-by-savings-and-loan-associations-domi-  
ciled-in-Texas**

**Term+---maximum-2-years-(unless-otherwise-approved  
by-Vice-Chancellor-for-Asset-Management)**

**Quality-Rating+--n-r-a+**

**Security+--a--guaranteed-or-insured-by-F.S.B.I.C.  
(or-its-successor), or,**

**b--(-i)-secured-by-U-S-Treasury-obli-  
gations-with-a-market-value  
greater-than-or-equal-to-princi-  
pal-amount-of-certificates, or,**

**(ii)-in-any-other-manner-and-amount  
as-provided-by-law-and-consis-  
tent-with-the-bank-depository  
agreement+**



**Exposure-Limits:**

- a)----To-Investment-Category+--no-limit
- b)----To-any-one-issuer+--no-limit
  - (i)---Fund-Level+--no-limit
  - (ii)---Component-Level+--per-component policy-as-approved-by-Executive Vice-Chancellor-for-Business Affairs

**7.---Bankers'-Acceptances**

-----accepted-by-a-bank-organized-and-existing-under the-laws-of-the-Ur-Sr-or-any-state

Term+---maximum-270-days-from-date-of-issuance

Quality-Rating+--Bank-(or-holding-company-of-which bank-is-largest-subsi-dary)-short term-rating-of-at-least-A-1,-P-1 or-equivalent-by-at-least-one nationally-recognized-credit-rating agency.

Security+--none

Exposure-limits:

a)----To-Investment-Category+--10%-of-Fund-net assets

b)----To-any-one-issuer+--2%-of-Fund-net-assets

Miscellaneous+--will-be-liquidated-in-full-at-maturity-per-its-terms-accepted-by-a bank-organized-and-existing-under the-laws-of-the-Ur-Sr-or-any-state.

**8.---Commercial-Paper**

Term+---maximum-270-days-from-date-of-issuance

Quality-Rating+--(i)---rated-at-least-A-1,-P-1,-or the-equivalent-by-at-least two-nationally-recognized credit-rating-agencies,-or- (ii)---1,-rated-at-least-A-1,- P-1,-or-the-equivalent by-at-least-one nationally-recognized credit-rating-agency, and,

2r---is-fully-secured-by-a letter-of-credit-from a-bank-existing-under the-laws-of-the-Ur-Sr-or-any-state-thereof and-with-a-short-term rating-of-at-least A-1,-P-1,-or-equivalent-by-at-least-one nationally-recognized credit-rating-agency.

Security+--none

Exposure-limits:

a)----To-Investment-Category+--50%-of-Fund-net assets

b)----To-any-one-issuer+--6%-of-Fund-net-assets

**9.---Repurchase-and-Reverse-Repurchase-Agreements**

-----for-direct-obligations-of-the-Ur-Sr-or-its agencies-and-instrumentalities-and-with-a defined-termination-date

Term+---maximum-60-days

Quality-Rating+--none

Security+--direct-obligations-of-the-Ur-Sr-or-its agencies-and-instrumentalities-(must-be pledged-with-a-third-party-selected-or approved-by-the-Vice-Chancellor-for-Asset Management,-and-placed-through-a-primary

government-securities-dealer-or-a-bank  
domiciled-in-Texas-(as-approved-by-the  
Vice-Chancellor-for-Asset-Management)-

**Exposure-Limits:**

- a)----To-Investment-Category+--50%-of-Fund-net  
assets
- b)----To-any-one-Dealer/Bank+--\$100-million

**10.---Bank-Common-Trust-Funds**

---must-be-owned-or-administered-by-banks-domi-  
ciled-in-Texas-and-consist-of-obligations  
1-9-above

---must-seek-to-maintain-a-stable-net-asset  
value-of-\$1-per-share

---must-be-preapproved-by-the-Office-of-Asset  
Management-

Term+--n+--a+

Quality-Rating+--none

Security+--none

Exposure-Limits+

better-of+

a)-20%-of-average-monthly-investable  
balances-(excluding-bond-proceeds)

b)-To-Issuer+

(i)--10%-of-fund-total-assets

Miscellaneous+--must-comply-with-Internal  
Revenue-Code-of-1986-and-other  
federal-regulations-governing  
the-investment-of-tax-exempt  
bond-proceeds-and-must-meet-the  
cash-flow-requirements-and-the  
investment-needs-of-the-insti-  
tution-

**11.---Money-Market-Mutual-Funds**

-----must-be-a-SEC-registered,-no-load-fund-pre-  
approved-by-the-Office-of-Asset-Management-  
Fund-must-have-assets-consisting-of-obligations  
1-9-above-and-must-seek-to-maintain-a-stable  
net-asset-value-of-\$1-per-share-

Term+---none-(fund-must-have-a-dollar-weighted-aver-  
age-portfolio-maturity-of-120-days-or-less)

Quality-Rating+--none

Security+--none

Exposure-Limits+

better-of+

a)----20%-of-average-monthly-institutional  
funds-investable-balances-(excluding-bond  
proceeds)

b)----To-any-one-mutual-fund+

(i)--10%-of-fund-total-assets]

**BIDS**

Investments in bank common trust funds may be made only after oral or written competitive bids have been solicited from at least three banks located within Texas. Investments in bank and S&L certificates of deposits may be made after electronic, oral or written bids have been solicited.

**INVESTMENT MANAGEMENT**

Overall fiduciary responsibility for the investment of operat-  
ing [institutional] funds resides with the U. T. Board of  
Regents. U. T. System component institutions shall be respon-  
sible for the allocation of investments between eligible money  
market funds, collateralized bank and S&L certificates of  
deposit and the Operating Funds Short/Intermediate Term Fund  
("the Fund") subject to prescribed limits for each U. T.

System component institution. The Fund shall be managed per the terms of the Fund Information Memorandum and governed by a nine-member Advisory Board ("Operating Fund Advisory Board") consisting of representatives from U. T. System component institutions and System Administration. The Operating Fund Advisory Board shall approve investment policy, selection and evaluation of the Fund investment manager and other Fund agents and annual Fund budgets. Fund portfolio management shall be the responsibility of the Office of Fixed Income Investments for an initial period of five years from the creation of the Fund. The Fund shall be administered on a day-to-day basis by the Office of Asset Management.

#### REPORTING

Component business officers shall be responsible for transmitting all necessary information to the Office of Asset Management in order to permit periodic reporting by System Administration to the Board concerning portfolio balances and yields for individual components and for the U. T. System as a whole.

#### STANDARD OF CARE

Investments should be made with judgement and care, under circumstances then prevailing, that persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

#### [DEFINITIONS

~~The following terms used herein shall have the meanings set forth below:~~

~~"Fund"---the Institutional Funds Short/Intermediate Term Fund~~

~~"Term"---The remaining scheduled life of any fixed income obligation. Notwithstanding this definition, the term of the following securities shall be defined as follows:~~

- ~~a)---mortgage-backed securities---the expected average life of the obligation calculated using any generally accepted outside payment speed (PSA) at the time the obligation is purchased;~~
- ~~b)---adjustable or floating rate securities---the time from purchase date to the next interest rate reset date;~~
- ~~c)---put securities---the time remaining until such put feature can be experienced.]~~

#### EFFECTIVE DATE

This policy shall be effective concurrent with the establishment of the Fund and shall remain in effect until amended or revoked by the U. T. Board of Regents.

## BACKGROUND INFORMATION

The proposed amendments to The University of Texas System Institutional Funds Investment Policy acknowledge that various types of funds defined by Section 51.009 of the Texas Education Code as institutional funds are not intended to be principally governed, with respect to investment, by this Investment Policy. This Investment Policy is intended to govern the investment of all institutional funds excluding the following funds:

- a. Endowment funds and funds functioning as endowments, trust funds, and agency funds administered by the Office of Asset Management
- b. Medical Liability Self-Insurance Fund authorized by Chapter 59 of the Texas Education Code administered by the Office of Asset Management
- c. Investment income related to endowment funds and funds functioning as endowments, trust funds, agency funds and the self-insurance funds in b. above as long as such income remains administered by the Office of Asset Management.

For clarity, these proposed amendments define this subset of institutional funds as "operating funds." Since this definition of operating funds includes the Medical/Dental Self-Insurance Fund, the need for a separate investment policy statement for the Medical/Dental Self-Insurance Fund no longer exists.

The proposed amendments to The University of Texas System Institutional Funds Investment Policy adds a section on investment guidelines and restrictions while deleting a section on authorized investments. This change is proposed since the statutes now provide prudent person investing authority for these funds rather than a specific list of authorized investments. This proposed change has been reviewed with and endorsed by the Operating Fund Advisory Board.

The following two agenda items reflect the passage of S. B. 709 applying the Uniform Management of Institutional Funds Act to endowments of public higher education institutions, which now governs the management of endowments rather than the Texas Trust Code. Each of these agenda items also proposes other specific changes as described in the Background Information of each item.

6. U. T. System: Recommendation to Dissolve the Amortization Income Reserve Quasi-Endowment Fund and to Approve Amendments to The Charter of The University of Texas System Common Trust Fund.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Vice Chancellor for Asset Management that the following actions be taken effective September 1, 1993:

- a. Dissolve the Amortization Income Reserve Quasi-Endowment Fund in the Common Trust Fund
- b. Amend The Charter of The University of Texas System Common Trust Fund as set forth below in congressional style:

**THE CHARTER OF  
THE UNIVERSITY OF TEXAS SYSTEM COMMON TRUST FUND**  
(Originally Established as  
"Funds Grouped for Investment" on June 27, 1932,  
Amended on February 27, 1948, Amended on March 11, 1967,  
Amended on December 5, 1985, Amended on February 13, 1986,  
Amended on October 9, 1987, Amended on December 3, 1987,  
Amended on April 14, 1988, [and] Amended on February 8, 1990,  
and Amended on August 12, 1993)

#### ARTICLE I

##### Fund Name, Purpose, and Eligibility for Participation

1. The Common Trust Fund as herein established shall be known as "The University of Texas System Common Trust Fund" (originally designated as "Funds Grouped for Investment") and shall be under the control of the Board of Regents of The University of Texas System, as Trustee.
2. The purpose of the Common Trust Fund is to provide for the collective investment of various endowment [and trust] funds, funds functioning as endowments, and related income accounts held by The University of Texas System or by the Board of Regents of The University of Texas System in a fiduciary capacity.
3. No endowment [or-trust] fund shall be admitted unless it is under the sole control, with full discretion as to investments, of the Board of Regents of The University of Texas System and/or an official or officials of The University of Texas System in their [his] official capacity. The funds of a foundation, which is structured as a supporting organization described in Section 509(a) of the Internal Revenue Code of 1986 which supports the

activities of The University of Texas System and its component institutions, may be invested in the Common Trust Fund provided that:

- (a) the foundation funds are approved for admittance by the Board of Regents.
- (b) all members of the governing board of the foundation are also members of the Board of Regents of The University of Texas System.
- (c) the foundation has the same fiscal year as the Common Trust Fund, and
- (d) a contract exists between the Board of Regents and the foundation authorizing such investment.

However, no such official of The University of Texas System or trustee, board member, or officer of such foundation, other than the Board of Regents, the Chancellor, the [Executive] Vice Chancellor for Asset Management, or his or her designee, shall have any control over the management of the Common Trust Fund other than to request admittance or withdrawal of any endowment [or trust] fund or foundation assets [under-his-control-as designated-trustee-thereof]. No endowment [or-trust] shall be admitted which contains a specific provision against commingling or whose investment restrictions prohibit purchase of securities as stated in Article II hereof. Any distribution of funds requested by a foundation of an amount differing from that established in Article VII of this Charter shall be executed as an addition or withdrawal of units.

- 4. The fiscal year for the Common Trust Fund shall be from September 1 through August 31 of the succeeding year.

## ARTICLE II

### Investments

- 1. All assets of the Common Trust Fund shall at all times be vested in the Board of Regents of The University of Texas System, and such assets shall be deemed to be held by the Board as a fiduciary regardless of the name in which the securities may be registered.
- 2. The Common Trust Fund may be invested and reinvested in such securities and investments as are permitted by the laws of the State of Texas as legal investments for funds governed by the Uniform Management of Institutional Funds Act [held-by-trustees]. Where not otherwise in conflict with the provisions of this plan, investment and other powers established by the Uniform Management of Institutional Funds Act (Title 10, Chapter 163, Texas Property Code) [Texas-Trust-Code-(Subtitle-B,-Title-9,-Texas Property-Code)] shall prevail.
- 3. The Common Trust Fund shall be further limited to such investments as are eligible under The Common Trust Fund Investment Policy as adopted by the Board of Regents and as amended from time to time.

## ARTICLE III

### Asset Valuation

1. As of the first valuation date (March 1, 1948) following adoption of the original plans for a common trust fund, units of the Fund were issued for each \$1.00 invested therein, and thereafter additional units were issued and shall be issued from time to time only on the basis of an amount equal to the then per unit value as determined in accordance with Article III, Section 2, hereof. In order to permit complete investment of a given endowment or foundation [trust] and to avoid fractional units, any donated amount will be assigned a whole number of units in the Fund based on the appropriate per unit value of the Fund. Any amount of the [trust-or] endowment or foundation which exceeds the market value of the units assigned will be transferred to the Common Trust Fund, but no unit shall be issued. Each endowment or foundation [trust] whose monies are invested in the Common Trust Fund shall have an undivided interest in such Fund in the proportion that the number of units invested therein bears to the total number of all units comprising the Common Trust Fund.
  
2. On or as of the last business day occurring in November, February, May, and August in each fiscal year (the quarterly evaluation date), the net market value of all assets held for the Common Trust Fund and the per unit value of the Fund shall be determined. Valuations shall be given no effect on the general ledger and supporting ledgers of the University but shall be memorandum accounts only. Such valuations shall be determined in accordance with an Asset Valuation Policy approved by the Vice Chancellor for Asset Management and consistent with prevailing industry standards. [the-following-manner:
  - a.---~~Listed securities shall be valued at the closing price on the primary exchange on which the stock is traded or at the closing "composite price" as listed in the edition of "The Wall Street Journal" containing the valuation date's prices.~~
  - b.---~~For Over-the-Counter (OTC) stocks, the stocks shall be valued at the last bid price.~~
  - c.---~~If no sale or bid price is available for the last business day of the quarter, the security shall be valued as of the closest business day preceding the last business day of the quarter on which a sale or bid price is available.~~
  - d.---~~Fixed income securities shall be valued at a price obtained from a recognized bond pricing service.~~
  - e.---~~Mortgages and mortgage participations shall be evaluated by taking the then face value unless there shall be an existing default in the payment of principal and/or income, in which event, the value as determined by the Executive Vice Chancellor for Asset Management in consultation with his or her staff, from the best information then available, shall be used.~~
  - f.---~~Cash and temporary investments with less than a year to maturity shall be valued at their book value on the general ledger.~~

~~g.---All other assets shall be valued by the Executive Vice-Chancellor for Asset Management in consultation with his or her staff from the best information then available.~~

~~The amount determined as provided in (a) through (g) above after deducting therefrom all expenses chargeable to principal, shall represent] T[the net market value of the assets comprising such Fund shall be determined as provided above including all related receivables and payables of the Fund on the valuation date; and the value of each unit thereof shall be its proportionate part of such net value. Such valuation shall be final and conclusive.~~

#### ARTICLE IV

##### Admissions and Withdrawals

1. Admission to the Common Trust Fund may be made on any quarterly entrance date (September 1, December 1, March 1, and June 1 of each fiscal year or the first working day subsequent thereto) prior to approval of the Board of Regents upon deposit to the Common Trust Fund of cash or securities eligible under The Common Trust Fund Investment Policy, valued according to the method described in Article III hereof other than the exceptions noted in Section 3 of this Article. Securities ineligible under The Common Trust Fund Investment Policy require prior approval of the Board of Regents for deposit to the Common Trust Fund.
2. All admissions made prior to approval of the Board of Regents shall be reported at the first subsequent meeting for ratification by the Board of Regents through the Regents' Asset Management [and Investment] Committee.
3. Any withdrawals from the Fund require prior approval of the Board of Regents except withdrawals from [~~the Amortization Account or~~] the Income Reserve Account established in Article VI, [and] withdrawals necessary to correct recording errors, and withdrawals requested by a foundation. Additions and withdrawals from the [these] reserve account[s] and to correct errors shall be accounted for prior to the establishment of the per unit value of the Fund [take place at the close of business on the last business day of the quarter]. Additions and withdrawals related to the reserve account do not involve the assignment of units. Additions and withdrawals to correct errors shall be executed at the per unit value at the time the error occurred, if determinable. If it is not practical to determine the time the error occurred, additions and withdrawals to correct errors shall be executed at the average purchase price per unit of all units held by the endowment requiring the withdrawal. From time to time endowments are established for the purpose of providing matching funds for other endowments, referred to herein as "matching-fund endowments." Withdrawals from the matching-fund endowment and additions to the receiving endowment shall be executed at the average purchase price per unit of all units held by the matching-fund endowment. All other withdrawals shall be valued at the market value of the assigned units on the quarterly evaluation date following the approval by the Board of Regents. Withdrawals shall be paid in cash as soon as practicable after such valuation.



## ARTICLE V

### Segregation of Investments

1. If any investment contained in the Common Trust Fund shall be subsequently determined by the Board of Regents to be an ineligible investment, such investment may, prior to any further admissions to or withdrawals from such Fund, at the discretion of the [Executive] Vice Chancellor for Asset Management, be sold or segregated and set apart in a liquidating account solely for the benefit of those endowments or trusts participating in the Common Trust Fund at the time of such segregation.
2. Each such liquidating account shall be administered in such manner and the proceeds thereof distributed at such time or times as the [Executive] Vice Chancellor for Asset Management deems to be for the best interests of the participants in the Common Trust Fund.

## ARTICLE VI

### Fund Accounting

1. Gross cash income shall consist of actual cash received as income payments on assets held in the Fund, adjusted for amortization. Net cash income shall be gross cash income less investment expenses and fees as well as [management-fees-and] administrative processing and custodial fees.
2. Market [Book] value of the Fund shall be established as stated in Article III and shall be maintained on an accrual basis in compliance with Financial Accounting Standards Board Statements, [or] Government Accounting Standards Board Statements, or industry guidelines, whichever is applicable. [~~Asset-write-offs-or-write-downs-shall-be-determined-by-the-Executive-Vice-Chancellor-for-Asset-Management~~]
3. Asset write-offs or write-downs shall be determined by the Vice Chancellor for Asset Management [Market-value-of-the-Fund-shall-be-established-as-stated-in-Article-III].
4. Any net cash income for a quarter which exceeds the distribution amount for the quarter shall be retained in the Income Reserve Account of the Fund.

## ARTICLE VII

### Distribution of Income

- [17] Distribution shall be made quarterly as soon as practicable after the last calendar day of November, February, May, and August of each fiscal year to the endowment and foundation [trust] funds participating in the Fund during the respective quarter. The distribution amount shall be the lesser of:
- (a) one-fourth of an annual guideline amount per unit established by the Board of Regents and as redetermined from time to time by the Board of Regents; or
  - (b) the net cash income for the quarter plus the Income Reserve Account of the Fund.

## ARTICLE VIII

### Management of Fund

[17] Unless in conflict with specific provisions hereof, the management and investment of the Common Trust Fund shall be under the [Executive] Vice Chancellor for Asset Management, such management and investment thereof to be in accordance with the provisions of the Uniform Management of Institutional Funds Act [~~Texas-Trust-Code-(Subtitle-B, Title-97, Texas-Property-Code)~~] and The Common Trust Fund Investment Policy approved by the Board of Regents.

## ARTICLE IX

### Amendment or Termination of Plan

[17] The Board of Regents reserves the right to amend or terminate the Common Trust Fund as it deems necessary or advisable.

## BACKGROUND INFORMATION

At the February 1986 meeting, the U. T. Board of Regents established an Amortization Income Reserve Quasi-Endowment Fund in the Common Trust Fund for the investment of funds recorded as amortization income but not included in "Gross Cash Income" or "Net Cash Income" as defined in Article VI, Item 1, of The Charter of The University of Texas System Common Trust Fund. The funds held in this quasi-endowment would be added to the Income Reserve Quasi-Endowment Fund in the Common Trust Fund. The consolidation of the Amortization Income Reserve Quasi-Endowment Fund and the Income Reserve Quasi-Endowment Fund will reduce unnecessary administrative effort in the Office of Asset Management.

The proposed amendments to The Charter of the Common Trust Fund clarify the calculation of additions and withdrawals from the Fund and also authorize the investment of funds of the Ima Hogg Foundation, Inc., the Robertson Poth Foundation, and the Winedale Stagecoach Inn Fund to be added to the Common Trust Fund. Other proposed changes are to reflect the passage of S. B. 709, the Uniform Management of Institutional Funds Act, which now governs the management of endowments rather than the Texas Trust Code.

7. U. T. Board of Regents: Proposed Amendments to the Regents' Rules and Regulations, Part Two, Chapter II, Section 1, Subsection 1.5, Subdivision 1.53 (Retirement of Indebtedness Funds) and Chapter IX (Matters Relating to Investments, Trusts, and Lands).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Vice Chancellor for Asset Management that the Regents' Rules and Regulations, Part Two, be amended as follows:

- a. Amend Chapter II, Section 1, Subsection 1.5, Subdivision 1.53 (Retirement of Indebtedness Funds) as set forth below in congressional style:
- 1.53 Retirement of Indebtedness Funds.--Funds specified by the Board or by external sources to be set aside to meet debt service charges and the retirement of indebtedness on institutional plant assets. [~~All such funds shall be administered by the Office of Asset Management of System Administration.~~]
- b. Amend Chapter IX (Matters Relating to Investments, Trusts, and Lands) as set forth below in congressional style:

#### CHAPTER IX

##### MATTERS RELATING TO INVESTMENTS, TRUSTS, AND LANDS

#### Sec. 1. Authority Regarding Assets.

- 1.1 Subject to the more specific provisions of other sections of the Regents' Rules and Regulations or specific Regental policies, the authority to manage and invest assets of or held by the U. T. System shall be as set forth below.
- 1.2 All assets, regardless of the nature of the asset, received through a bequest or through a distribution from an account held in trust by others shall be managed by the Office of Asset Management until appropriate distribution may be made to the beneficiary institution or to an endowment fund, a fund functioning as an endowment, or a life income or annuity fund.
- 1.3 All assets of the Permanent University Fund, excluding the real property of the Permanent University Fund, shall be managed by the Office of Asset Management. Real property of the Permanent University Fund shall be managed by the Office of Business Affairs.

1.4 All assets, regardless of the nature of the asset, received for or held in an endowment fund (other than the Permanent University Fund), a fund functioning as an endowment, or a life income or annuity fund shall be managed by the Office of Asset Management until such funds terminate.

1.5 All assets of Retirement of Indebtedness Funds, Bond Proceeds, Unemployment Compensation Funds, Workers' Compensation Funds, the Medical/Dental Self-Insurance Fund, the Vision Services Fund, and the Medical Liability Self-Insurance Fund ("consolidated System funds") shall be managed with respect to investment of such funds as set forth below:

1.51 The Office of Business Affairs shall invest the Retirement of Indebtedness Funds, Bond Proceeds, Unemployment Compensation Funds, Workers' Compensation Funds, the Medical/Dental Self-Insurance Fund, and the Vision Services Fund in the same manner that chief business officers may invest the operating funds of each component institution.

1.52 The Office of Asset Management shall invest the Medical Liability Self-Insurance Fund as set out in this Chapter.

1.6 Except as provided in Subsection 1.2 of this Section, assets which are not a part of the Permanent University Fund, an endowment fund, a fund functioning as an endowment, or a life income or annuity fund or consolidated System funds shall be managed as set forth below:

1.61 Real property used for campus lands shall be managed by the chief administrative officer of the component institution subject to review by the Office of Business Affairs prior to requesting Board approval to acquire the property. Otherwise, real property and notes secured by a deed of trust shall be managed by the Office of Asset Management.

1.62 Tangible personal property shall be managed by the chief administrative officer of the component institution.

1.63 Intangible personal property consisting of securities, interests in businesses, and equity interests in technology transfer firms as set out in the Regents' Intellectual Property Policy shall be managed by the Office of Asset Management. Other intangible personal property shall be managed by the chief administrative officer of the component institution.

Sec. 2[±]. Authorizations Regarding [rel] Sales, Assignments, Conveyances, Receipt of Property, and Proxies.

2[±].1 Authority to Purchase, Exchange, and Sell Securities for and on Behalf of the Permanent University Fund (hereinafter sometimes referred to as "PUF") and the Board.--The Chancellor, or his or her delegate, the Vice Chancellor for Asset Management, [and] the Executive Director

for Fixed Income Investments, and the Portfolio Managers are authorized to purchase, exchange, and sell any and all securities of any description whatever and from any source, including gifts and bequests, for and on behalf of the PUF or the Board. In addition, external investment managers appointed by the Board of Regents may purchase, sell, or exchange securities, pursuant to written agreement with the Board of Regents [~~7-from-funds designated-from-the-PUF,--the-Common-Trust Fund,--the-Medical-Liability-Self-Insurance-Fund,--or-any-funds-held-in-trust~~].

2.2 Authority to Transact Through Investment Dealers.--Sales, purchases, and exchanges shall be effected through investment dealers or brokers in accordance with the applicable Investment Policy Statement.

2.3[1+2] Authority to Assign and Transfer Securities Owned by the PUF and the Board.--The Chancellor, or his or her delegate, the Vice Chancellor for Asset Management, the Executive Director for Endowment Management and Administration, and the Director of the Office of Budget and Fiscal Policy may each assign and transfer any and all securities of any description whatever and from any source, including gifts and bequests, and execute any and all documents necessary to the consummation of any sale, assignment, or transfer of any securities registered in the name of the PUF or the Board, or in any other form of registration of such securities held for the account of the PUF or the Board in whatever manner, including all fiduciary capacities and including those registered in the names of trusts or foundations managed and controlled by said Board. In addition, custodian banks appointed by the Vice Chancellor for Asset Management may assign and transfer securities and execute any and all documents necessary to the consummation of any sale, assignment, or transfer of any security owned by the Board.

2.4[1+3] Authority to Execute Instruments Relating to Land and Mineral Interests.--[The Chairman-of-the-Board,--the-Vice-Chairmen, the-Chancellor,--or-his-or-her-delegate, and-the-Executive-Vice-Chancellor-for Business-Affairs-are-each-authorized] The authority to execute conveyances, deeds, surface and/or mineral leases, easements, rights-of-way, oil and gas division orders, and transfer orders, geophysical and material source permits, water contracts, pooling and unitization agreements, and any other instruments as may be necessary or appropriate from time to

time, relating to the handling, management, control, and disposition of any real estate or mineral interest held or controlled by the Board is hereby authorized as follows:

(i) Real Estate or Mineral Interests held as part of the PUF or campus lands:

The Chancellor or his or her delegate

The Executive Vice Chancellor for Business Affairs

(ii) Real Estate or Mineral Interests held as part of any endowment, trust, or other fund excluding the PUF and campus lands:

The Chancellor or his or her delegate

The Vice Chancellor for Asset Management

The Executive Director for Endowment Real Estate.

[as-a-part-of-the-PUF-or-as-a-part-of-any trust-or-special-fund]

2.5[1-4] Authority to Receive and Collect Money and/or Property.--The Chancellor, the Vice Chancellor for Asset Management, the Executive Director for Endowment Management and Administration, and the Manager of Estates and Trusts are each authorized and empowered to ask, demand, collect, recover, and receive any and all sums of money, debts, dues, rights, property, effects, or demands, whatever, due, payable, or belonging, or that may become due, payable, or belonging to the PUF or the Board [any-of-the-above-funds] from investment transactions and bequests, from any person or persons, whatever, and to execute any and all necessary or proper receipts, releases, and discharges therefor and any other instruments as may be necessary or appropriate from time to time, relating to the handling, management, and control and disposition of any bequest.

2.6[1-5] Authority to Execute Proxies and Consent to Modifications in Bond Indentures.--The Chancellor, or his or her delegate, the Vice Chancellor for Asset Management, the Executive Director for Fixed Income Investments, the Executive Director for Endowment Management and Administration, and the Portfolio Managers [Investment Officers] are each authorized to consent to modifications in bond indentures and to execute proxies within the approved investment policies.

2.7[1-6] Authority to Deliver and Maintain Securities in Book-Entry Form.--Securities owned by the PUF or the Board may be delivered and maintained by a custodian bank or a member bank of the Federal Reserve System in book-entry form subject to applicable law.

Sec. 3[2]. Policy for Investment and Management of the PUF.

3[2].1 The policies for the investment of funds for the Permanent University Fund shall be those outlined in The Permanent University Fund Investment Policy Statement.

~~[2+2-----Advice-of-Investment-Advisory Committee--The-Chancellor,-the-Vice Chancellor-for-Asset-Management,-and-the Executive-Director-for-Investments-shall seek-the-advice-and-counsel-of-the Investment-Advisory-Committee-at-its-regular-quarterly-meetings-and-at-other times-as-appropriate-on-all-of-the-major matters-involving-the-PUF.]~~

3.2[2+3] Reports Regarding [to-the-Regents'] Asset Management [Committee].

3.21[2+31] All purchases, sales, and exchanges of investments shall be reported for ratification by the Board via the Docket [through-the Regents'-Asset-Management Committee].

3.22[2+32] The investment performance of the PUF [Fund], as measured by an unaffiliated organization, shall be reported to the Regents' Asset Management Committee at least annually.

3.23[2+33] The nature and extent of any investments in or business transacted with any firm with which a member of The University of Texas System investment staff is affiliated will be reported to the Regents' Asset Management Committee annually.

3.24[2+34] The PUF's [Fund's] investment in U. S. companies with substantive investments or operations in South Africa will be reported to the Regents' Asset Management Committee semiannually in combination with the status review of these firms' effective compliance with the spirit of the six key elements of the Sullivan Principles.

3.25[2+35] All proxy votes on the social issue of investment and corporate conduct in South Africa will be reported to the Regents' Asset Management Committee.

3.3[2+4] The Chancellor, the Vice Chancellor for Asset Management, or the Executive Director for Fixed Income Investments are each authorized to take any and all steps as may be considered necessary or advisable

to protect the interest of the PUF in event of default or any other significant changes occurring with respect to any investment.

3.4[2+5] Policies with Respect to Stock Rights, Fractional Shares, and Proxies.

3.41[2+51] Exercise of or sale of stock rights and warrants is to be made at the discretion of the Chancellor, the Vice Chancellor for Asset Management, the Executive Director for Fixed Income Investments, or the Portfolio Managers [Investment-Officers]. Stock rights or warrants which arise in connection with funds under control of an unaffiliated investment manager shall be handled by that manager at its discretion.

3.42[2+52] Fractional shares which arise in connection with funds under control of an unaffiliated investment manager or the System investment staff shall be handled by that manager or the staff at its discretion.

3.43[2+53] As a general rule, voting stocks held are to be voted by returning proxies to present management. When the Portfolio Managers [Executive-Director-for Investments] or the Executive Director for Endowment Management and Administration determines that a vote with management would not be in the shareholder's best financial interest, or when a proposal under consideration is of a social nature, the matter will be referred to the Chancellor or the Vice Chancellor for Asset Management, or, in the event both of them are absent, to the Chairman of the Asset Management Committee. Voting on the issue of investments and corporate conduct in South Africa shall correspond to the Regents' Policy Statement on South African Issues adopted by the Board at its February 1986 meeting.



3.5[2+6] Exchange of Bonds.--The Chancellor, the Vice Chancellor for Asset Management, the Executive Director for Investments, and the Investment Officers are each authorized to exchange bonds owned, from time to time, on a par for par basis (with such cash adjustments as may be required) for other eligible bonds or obligations. In any such exchange the cost of the bonds exchanged out (plus or minus the cash adjustments involved) shall be carried forward as the cost of the bonds or obligations acquired, even though the sale and purchase may be effected through different brokers. Such sales and purchases may be considered as exchanges provided there has been an improvement in book yield.

[Sec. 3.-----Policy for Investment and Management of Trust and Special Funds.

3.1-----Unless otherwise limited by the terms of the instrument by which the fund was created, trust and special funds under the control of the Board shall be invested and reinvested in such securities and investments as are permitted by the Texas Trust Code (Subtitle B, Title 9, Texas Property Code) as legal investments for funds held by trustees.--The policies for the investment of funds for the Professional Medical Liability Self-Insurance Plan shall be those outlined in the Medical Liability Self-Insurance Fund Investment Policy Statement.

3.2-----The provisions of Sections 2.2, 2.3, 2.4, 2.5 and 2.6, with respect to the investment and management of the PUF, shall likewise apply to trust and special funds except that Subsection 2.32 shall be applied only when appropriate comparisons and significant amounts are involved.

3.3-----Trust funds will be managed separately and not commingled with the Common Trust Fund if the terms of the instrument by which the fund was created or documents and instructions from the donor preclude investment through the Common Trust Fund. In addition, nonmarketable securities held by a trust fund may be recorded as separately invested.--All other endowment funds will be invested through the Common Trust Fund.]

Sec. 4. Policy for Investment and Management of Other U. T. Investment Pools [the Common Trust Fund].

4.1 The policies for the investment of funds for U. T. investment pools [the Common Trust Fund] shall be those outlined in the applicable [The Common Trust Fund] Investment Policy Statement.

- 4.2 The provisions of Sections 3[2].2, 3[2].3, and 3[2].4, [2-5-and-2-67] with respect to the investment and management of the PUF, shall likewise apply to other U. T. investment pools [the-Common-Trust Fund].
- 4.3 The Common Trust Fund shall be administered in a manner consistent with all provisions of the U. T. System Common Trust Fund Charter.
- 4.4 The Operating Funds Short/Intermediate Term Fund shall be administered in a manner consistent with all provisions of The University of Texas System Operating Funds Short/Intermediate Term Fund Information Memorandum.
- 4.5 The Medical Liability Self-Insurance Fund shall be administered in a manner consistent with all provisions of the Plan for Professional Medical Liability Self-Insurance.
- 4.6 Each pooled income fund established by U. T. shall be administered according to its trust indenture and applicable law.

Sec. 5.

Policy for Investment and Management of Endowment and Trust Funds Invested Through or Separate From U. T. Investment Pools.

- 5.1 Endowment funds and funds functioning as endowments will be managed in a manner consistent with the U. T. System Endowment Policy Guidelines, prudent person investment standards, and the Uniform Management of Institutional Funds Act (Title 10, Chapter 163, Texas Property Code). These funds will be managed separately and not commingled with the Common Trust Fund if the terms of the instrument by which the fund was created or documents and instructions from the donor preclude investment through the Common Trust Fund. In addition, nonmarketable securities held by an endowment fund may be recorded as separately invested. All other endowment funds and funds functioning as endowments will be invested through the Common Trust Fund.
- 5.2 Trust funds and other life income accounts will be invested and administered consistent with the U. T. System Planned Giving Policy Guidelines, prudent person investment standards, and the Texas Trust Code (Title 9, Subtitle B, Texas Property Code).
- 5.3 The provisions of Sections 3.2, 3.3, and 3.4 with respect to the investment and management of the PUF, shall likewise apply to endowment and trust funds except that Subsection 3.22 shall be applied only when such funds are invested through a U. T. investment pool.

Sec. 6[5]. Investment Advisory Committee.--The Chancellor and the Vice Chancellor for Asset Management shall seek the advice and counsel of the Investment Advisory Committee at its regular quarterly meetings and at other times as appropriate on all of the major matters involving investments. The Investment Advisory Committee is and has been established in order to assist and advise the Chancellor and the Vice Chancellor for Asset Management with respect to matters relating to the management of investments. The following rules shall apply to such Committee:

- 6[5].1 Membership.--Seven members of the Committee shall be selected because of their particular qualifications and experience in the field of investments, including experience in bond and corporate stock investments.
- 6[5].2 Selection Procedure.--Appointments to such Committee shall be made by the Board after recommendation by the Chancellor.
- 6[5].3 Term of Office.--Each member shall serve a three-year term, with the terms of two (or three as applicable) members expiring each August 31. A member is eligible for reappointment to a consecutive three-year term but may not be reappointed thereafter without a three-year break in service.
- 6[5].4 Meetings.--Meetings shall be held quarterly and at such other dates as may be considered advisable by the Chancellor and the Vice Chancellor for Asset Management.

~~[Sec. 6, ---- Investment Transactions, -- Sales, -- purchases, -- and exchanges shall be effected through investment dealers or brokers in accordance with the Permanent University Fund and the Common Trust Fund Investment Policy Statements.]~~

#### BACKGROUND INFORMATION

The Office of Finance is responsible for the administration of Retirement of Indebtedness Funds. The proposed amendment to Part Two, Chapter II, Section 1, Subsection 1.5, Subdivision 1.53 reflects the reassignment of the Office of Finance from the Office of Asset Management to the Office of Business Affairs.

The proposed amendments to Chapter IX address the assignment of management authority with respect to all assets, changes in titles and reporting relationships and the passage of S. B. 709 applying the Uniform Management of Institutional Funds Act to endowments of public higher education institutions.

**Executive Session  
of the Board**

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

Date: August 12, 1993

Time: Following the meeting of the Asset Management Committee

Place: Regents' Conference Room and Regents' Meeting Room  
Ninth Floor, Ashbel Smith Hall

1. Pending and/or Contemplated Litigation - Section 2(e)
  - a. U. T. Medical Branch - Galveston: Proposed Settlement of Medical Liability Litigation
  - b. U. T. Medical Branch - Galveston: Proposed Settlement of Medical Liability Claim
  
2. Land Acquisition, Purchase, Exchange, Lease or Value of Real Property and Negotiated Contracts for Prospective Gifts or Donations - Section 2(f)

U. T. Board of Regents: Request for Approval of Partial Release of Deed of Trust Covering Certain Parcels of Land in the Texas Research Park Located in Bexar and Medina Counties, Texas, for Consent to the Conveyance of Certain Property Owned by the Texas Research and Technology Trust to the Texas Research and Technology Foundation and Authorization for the Chairman to Execute Appropriate Documents

3. Personnel Matters [Section 2(g)] Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees

U. T. System: Consideration of Personnel Aspects of the Operating Budgets for the Fiscal Year Ending August 31, 1994, Including Auxiliary Enterprises, Grants and Contracts, Designated Funds, Restricted Current Funds and Medical and Dental Services, Research and Development Plans and Request for the Chancellor to Make Editorial Corrections Therein