

OMISSION

Pages 91-188, 324-511

A. Ruth Baker

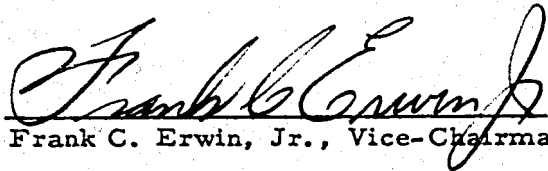
SIGNATURE OF OPERATOR

We, the undersigned members of the Board of Regents of
The University of Texas, hereby ratify and approve all
actions taken at this meeting to be reflected in the Minutes.

Signed this the 8th day of October, 1965, A.D.




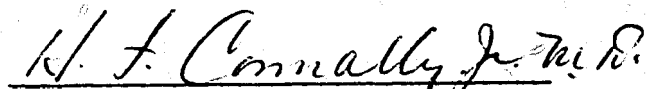
W. W. Heath, Chairman

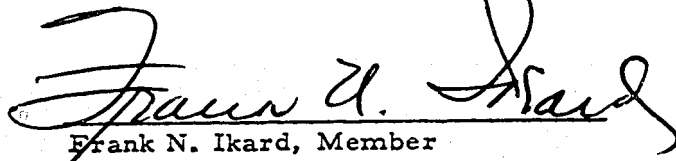


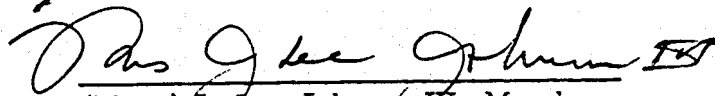
Frank C. Erwin, Jr., Vice-Chairman

W. H. Bauer, Member


Walter P. Brennan, Member


H. F. Connally, Jr., M. D., Member


Frank N. Ikard, Member


(Mrs.) J. Lee Johnson III, Member


Jack S. Josey, Member


Levi A. Olan, Member

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MEETING NO. 637

THURSDAY, OCTOBER 7, 1965.--At 12:15 p.m. on Thursday, October 7, 1965, the Committee of the Whole resolved into a meeting of the Board with the following in attendance:

| Present | Absent (See Page-63) |
|---|---|
| Chairman Heath, presiding Vice-Chairman Erwin Regent Brenan Regent (Mrs.) Johnson Regent Josey Regent Olan | Regent Bauer--excused Regent Connally -- excused Regent Ikard-- excused |
| Chancellor Ransom Secretary Thedford | |

Also present among the University personnel were the following:

- Doctor James C. Dolley-- Vice-Chancellor, Fiscal Affairs
- Doctor Norman Hackerman-- Vice-Chancellor for Academic Affairs
- Doctor L. D. Haskew-- Vice-Chancellor, Developmental Affairs
- Doctor Wilson Stone-- Vice-Chancellor
- Mr. Raymond Vowell-- Vice-Chancellor for Federal and State Affairs

- Truman G. Blocker, Jr., M. D., Executive Director and Dean of the Medical Branch
- R. Lee Clark, M. D., Director of M. D. Anderson Hospital and Tumor Institute
- A. J. Gill, M. D., Dean of Southwestern Medical School
- Benjamin C. McKinney, D. D. S., representing Dr. John V. Olson, Dean of the Dental Branch
- F. Carter Pannill, M. D., Dean of South Texas Medical School
- Doctor Joseph M. Ray, President of Texas Western College
- Grant Taylor, M. D., Dean of the Division of Continuing Education, Graduate School of Biomedical Sciences at Houston
- Dr. Carl Brewer, representing Dr. Paul A. Weiss, Dean of the Graduate School of Biomedical Sciences at Houston
- Doctor Jack R. Woolf, President of Arlington State College

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COMMITTEE OF THE WHOLE

On motion of Vice-Chairman Erwin, seconded by Regent Brenan, the Board unanimously adopted the following actions that had just been taken by the Committee of the Whole:

1. SOUTH TEXAS MEDICAL SCHOOL: TRANSFER OF LEGISLATIVE APPROPRIATIONS FOR THE FISCAL YEAR ENDING AUGUST 31, 1965.-- Pursuant to the provisions of Article IV, House Bill 86, 58th Legislature, Regular Session, pertaining to South Texas Medical School (see paragraph 2, page 1585 of the General Session Laws), the Committee of the Whole resolved that the State Comptroller be requested to make the following transfers between the Legislative Appropriations from the General Revenue Fund for South Texas Medical School for the fiscal year 1964-65:
 - a. Transfer the free and unencumbered balance in appropriations:
 - 5-13432 - All Other General Administration
 - 5-13433 - General Institutional Expense
 - 5-13435 - Departmental Operating Expense
 - 5-13436 - Library
 - 5-13437 - Organized Research
 - 5-13438 - Extension
 - 5-13439 - Physical Plant Operation and Maintenanceto appropriation number 5-13440 - For the construction of the first unit of the South Texas Medical School pursuant to Chapter 129, Acts 1959, 56th Legislature.
 - b. Transfer the free and unencumbered balance in excess of \$545,290.00 in appropriation number 5-13434 - Instructional Salaries to appropriation number 5-13440 - For the construction of the first unit of the South Texas Medical School pursuant to Chapter 129, Acts 1959, 56th Legislature.
2. SOUTH TEXAS MEDICAL SCHOOL: APPOINTMENT OF SPECIAL COMMITTEE RE SOUTH TEXAS MEDICAL SCHOOL BUILDING.-- A committee composed of the Chairman of the Board, W. W. Heath; Chairman of the

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Executive Committee, Walter P. Brennan; and Chairman of the Medical Affairs Committee, Dr. Frank Connally, Jr., was authorized to act for the Board in approving and amending any plans for the South Texas Medical School building and in setting up any procedures for the construction thereof.

3. SOUTHWESTERN MEDICAL SCHOOL: APPROVAL OF PRELIMINARY PLANS FOR STORAGE BUILDING.-- The preliminary plans and outline specifications for a storage building at Southwestern Medical School were approved, and the Southwestern Medical School Physical Plant staff was authorized to proceed with the preparation of working drawings and specifications to be presented to the Board for approval at a later meeting.
4. SOUTHWESTERN MEDICAL SCHOOL: RECOMMENDATIONS ON SETTLEMENT OF LIQUIDATED DAMAGES IN CONNECTION WITH THE CONSTRUCTION OF THE DANCIGER RESEARCH LABORATORY BUILDING.-- A final payment to the General Contractor for the Danciger Research Laboratories Building at Southwestern Medical School, T. C. Bateson Construction Company, Dallas, Texas, was authorized in the amount of \$25,500.00. Liquidated damages in the sum of \$125.00 per day for 26 working days, or a total of \$3,250.00, were authorized to be withheld.
5. APPLICATION FOR POTASH PROSPECTING PERMIT NO. 8, AND OPTION TO LEASE, V. B. BOTTOMS AND J. T. BREWER, CRANE COUNTY.-- Potash Prospecting Permit No. 8 was granted to Messrs. V. B. Bottoms and J. T. Brewer with an option to lease and the Chairman of the Board was authorized to execute the instrument when approved as to form by the University Attorney and as to content by the Endowment Officer. This permit covers all of Sections 40, 41, 44, and 45, Block 30, Crane County, a total of approximately 2,560 acres and is for a period of two years beginning September 14, 1965, with payment of \$640 for the granting of the permit. A rental of \$.10 per acre per year will be paid beginning the second year for all acreage held under the terms of the permit. If and when a lease is executed, the terms will be reviewed with the Board at that time.
6. OIL AND GAS LEASES ON TRUST FUND LANDS: PROCEDURES FOR TAKING AND HANDLING SEALED BIDS AND AWARDING OF LEASES.-- The following procedures for taking and handling sealed bids and awarding oil and

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gas leases on Trust Fund Lands were adopted:

- a. No tract will be advertised for sealed bids until a bona fide lease proposal or a request for putting up the tract for sealed bids is received.
- b. When a request is received, the matter will be submitted to a Committee made up of Dr. Gus K. Eifler, Jr., Res. Scientist Associate V, in Bureau of Economic Geology, Dr. Samuel P. Ellison, Jr., Professor of Geology, and Dr. Peter T. Flawn, Professor of Geology and Director of Bureau of Economic Geology, for recommendations. No tract will be advertised for sealed bids until so recommended by this Committee after it obtains information appropriate in its judgment for a decision. The Committee will be authorized, after checking with the Endowment Officer as to approximate costs, to obtain information from private consultants and others and agree to pay reasonable charges for such information. No obligations will be incurred unless funds are otherwise available in the trust fund owning the tract for such payments when approved by the Endowment Officer, in case the Committee should recommend, after assembling its information, that the tract not be leased at the time.
- c. Leases under these procedures will be on oil and gas only, and any proposals covering other minerals will be submitted to the Board of Regents for its consideration.
- d. To facilitate the advertising of tracts for sealed bids, the Board of Regents will adopt a standard oil and gas lease form providing for 1/6 royalty and annual delay rental of not less than \$1.00 per acre. However, on the basis of recommendations from the Committee, the Geologist-in-Charge of University Lands, and the Endowment Officer, the Vice-Chancellor (Fiscal Affairs) will be authorized to approve changes in the standard lease form for a particular tract, such as a royalty higher than the 1/6 but not less, annual delay rental of more than \$1.00 per acre, development provisions, and the like.
- e. With its recommendation that a tract be offered for sealed bids, the Committee will recommend, in addition to any changes in the standard lease form, the amount, type, and timing of advertising, date for opening bids, and approximate time for awarding a lease after bids are opened. Earnest money of at least 10% of the bonus bid will be furnished with each bid. Bids will be mailed or

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delivered to the Endowment Officer and publicly opened at the time advertised.

- f. The right to reject all bids will be reserved in each sale, but all reasonable efforts will be made to avoid rejecting all bids. With its recommendations on the sale, the Committee will furnish to the staff a recommendation as to approximate minimum bid to be accepted.
- g. Based on recommendations from the Committee, the Geologist-in-Charge, and the Endowment Officer, the Vice-Chancellor (Fiscal Affairs) will be authorized to recommend to the Board of Regents or to the Executive Committee the award of an oil and gas lease. In so far as possible, the opening of bids will be scheduled within a few days prior to a meeting of the Board of Regents so that the award can be acted on at such meeting. In any case where the opening of bids should be scheduled some time in advance of a meeting of the Board of Regents, the recommendations for award of a lease will be submitted to the Executive Committee upon approval by the Vice-Chancellor (Fiscal Affairs).

7. TEXAS WESTERN COLLEGE: LUCILLE T. STEVENS ESTATE, RECOMMENDATION REGARDING SALE OF FIVE POINTS PROPERTY IN EL PASO. -- The Committee of the Whole authorized that the Five Points Property-- a two-story brick building on 11,463 square feet of land-- of the Lucille T. Stevens estate, El Paso, Texas, be listed for sale with the El Paso Board of Realtors on an exclusive basis for a period of six months at a price of \$110,000, with 5% commission to be paid by the seller. The Chairman of the Board was authorized to execute the necessary instrument for this listing when approved as to form by the University Attorney and as to content by the Endowment Officer.

8. MAIN UNIVERSITY: LAND ACQUISITION PROGRAM (TRACTS 1, 3, 4, 5, 6, 8 and 9), NEGOTIATORS FOR. -- The following actions relating to the acquisition for the Main University of Tracts 1, 3, 4, 5, 6, 8, and 9, as authorized by the 59th Legislature, were approved:

- a. The firm of Sterling Sasser and Son was engaged to act as negotiator for the University in the acquisition of properties in Tracts 1 and 5 at a fee of \$7,500 and the firm of Hub Bechtol and Associates was engaged to act as negotiator for the University in the acquisition of properties in Tracts 3, 4, 6, 8, and 9 at a fee of \$14,000 with authority to the Business Manager to execute a contract with each

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of these firms for their services. These contracts also provide that if court preparation and testimony are required, additional payments to the respective negotiators will be as follows:

\$50.00 per day for each day, or part thereof, spent in court. No fee will be paid for preparation time for court appearances.

- b. It was authorized that title policies and/or abstracts of title be purchased from any of the following concerns:

Capital Land Title Company
Dallas Title Company
Gracey Title Company
Stewart Title Company

- c. Each sales contract submitted for the appraised price of the property may be accepted and executed for the University by the Main University Business Manager upon the approval of University Attorney and Vice-Chancellor for Fiscal Affairs, subject to a satisfactory title opinion by the Attorney General.
- d. Eminent domain proceedings will not be instituted until approved by the Board of Regents.
- e. Payments for property shall be subject to the provisions of Paragraph Numbered c above, and shall be made by voucher to be signed by Main University Business Manager and to be approved by Vice-Chancellor for Fiscal Affairs.
9. WEST TEXAS LANDS: SPECIAL ADVISORY COMMITTEE ON SURFACE LEASING POLICIES. -- The following were named as members of a Special Advisory Committee, with Mr. Wales H. Madden, Jr., as Chairman, to study present surface leasing policies on the West Texas Lands and present a report to the Board of Regents by June 1, 1966. The Chairman of the Board was authorized to appoint members of this special committee to replace any of those recommended who may decline to serve:

Mr. Hunter Akard
General Agent
Texas Pacific Land Trust
Dallas, Texas

Mr. H. F. Neal
Rancher (University Grazing
Tenant)
Rankin, Texas

Judge Roy D. Bennett
County Judge
Andrews County
Andrews, Texas

Judge Tom H. Neely
County Judge
Hudspeth County
Sierra Blanca, Texas

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Mr. P. L. Childress
Rancher (University Grazing
Tenant)
Ozona, Texas

Mr. Jimmy Powell
Past President, Texas Sheep
& Goat Raisers Association
Menard, Texas

Dr. W. T. Hardy
Head of Texas A&M's Experiment
Stations in West Texas
Sonora, Texas

Mr. M. C. Puckett
President, Pecos State Bank
Fort Stockton, Texas

Mr. Gene Irwin
County Commissioner and
Rancher (University Grazing
Tenant)
Andrews, Texas

Mr. H. N. Smith
State Conservationist
Soil Conservation Service
Temple, Texas

Mr. Jay Kerr
Rancher (University Grazing
Tenant)
El Paso, Texas

Mr. George C. Stillwagon
Independent Oil Operator
Midland, Texas

Mr. W. P. Langley
District Right-of-Way & Claims
Agent
Shell Pipe Line Company
Midland, Texas

Judge S. E. Stout
County Judge
Reagan County
Big Lake, Texas

Mr. Dunn Lowery
President, First State Bank
Rankin, Texas

Mr. Burch Woodward
Rancher (University Grazing
Tenant)
Fort Stockton, Texas

Mr. Wales H. Madden, Jr.
Attorney and Former Chairman of the Land
and Investment Committee of the Board
of Regents of The University of Texas
Amarillo, Texas

- 10. WEST TEXAS UNIVERSITY LANDS: ARRANGEMENTS FOR TRIP BY BOARD OF REGENTS. -- Vice-Chairman Erwin outlined the activities of the proposed trip by the Board of Regents through the West Texas University Lands. All were in agreement, and this trip was scheduled for November 3-5. (See Page 88 .)
- 11. MAIN UNIVERSITY: REPAIR WORK ON DAMAGE IN TOWER OF MAIN BUILDING CAUSED BY FIRE OF AUGUST 10, 1965. -- Comptroller Sparenberg was authorized to call for three bids by invitation rather than by advertisement in the newspaper for repair work on damage in the Tower of the Main Building caused by the fire on August 10, 1965, and with the concurrence of Vice-Chancellor Dolley he was authorized to award a contract for the work on the basis of the lowest bid

received. The work to be covered in this authorization covers all work on floors 19, 20, and 21, the work needed (mainly painting) in the entire stair well, and the deodorizing and sand blasting work on all floors of the Tower where needed or applicable.

It is understood that the contract will not be awarded unless Travelers Insurance Company, which is the carrier for McCarty-Conley Company to whom the air conditioning contract was awarded, agrees to pay the cost of repair for this damage within the limits of this policy. If this insurance company does not agree to pay, this matter will be submitted to the Board for further action.

The other repair work needed in the Main Building Tower as a result of the fire, not covered by the contract work, will be done at convenient times by the Main University Physical Plant staff, and the settlements with the insurance companies involved on this work will be based on estimates.

RECESSED.-- The Board recessed at 12:20 p. m. to reconvene at 2:30 p. m.

The Board reconvened at 2:30 p. m. with the same in attendance as at the morning meeting.

INVOCATION.-- Regent Olan, Chaplain of the Board of Regents, offered the invocation.

AMENDMENT TO AND APPROVAL OF MINUTES, AUGUST 27-28, 1965
.-- Upon motion of Vice-Chairman Erwin, duly seconded, the minutes of August 27-28, 1965, were unanimously amended by deleting in Item C.2., Line 3, on Page 51, "such leases in the future" and inserting in lieu thereof "future oil and gas leases on trust and special fund lands," so that the revised paragraph reads as follows:

"Instruction to Endowment Officer Relating to University's Policy on one-sixth Royalty: The Endowment Officer was instructed, in connection with the negotiation of future oil and gas leases on trust and special fund lands, to follow the University's policy of a one-sixth royalty whenever it is possible to do so."

The minutes of August 27-28, 1965, as amended, were unanimously approved in the form as distributed to each Regent by the Secretary and as entered into the Official Record, Volume XIII, upon motion of Regent Brennan, seconded by Regent Josey.

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REPORT OF THE COMMITTEE OF THE WHOLE, SATURDAY AFTER-
NOON, AUGUST 28, 1965.--Chairman Heath reported that following
lunch on Saturday afternoon, August 28, 1965, the Committee of the
Whole met mainly for the purpose of discussing the development of The
University of Texas in the Texas Medical Center. At that meeting,
however, the following recommendations and/or actions were approved:

- A. Main University: Land Acquisition Program, Appraisers for Tracts 1, 3-6, 8 and 9.--It was unanimously voted that a contract be entered into with Mr. Harrell Legge and Mr. Jim Frederick to furnish a letter as to fair market value of each piece of property in tracts 1, 3-6, 8 and 9 authorized by House Bill 492 except Robert E. Lee Dormitory, and if requested by the University and/or the negotiator a complete written appraisal, at a fixed total fee of \$25,000 with authority to James H. Colvin, Business Manager of Main University, to execute the contract on behalf of the University. The contract shall also provide, if court presentation and testimony are required in these acquisitions, that either Mr. Legge or Mr. Frederick, or both, will make proper preparations and appear as expert witnesses for an additional fee of \$150.00 per diem, or a pro rata thereof.

It was also voted that Mr. Harrell Legge be engaged to appraise the Robert E. Lee Dormitory at a fee of \$1,000 with the same contractual arrangements as set forth in the appraisal of property in tracts 1, 3-6, 8 and 9.

- B. Winedale Stagecoach Inn Fund: Appointment of Guard.--The Regents resolved the session into a meeting of the Trustees of the Winedale Stagecoach Inn, and approved the employment of Mr. Walter Ohlendorf as guard at Winedale Stagecoach Inn. Mr. Ohlendorf is 74 years of age and in order to comply with the spirit of the Regents' Rules and Regulations, which the Trustees of the Winedale Stagecoach Inn propose to do, it is necessary that approval for this employment be given by the trustees.
- C. Recommendations from The University of Texas in the Texas Medical Center.--Doctor R. Lee Clark, as Administrative Chairman of the heads of The University of Texas institutions in Houston, outlined the Projected Development for 1965-75 as follows:

PROJECTED DEVELOPMENT

1965-1975

1. Graduate School of Biomedical Sciences
 - a. Establishment of Biomedical Institutes
 - Cell Biology (grant request pending)
 - Chemistry (private philanthropy)
 - Biomathematics
 - b. Continuing Education Center

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2. Other Institutes

Dental (authorized and in operation in temporary quarters)
 Environmental Medicine (grant request pending)
 Nuclear Medicine

3. Communications Center for use by all units, to include auditoria, conference and seminar rooms, library, television and facilities for continuing education.

4. Patient Accommodations

Lutheran Hospital (proposed affiliation approved in principle)
 Patient Hotel
 Non-acute hospital facilities (trial arrangement in progress with extramural institution)

5. Central Administration and Common Physical Plant services and facilities; warehouse

For Discussion

- (a) Medical Complexes
- (b) Dental School expansion and Medical School or Division of Preceptorial Training
- (c) Nursing School
- (d) Other paramedical and dental training
- (e) School for Medical Social Work
- (f) Land Acquisition
- (g) Central Research Resources (? Buescher State Park)
 - (1) Animal colony
 - (2) Cell Culture laboratories
 - (3) Tissue preservation
 - (4) Storage for films and tissue specimens
 - (5) Cryobiology

TEXAS MEDICAL CENTER JOINT PROJECTS

Present

Parking and maintenance
 Common Research Computer Facility
 Library

Projected

Housing

Nurses
 Medical and dental students
 Medical and dental technicians
 Graduate students
 Residents and Fellows
 Patients (nursing homes)

Nursery - for children of employees
 Parking garage
 Cafeterias
 Post office
 Intra-medical center transportation

Thereupon, Doctor Clark presented the following recommendations as also approved by Doctor Carl R. Brewer, Acting Dean of the Graduate School of Biomedical Sciences, Doctor J. V. Olson, Dean of the Dental Branch and Doctor Grant Taylor, Dean of the Division of Continuing Education in the Graduate School of Biomedical Sciences:

1. That the Board of Regents authorize the development of a Master Plan for The University of Texas at Houston which would consider the items presented under the heading "Projected Development, 1965-1975", attached to these recommendations.
2. That the Board of Regents authorize planning of a building for the Dental Sciences Institute with provision for additions for the following activities, such building additions to be subject to permission by the Legislature:

The Graduate School of Biomedical Sciences
The Institute of Biomedical Sciences
The Continuing Education Center

For the purposes of planning, it is estimated that the total cost will be \$10,000,000, the exact amount to depend upon a study to be conducted in conjunction with the development of the Master Plan referred to in Recommendation 1 above. Funding is proposed as follows:

The Dental Sciences Institute

| | |
|--|-------------|
| Federal grant funds (proposed) | \$2,500,000 |
| The Permanent University Fund bond proceeds | 2,000,000 |
| Private philanthropy | 500,000 |

Graduate School of Biomedical Sciences,
Institute of Biomedical Sciences, and
Continuing Education Center

| | |
|----------------------|--------------|
| Federal grant funds | 2,500,000 |
| Private philanthropy | 2,500,000 |
| | \$10,000,000 |

3. That the Board of Regents appropriate \$2,000,000 from the Permanent University Fund bond proceeds as matching funds for construction of the Dental Sciences Institute.
4. That the Board of Regents request permission of the Legislature at its next Session (1967) for additions to the Dental Sciences Institute Building to provide for the Graduate School of Biomedical Sciences, The Institute of Biomedical Sciences, and the Continuing Education Center, as proposed in Recommendation 2.
5. That the Board of Regents approve the proposed agreement with the Lutheran Hospital subject to approval of the same document by the Board of Lutheran Hospital, and authorize the Chairman to execute the approved agreement for the Board of Regents.

6. That the Board of Regents appoint a committee to work with the Development Committee of The University of Texas at Houston to study the development of:
- a. Increased capacity of the Dental School in the Texas Medical Center
 - b. A Division of Preceptorial Training in Houston in conjunction with the Medical Branch at Galveston
 - c. A medical school at Houston
 - d. An affiliation with Hermann Hospital for the teaching and research programs of The University of Texas
 - e. An administrative organization for the Houston units
- and to make recommendations on these matters to the Board of Regents.
7. That the Board of Regents provide additional interim financing for space and minimal faculty for the Graduate School of Biomedical Sciences in the amount of \$100,000 to \$150,000 each year of the forthcoming biennium.
8. That the Board of Regents (a) authorize the activation of an Institute of Environmental Medicine; (b) appoint Dr. Lee E. Farr, presently Chief of the Section of Nuclear Medicine at M. D. Anderson Hospital and Tumor Institute, as Acting Director of the Institute of Environmental Medicine; and (c) request the Legislature at its next session to change the previously authorized School of Public Health by name to the Institute of Environmental Medicine.
9. That the Board of Regents secure the deed to the 8.144 acres in the Texas Medical Center previously committed to The University of Texas.
10. That the Board of Regents take appropriate steps toward the activation of the previously authorized Liaison Committee between the Directors of the Texas Medical Center, Inc. and the Board of Regents.
(See Page 18.)

Respectfully submitted,

R. Lee Clark

R. Lee Clark, M. D., Director
M. D. Anderson Hospital and Tumor Institute
Chairman, Administrative and Development
Committees

Carl R. Brewer

Carl R. Brewer, Ph. D., Acting Dean
Graduate School of Biomedical Sciences

J. V. Olson

John V. Olson, D.D.S., Dean
Dental Branch

Grant Taylor

Grant Taylor, M. D., Dean
Division of Continuing Education
Graduate School of Biomedical Sciences

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Of these recommendations, the following resolution relating to No. 5 was unanimously adopted:

RESOLUTION

BE IT RESOLVED by the Board of Regents of The University of Texas that the affiliation agreement by and between the Board of Regents of The University of Texas and the Lutheran Hospital, Houston, Texas, a Texas corporation, is hereby approved in the form submitted as set forth below, and the Chairman of the Board of Regents is hereby authorized to execute the same after it is approved as to content by the Director of The University of Texas M. D. Anderson Hospital and Tumor Institute and as to form by the University Attorney.

BE IT FURTHER RESOLVED that Dr. R. Lee Clark, Jr., Director of The University of Texas M. D. Anderson Hospital and Tumor Institute, is hereby designated as the representative of The University of Texas to act for and on behalf of the institutions of The University of Texas now or hereafter located in Houston. Dr. Clark will serve in this capacity until the Board of Regents of The University of Texas shall notify Lutheran Hospital of the termination of this designation.

AFFILIATION AGREEMENT

This AGREEMENT made and entered into this _____ day of September, 1965, between THE UNIVERSITY OF TEXAS, acting by and through its Board of Regents, herein sometimes called "The University," and the LUTHERAN HOSPITAL, Houston, Texas, a Texas corporation, acting by and through its Board of Directors, herein sometimes called "Hospital," WITNESSETH:

WHEREAS, The University does now operate and proposes to operate in Houston, Texas, institutions devoted to research and teaching in the medical, dental, and other health sciences; and

WHEREAS, the Lutheran Hospital proposes to construct, employing funds provided by the M. G. and Lillie A. Johnson Foundation, Incorporated, of Houston, Texas, and to operate a research and teaching hospital of 500 patient beds located in the Texas Medical Center, Houston, Texas, said hospital to provide 200 patient beds initially with expansion to 500 beds provided for in initial construction features; and

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WHEREAS, the Lutheran Hospital proposes to memorialize suitably the M. G. and Lillie Johnson Foundation in such construction and operation; and

WHEREAS, the two parties to this agreement have certain objectives in common, namely: (1) education and training of medical, dental and other professional personnel, (2) provision of excellent patient care and constant improvement thereof, (3) advancement of medical, dental and other health services through research, and (4) promotion of personal and community health; and

WHEREAS, it is mutually recognized and agreed that each can pursue these objectives more effectively and with greater benefits through affiliated operations, and it is the desire of both parties that the aforementioned hospital shall be affiliated for teaching and research purposes with the medical and dental institutions of The University of Texas in Houston:

NOW, THEREFORE, for and in consideration of the foregoing and in further consideration of the premises hereinafter set forth, the parties hereto agree as follows:

1. The Lutheran Hospital will construct and fully equip, at a site in the Texas Medical Center and according to architectural plans meeting the approval of The University, a general, research, and teaching hospital of 500 patient beds at no cost to The University, providing an initial complement of 200 patient beds with potential for expansion to 500 beds. Full and complete title to the building and equipment so provided shall reside in Hospital.

2. The Board of Directors of the Lutheran Hospital, its successors or assigns, will operate the teaching and research hospital without financial obligation to The University, and will

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retain all jurisdictional power incident to separate ownership including but not limited to the power to determine the general and fiscal policy of the institution, to select the administrative and service personnel therefor, and to appoint the members of the regular medical staff of the hospital subject to the provisions of paragraphs 4, 5, and 6 of this agreement.

3. The University will direct the research and teaching programs within said hospital which shall be integral with the research and teaching programs of The University of Texas medical, dental, and other health science institutions located in Houston, and will develop for approval by Hospital general operational plans and, upon such approval, supervise execution of such plans. The University will provide Chiefs of Services for the hospital, and as hereinafter provided, furnish members of its faculties to conduct teaching and direct research in Hospital as parts of their University assignments.

4. Hospital agrees that: (a) patients in the hospital shall be teaching patients, (b) approximately ten per cent of the beds shall be reserved for non-pay teaching patients, (c) Hospital shall be operated in a manner consistent with the standards of similar university-affiliated hospitals in the United States, (d) all appointments to the medical and dental staff, including interns and residents, will be made only upon the recommendation of The University, and such appointments shall be made on an annual basis, (e) the regular medical staff of Hospital will include the full-time and part-time professional staffs of the institutions of The University of Texas in Houston, and (f) the Chiefs of Services in Hospital will be appointed from the professional staffs of the institutions of The University of Texas in Houston. It is further provided, however, that

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with the prior concurrence of The University, Hospital may appoint annually an assisting chief for a hospital service nominated by the professional staff of Hospital.

5. Hospital will appoint, upon nomination by The University, and employ at its expense, a medical director and a chief administrator of Hospital. The Medical Director shall be responsible to the Board of Directors of Hospital for administrative operations, and he shall be responsible to The University of Texas for the operation of medical, educational, and research programs. The Chief Administrator, through the Medical Director, shall be responsible only to the Board of Directors of the Lutheran Hospital. Hospital also, upon recommendation of The University, will appoint and employ at its expense professional members of the consultation departments (pathology, radiology, anesthesiology, physical medicine, and others), interns, and the resident staff required for hospital operation. However, subsequent agreements between the two parties, subject to their legal powers and limitations, may be made for the joint employment of personnel and the pro rata apportionment of their salaries between the two parties.

6. The medical staff of Hospital shall be organized with its own elective officers and with by-laws consonant with this agreement; it shall recommend to Hospital medical policies for its operation and be responsible for their execution. It shall be the responsibility of the medical staff to maintain adequate bed occupancy in the hospital. If at any time Hospital considers it necessary to increase the size of the medical staff in order to attain fiscally-sound bed occupancy ratios, it may so propose to the Executive Committee of

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the medical staff. Upon recommendation therefor by the Executive Committee, the University shall nominate academically qualified physicians and dentists in addition to members of The University's staff for appointment to the medical staffs. Should this procedure fail to produce fiscal results satisfactory to Hospital it may appeal to an adjudication panel consisting of the medical director of Hospital, the medical director of The University of Texas M. D. Anderson Hospital and Tumor Institute or such other person as may be designated by the Board of Regents, the chairman (or his appointee) of the Board of Regents of The University of Texas, the chairman (or his appointee) of the Board of Directors of the Lutheran Hospital, and the chairman of the Board of Directors of the Texas Medical Center who shall serve as assembler and presiding officer of the panel. The panel may by majority vote of its members transmit recommendations to The University which shall supersede recommendations of the Executive Committee of the medical staff of the Hospital; however, the method of all appointments shall remain the same.

7. Admission of patients to Hospital shall be under the direction of Hospital and its officers. Allocation of patient beds among the various medical and dental categories will be by Hospital upon recommendation of the medical staff. Assignment of students, residency and intern training programs, house staff assignments and rotation, and the research programs in the hospital will be under the direction of The University. Laboratory and other special features of Hospital program are to be jointly planned to the advantage of both parties.

8. Both parties to this agreement recognize that the operations

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of one will affect the operations of the other in carrying out this agreement, and they agree to provide for adequate consultation between representatives of each party in the formulation of their respective policies, plans, and practices followed pursuant to preceding paragraphs of this agreement.

9. In performing the obligations of this agreement the Board of Regents of The University of Texas shall retain exclusive jurisdictional power over the institutions, policies, personnel, and fiscal obligations of The University and nothing in this agreement shall be construed to commit the expenditure of any funds except upon prior specific appropriation by the Board of Regents pursuant to authority granted by the Constitution and the Legislature of the State of Texas.

10. This agreement shall commence on the date of its execution by the parties hereto and shall continue in force for a period of forty (40) years. This agreement, however, may be terminated by either party prior to the conclusion of the forty-year term upon a request of either of the two parties in writing, but there shall be an agreed termination period of not more than five (5) years to allow for adequate planning of arrangements before such termination shall become final and of full force and effect.

In the event that Hospital has not commenced construction of the hospital building provided for in paragraph 1 of this agreement within thirty-six (36) months of the date of execution of this agreement, The University may terminate the agreement by a statement to Hospital. This agreement may be amended from time to time and may be extended for additional terms.

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IN WITNESS WHEREOF, the parties have hereunto set their hands on the respective dates shown below.

ATTEST:

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS

Secretary

By _____
Chairman

Date _____

ATTEST:

BOARD OF DIRECTORS OF THE LUTHERAN HOSPITAL

Secretary

By _____
President

Date _____

Approved as to Form:

Approved as to Content:

University Attorney

Director, The University of Texas M. D. Anderson Hospital and Tumor Institute

Date _____

Date _____

- 2. With reference to Recommendation No. 10, the previously authorized Liaison Committee between the Directors of the Texas Medical Center, Inc., and the Board of Regents to be composed of two representatives named by the Board of Regents, two representatives named by the Texas Medical Center, Inc., and an ex officio member to represent the Administration of The University of Texas was activated. Mr. Leroy Jeffers of Houston, a former member of the Board of Regents, and Regent Jack S. Josey were named as representatives of the Board of Regents on the Liaison Committee, and Doctor R. Lee Clark was named as an ex officio member to represent the Administration of The University of Texas.
- 3. The remaining eight recommendations were unanimously referred to Regent Connally and the other members of the Medical Affairs Committee for study and report back to the Board.
- D. Texas Medical Center Library. -- By unanimous vote, Dean Grant Taylor in conjunction with the Committee of Institutional Heads in Houston was instructed to enter into negotiations looking toward an arrangement between the other institutions in the Texas Medical Center and The University of Texas institutions therein for the joint use of the Texas Medical Center Library.

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REPORT OF STANDING COMMITTEES

REPORT OF EXECUTIVE COMMITTEE (See Page 34 for adoption.)
 -- Committee Chairman Brenan reported that the Executive Committee had approved the following and submitted these actions for the Board's consideration:

1. Dental Branch: Amendment to Classified Personnel Pay Plan
 -- The Classified Personnel Pay Plan for the Dental Branch was amended by changing Classifications Nos. 3501 and 4200 to read as follows, effective October 1, 1965:

| Code No. | Classification Title | Pay Range | | Step No. |
|----------|----------------------|-----------|-------------|----------|
| | | Monthly | Annual | |
| 3501 | Utility Worker | \$235-292 | \$2820-3504 | 22 |
| 4200 | Custodial Worker | \$200-256 | \$2400-3072 | 19 |

2. Main University: Recommendation for Appointment of Larry Niemann as Assistant Instructor (Nepotism Case). -- The appointment of Larry Niemann as an Assistant Instructor (one-third time) in the School of Law, at a salary rate of \$9,000 for nine months, was approved. Mr. Niemann is the son-in-law of Mr. Woodrow W. Patterson, Visiting Professor of Law and Legal Aid Director of the Legal Aid Clinic (one-half time).

3. Southwestern Medical School: Amendment to Classified Personnel Pay Plan. -- The Classified Personnel Pay Plan for Southwestern Medical School was amended, effective upon date of approval by the Board, by

(1) Adding the following:

| Classification | Code | Salary Range | | Step No. |
|----------------|------|--------------|-------------|----------|
| | | Monthly | Annual | |
| Draftsman I | 3000 | \$350-460 | \$4200-5520 | 31 |

(2) Changing the classifications of Animal Caretakers I and II to read as follows:

| Classification | Code | Salary Range | | Step No. |
|---------------------|------|--------------|-------------|----------|
| | | Monthly | Annual | |
| Animal Caretaker I | 2000 | \$225-292 | \$2700-3504 | 21 |
| Animal Caretaker II | 2001 | \$256-350 | \$3072-4200 | 24 |

4. South Texas Medical School: Customer Agreement with Power Generation, Inc., of Houston, Texas for the Furnishing of Steam and Chilled Water. -- In accordance with authorization at the August 1965 meeting, the Executive Committee considered, and has approved, an agreement with Power Generation, Inc., of Houston, Texas to furnish steam and chilled water to The University of Texas South Texas Medical School, San Antonio, Texas,

with authority to Chairman Heath to execute the agreement in the form as set out below when approved by the University Attorney as to form and by the Comptroller as to content. The agreement shall be for a term of 25 years from the date of initial occupancy by the customer; provision is made for a base charge for producing, furnishing, and circulating chilled water, and adjustments are provided for within the agreement. As a matter of information, Power Generation, Inc., will also furnish services to the Bexar County Hospital District and others within the South Texas Medical Center under separately executed contracts.

CUSTOMER AGREEMENT

This agreement ("Agreement") is made as of this 11th day of October, 1965, by and between POWER GENERATION, INC. ("PGI") and THE UNIVERSITY OF TEXAS SOUTH TEXAS MEDICAL SCHOOL ("Customer").

RECITALS

A. Customer owns certain real property ("Customer's Site"), on which Customer will cause a building ("Customer's Building") to be built. The Customer's Site is situated in the South Texas Medical Center in San Antonio, Bexar County, Texas, and is more fully described as follows:

100 acres, more or less, bounded by Floyd Curl Drive, Louis Pasteur Drive, Babcock Road, Access Drive running approximately N.E. from Babcock Road, and Medical Drive, being a part of Block 6, N.C. B. 12816, Oak Hills Park, Unit 1, in the Manuel Tejada Survey No. 89.

B. PGI will build a plant ("Central Plant") for the production of chilled water and steam, together with a circulation system ("Circulation System") all of which Circulation System will be underground to circulate the same in the South Texas Medical Center.

In consideration of the mutual promises hereinafter set forth, the parties have agreed as follows:

1. This Agreement shall be for a term commencing upon the initial occupancy of the Customer's Building and terminating upon the expiration of twenty-five years following such commencement. Initial

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occupancy ("Initial Occupancy") shall be the date specified by Customer in a written notice delivered to PGI not less than ninety days prior to the date designated by Customer as the initial date of occupancy.

2. Prior to the commencement of construction of the interior circulation system for Customer's Building, detailed plans and specifications of such interior circulation system (installation of which shall be solely at the expense of Customer) utilizing PGI's chilled water and steam shall be submitted to PGI for information. PGI will not be responsible for insufficient cooling or heating in Customer's Building resulting from defects or inadequacy of air handling, heat exchanger or other related equipment of Customer.

3. PGI will extend the chilled water portion of the Circulation System to a point of delivery agreed to by Customer and PGI for the Customer's Building, five feet from the Customer's Building, so that it will be able to deliver 3,610 gallons of chilled water per minute to said point of delivery for the Customer's Building, based on the Customer's Building requiring a maximum of 2,100 tons of air conditioning and Customer's agreement to utilize an annual minimum of 3,250 full load equivalent hours. PGI will extend the steam portion of the Circulation System to the same point of delivery so that it will be able to deliver 35,000 pounds of steam per hour to the said point of delivery for the Customer's Building. Such Circulation System shall be completed at least 60 days prior to Initial Occupancy. PGI will install all equipment necessary for metering the chilled water and steam delivered from the Circulation System to the Customer's Building.

4. The Customer will grant to or obtain for PGI, from time to time and without cost to PGI, non-exclusive easements for pipeline and related purposes in, under, along, across and through Customer's Site, as and when requested by PGI from time to time only to the extent

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necessary to carry out the terms of this Agreement; provided, the PGI construction through any such easements will not affect the structural strength of nor interfere with installations in Customer's Building. Customer will assign to PGI without cost to PGI, such rights as it may have in, under, along, over and across public streets, highways, and other public places, to the extent needed for the construction and operation of the Circulation System, but Customer shall have no obligation to acquire for PGI new and different rights in or to dedicated streets or highways from municipal or other governmental bodies. PGI will restore the surface of easements to the condition prior to excavation after installing, replacing, repairing or maintaining its pipe lines or related facilities, it being understood that the easement grants will contain provisions for reasonable access and will not obligate PGI to utilize space under buildings, except upon conditions reasonably satisfactory to PGI. The Customer will provide PGI with space in the Customer's Building to install equipment for measuring and metering the chilled water, steam and steam condensate delivered or returned from the delivery point serving the Customer's Building.

5. The Customer shall not, by virtue of this Agreement and during the term hereof, acquire any interest or right in or to the Central Plant, Circulation System, or any other equipment installed by PGI. PGI shall repair and maintain the same. If all or any part of such facilities shall at any time be destroyed or damaged so that the production or circulation of chilled water and steam is not adequate to maintain the standards herein contained, PGI shall proceed promptly to rebuild, replace and/or repair the same. PGI shall have the right, at reasonable times and upon reasonable notice to the Customer, to interrupt the supply of chilled water and steam for the purpose of making any necessary repairs, but PGI shall in each instance accomplish such work at such times and in such manner as to cause as little interruption and/or inconvenience to occupants of Customer's Building as is reasonably possible and shall be obligated to restore its

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facilities to operate as quickly as shall be reasonably possible in the circumstances. It is understood that time is of the essence in the making of such repairs and the restoration of service and that a high degree of diligence in connection with the maintenance of continuous services is required because of the medical nature of the use of Customer's Building.

6. The Customer shall be responsible for the return to the Circulation System of all chilled water and condensate from the steam as follows:

(a) Customer shall endeavor to return chilled water at a pressure sufficient to enter PGI's return lines but not to exceed the delivered pressure.

(b) Customer shall endeavor to return steam condensate at a minimum temperature of 150° F. and at a pressure sufficient to enter PGI's return lines, which return lines shall be designed and operated so as to permit such entry under all usual operating conditions.

The necessary mixing valves, control systems, pumps and regulators will be installed in the circulation system of Customer's Building at the sole expense of and by, the Customer. The design of such equipment shall provide for the automatic return of the steam condensate within the prescribed limits. PGI and Customer will agree on the pressure range for supply and return lines and other criteria necessary for proper design of Customer's Building circulation system.

7. PGI shall produce, furnish and circulate chilled water and steam on a twenty-four hour day, seven days a week basis to Customer's Building, meeting the following standards:

(a) Chilled water shall be circulated to the delivery point from 38° F. to 42° F., and at a pressure of approximately 125 psig.

(b) Saturated steam shall be circulated to the delivery point at a pressure of not less than 150 psig or more than 225 psig.

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8. The Customer shall pay to PGI a base charge for producing, furnishing and circulating chilled water of 2.9¢ per ton hour (one "ton hour" is defined as 12,000 BTU per hour). This base charge is based on the air conditioning tonnage requirements and minimum full load equivalent hours as specified in paragraph 3 of this Agreement. Such base charge will be increased or, as the case may be, decreased, from time to time as follows:

- (a) 0.020 cents per ton hour per one cent change in the cost to PGI per MCF of gas utilized in the Central Plant in excess of, or less than, the cost per MCF of gas being charged on August 1, 1965.
- (b) 0.033 cents per ton hour per 0.1 cent change in the cost to PGI per KWH of electrical energy utilized in the Central Plant in excess of, or less than, the cost per KWH of electrical energy being charged on August 1, 1965.
- (c) 0.005 cents per ton hour per one cent change in the cost to PGI per 1,000 gallons of water utilized in the Central Plant in excess of, or less than, the cost per 1,000 gallons of water being charged on August 1, 1965.
- (d) By an adjustment to compensate for the increase or decrease after August 1, 1965, in taxes, as herein defined, occasioned by governmental action changing the tax rates or the percent of value of the defined "base" for taxation in accordance with the following steps: (1) Upon an increase or decrease in any tax a computation shall be made applying the tax rates and bases in effect August 1, 1965 to the immediately preceding 12 month period and deducting from such dollar amount the amount determined by applying the new rates and bases to said immediately preceding 12 months period; (2) The difference so arrived at shall be divided by the number of ton hours of chilled water sold by PGI during said 12 months period from the Central Plant and Circulation System; (3) The result thereof shall be multiplied by the fraction the denominator of which is the total revenue of PGI from the sale of chilled water and steam from the Central Plant and Circulation System for said 12 months period and the numerator of which is the total revenue of PGI from the sale of chilled water from said plant and system for said 12 months period. The amount so determined shall be added to, if a plus figure, or subtracted from, if a minus figure, the base charge for chilled water.

The adjustment to compensate for increases or decreases in taxes provided for in this paragraph 8 and in paragraph 9 of this Agreement shall, after the first adjustment, be computed at 12 month intervals for application to the succeeding 12 month period.

The term "taxes" as used in this paragraph 8 and in paragraph 9 of this Agreement shall mean and include all taxes or governmental charges of every kind (excluding only taxes based solely on the concept of taxing net income), levied, assessed and exacted against PGI based on property

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used in connection with, and on the sales and business appertaining to operation of the Central Plant and Circulation System. The reference herein to increase or decrease in such taxes shall include a change in tax rates and in the defined percent of total value or other base for tax application, which change is of general application to all similar taxpayers, and shall include changes arising out of new and additional taxes.

Under the provisions of paragraph 3 of this Agreement, Customer is committed to utilize an annual minimum of 6,825,000 ton hours of chilled water, and it is agreed that in the event Customer, in any 12 months period following the first 12 months period of service, shall utilize and take less than said minimum that Customer shall pay for the difference between the actual ton hours taken during the year and such minimum at the rate of 1.9¢ per ton hour.

9. The Customer shall pay to PGI a base charge for producing, furnishing and circulating steam of 75¢ per million BTU. Such base charge will be increased or, as the case may be, decreased, from time to time as follows:

- (a) 1.500 cents per million BTU per one cent change in the cost to PGI per MCF of gas utilized in the Central Plant in excess of, or less than, the cost per MCF of gas being charged on August 1, 1965.
- (b) 0.020 cents per million BTU per 0.01 cent change in the cost to PGI per KWH of electrical energy utilized in the Central Plant in excess of, or less than, the cost per KWH of electrical energy being charged on August 1, 1965.
- (c) 0.005 cents per million BTU per one cent change in the cost to PGI per 1,000 gallons of water utilized in the Central Plant in excess of, or less than, the cost per 1,000 gallons of water being charged on August 1, 1965.
- (d) By an adjustment identical with the adjustment provided in (d) of paragraph 8 hereof, except that in lieu of steps (2) and (3) there shall be substituted the following: (2) The difference so arrived at shall be divided by the number of million BTU's of steam sold by PGI during said 12 months period from the Central Plant and Circulation System; (3) The result thereof shall be multiplied by the fraction the denominator of which is the total revenue of PGI from the sale of chilled water and steam from the Central Plant and Circulation System for said 12 months period and the numerator of which is the total revenue of PGI from the sale of steam from said plant and system for said 12 months period. The amount so determined shall be added to, if a plus figure, or subtracted from, if a minus figure, the base charge for steam.

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10. In the event, during the term of this Agreement, adjustments under the chilled water or steam base charges as provided in paragraphs 8 and 9 of this Agreement should result in increasing the total unit cost of chilled water or steam by an amount of 20%, or more, The San Antonio Medical Foundation ("Foundation"), with the concurrence of the Customers in the South Texas Medical Center who, during the preceding twelve months have, as a group used 50% or more in dollar value of such services at the then applicable base charges plus adjustments, shall have the right to require such a reduction of base charges plus adjustments as will yield sufficient revenue to PGI to cover the reasonable and proper operating expenses of every kind, including taxes of every kind, maintenance, depreciation not compensated for by amortization, and to amortize the unamortized portion of debt incurred in the construction and installation of the Central Plant and Circulation System based on a 4% per annum amortization of actual cost plus a return of 11.5% per annum on the total invested capital less depreciation and said accrued amortization.

In connection with matters relating to said base charges and the adjustment thereof, the Foundation shall, at reasonable times and at intervals of one year or more, have the right to make an examination of the books and records of PGI through accountants employed by the Foundation.

11. Bills shall be rendered monthly by PGI to the Customer as soon as convenient after the end of each calendar month and shall be paid as promptly as possible.

12. The Customer shall have access at all reasonable times to metering equipment and all instruments used in determining the measurement of the contract units of chilled water, steam and steam condensate, but the reading, adjustment and maintenance thereof shall be performed only by representatives of PGI. Upon request of the Customer, PGI shall submit to the Customer its records and readings of said meters and

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measuring equipment, and a representative of the Customer may, at the request of the Customer, be present when periodic tests or adjustments are made of said meters and measuring equipment and PGI shall give reasonable notice of its intention to make such tests or adjustments. The Customer, through a representative, shall have the right at reasonable times to have its representatives test the accuracy of said meters and measuring equipment, and if upon any test of the meters or measuring equipment by the Customer or by PGI any of said meters or measuring equipment is found to be inaccurate by 2%, or more, such meter or measuring device shall be promptly corrected, and payments based upon such inaccurate registration shall be corrected for the period during which said inaccuracy is known to have existed, but in case such period is not known or agreed upon, then for a period extending back for one-half of the elapsed time since a previous determination of the accuracy of such meter or measuring equipment.

13. This Agreement shall be binding upon the successors and assigns of the parties hereto. The Customer may not assign this Agreement without the prior written consent of PGI.

14. At all times during the term of this Agreement, PGI shall maintain in full force and effect the following insurance coverage:

(a) Public liability insurance in an amount not less than \$500,000.00 for each occurrence;

(b) Workmen's Compensation insurance in accordance with applicable laws; and

(c) Water Damage Legal Liability insurance.

15. The Customer hereby stipulates that it is its understanding that PGI is not and will not be a "public utility", that PGI does not and will not hold itself out to serve the public, and that PGI does not and will not dedicate any of its property or facilities to the public use or to any

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use which would cause PGI to become a public utility. The Customer will at no time during the term of this Agreement urge or press any claim or charge that PGI is or should be a "public utility".

16. All notices and bills hereunder shall be in writing and shall be addressed as follows:

If to the Customer,

THE UNIVERSITY OF TEXAS SOUTH TEXAS

MEDICAL SCHOOL

San Antonio, Texas 78229

If to PGI,

Power Generation, Inc.
1401 Majestic Building
San Antonio, Texas 78205

Attention: Mr. Carl I. Fuhrmann

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

17. This Agreement may not be amended in any way except by a written agreement signed by the party against which such amendment is sought to be enforced.

18. PGI will not be responsible for interruptions in delivery of chilled water or steam due to strikes, fires, or governmental interference or order or regulation of or by any governmental authority, acts of God, or causes beyond its control but will at all times exercise the highest degree of diligence to have the Central Plant and Circulation System furnish an uninterrupted supply of chilled water and steam.

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

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20. The Central Plant and Circulation System of PGI for service to Customers in the South Texas Medical Center will be built and installed under the "Steam and Chilled Water Service Contract" between PGI and the Foundation, dated as of August 20, 1965, which contract is made for the use and benefit of the Customers who may enter into agreements for steam and chilled water service to buildings and facilities in the South Texas Medical Center, and Customer shall be entitled to the benefit of the covenants and agreements in said contract and participation, to the extent provided in said Service Contract, in the enforcement thereof.

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

THE UNIVERSITY OF TEXAS SOUTH TEXAS MEDICAL SCHOOL ("Customer")

ATTEST: _____ By _____
Secretary, Board of Regents Chairman, Board of Regents

POWER GENERATION, INC. ("PGI")

ATTEST: _____ By _____
Secretary President

APPROVED AS TO CONTENT: -12- APPROVED AS TO LEGAL FORM:

Comptroller, The University of Texas

University Attorney

5. Report of Interim Actions.-- The Executive Committee submits to you for your consideration a report of the following interim actions taken since the last meeting. These actions have been unanimously approved and each of you has had a copy of the report:

- (a) Permission to Travel for John W. F. Dulles.--Permission granted to John W. F. Dulles, System Advisor on International Programs, to go to Rio de Janeiro, Brazil, and vicinity from September 16 to December 10, 1965, to complete research for the post-Vargas political history of Brazil. The estimated expenses for which he will be reimbursed are \$810.60 for transportation and \$1,290.00 per diem for 86 days, payable from a restricted account.

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- (b) Amendments, 1964-65 Budgets (Central Administration, Main University, Medical Branch, and Southwestern Medical School)
 .--Amendments to the 1964-65 Budgets approved for ratification as set out below:

Central Administration

| Explanation | Present Status | Proposed Status | Effective Dates |
|--|-------------------------------------|-----------------|-----------------|
| Office of the Comptroller Transfer of Funds | From: Wages (Clerk-of-the Works) | To: Travel | |
| Amount of Transfer | \$ 400 | \$ 400 | --- |

Main University

| Explanation | Present Status | Proposed Status | Effective Dates |
|--|--|---|-----------------|
| Patricia L. Walne Botany | Research Scientist Assistant III (1/2 T) | Research Scientist Associate II (F.T.) | |
| Salary Rate | \$ 5,520 | \$ 7,440 | 7/1/65 |
| Source of Funds: Government Contract - Cytoplasmic Lamella Systems in Algae | | | |
| John B. Nelson Accelerator Laboratory | Research Scientist Associate IV | | |
| Nuclear Physics Laboratory | | Research Scientist Associate V | |
| Salary Rate | \$ 8,520 | \$12,000 | 7/16/65 |
| Source of Funds: Revolving Fund - Van de Graaf Laboratory | | | |
| Gerald A. Royce Defense Research Laboratory | Laboratory Research Assistant I | Research Scientist Associate I | |
| Salary Rate | \$ 3,072 | \$ 6,168 | 8/1/65 |
| Source of Funds: Government Contract Funds - Payroll Clearing Account | | | |
| George Lee Streckmann Defense Research Laboratory | Research Engineer Assistant I (3/4 T) | Research Engineer Associate I (F.T.) | |
| Salary Rate | \$ 4,200 | \$ 6,468 | 8/1/65 |
| Source of Funds: Government Contract Funds - Payroll Clearing Account | | | |

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Robin P. Stagg
Center for Highway Research
Civil Engineering

Laboratory Research
Assistant I (1/4 T)

Research Engineer
Assistant I

Salary Rate \$ 3,072
Source of Funds:
Government Contract -
NASA Grant

\$ 4,800 6/1/65

N. T. King, Jr.
Office of the Auditor
University of Texas Press

Accountant I

Business Manager -
U T Press

Salary Rate \$ 5,520
Source of Funds:
Auxiliary Enterprise
Funds - U.T. Press
Salaries

\$ 6,780 8/9/65

Medical Branch

| Item No. | Explanation | Present Status | Proposed Status | Effective Dates |
|----------|---|--------------------------|---------------------------------|-----------------|
| 35. | Robert D. Yates Anatomy (p.30) | Assistant Professor | Research Assistant Professor | |
| | Salary Rate \$ 9,500 | | \$11,000 | 7/1/65 |
| | Source of Funds: USPHS Career Development Award | | | |
| 36. | Patricia A. Lang Internal Medicine (p. 39) | Research Investigator | Instructor | |
| | Salary Rate \$ 8,665 | | \$12,000 | 7/1/65 |

Southwestern Medical School

| Item No. | Explanation | Present Status | Proposed Status | Effective Dates |
|----------|--|--------------------------------|--------------------------------|-----------------|
| 33. | Robert I. Kramer Pediatrics (p.38) | Clinical Instructor (1/2 T) | Clinical Instructor (1/2 T) | |
| | Salary Rate \$ 9,500 | | \$13,000 | 8/1/65 |
| | Source of Funds: National Cystic Fibrosis Foundation Grant | | | |

(c) MEDICAL BRANCH: ACQUISITION OF LOTS 1,2, 3 AND 4, BLOCK 671; LOTS 12, 13, AND 14, BLOCK 610; LOT 4, PORTION OF LOTS 13 AND 14, BLOCK 550; AND LOT 12, BLOCK 548.--In compliance with the policies and procedures for the acquisition of properties previously approved by the Board of Regents the following contracts of sale are approved as set out below for the full Board's consideration with authority (1) for vouchers and checks to be issued and said

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checks delivered in exchange for warranty deeds and evidences of good titles to the properties, (2) for funds to pay for these properties from funds previously received from The Sealy and Smith Foundation and/or the appropriations previously made by the Board of Regents for acquisition of this property, and (3) for E. D. Walker to sign the contracts on behalf of the Board of Regents:

| <u>Block</u> | <u>Lot</u> | <u>Seller</u> | <u>Purchase Price</u> |
|--------------|---|---|-----------------------|
| 671 | 1, 2, 3 & 4 | Mr. Walter A. Hunter | \$ 22,940.00 |
| 610 | 12 | Ebenezer F. Pye and wife | 14,365.00 |
| 610 | 13 & 14 | W. A. Derousse | 16,371.00 |
| 550 | 4 | Newton Hill Freeman and wife | 16,623.00 |
| 550 | West 1/2 of Lot 13, 7 feet 1 inch of Lot 14 | D. R. Melville and wife | 7,591.00 |
| 548 | 12 | Mr. Leonard C. Howard, Sr., and wife | 14,617.00 |
| TOTAL | | | \$ 92,507.00 |

With reference to Lots 1, 2, 3 and 4, Block 671, it is understood and agreed that the sale is to be consummated on or before 4 months after the date of approval hereof by the Board of Regents of The University of Texas and that at "Seller's" option he may remain in possession of the subject property until 4 months after approval date without paying any rent therefor. The risk of loss shall be upon the purchaser.

Referring to Lot 12, Block 610, and Lot 4, Block 550, the contracts of sale are subject to lease to present owners for a period of 12 months from date of closing for \$100.00 annually and are to be consummated on or before September 15, 1965.

The contract of sale for Lot 12, Block 548, is subject to lease to present owner for a period of 12 months from date of closing for \$100.00 annually, and the sale is to be consummated on or before September 30, 1965.

With reference to Lots 13 and 14, Block 610, the contract of sale shall not be consummated before June 1, 1966.

The contract of sale for the West 1/2 of Lot 13 and the 7 feet 1 inch of Lot 14, Block 550, is to be consummated on or before September 30, 1965.

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- (d) MINUTES OF JULY 30, 1965, AND 1965-66 BUDGET, TEXAS STUDENT PUBLICATIONS, INC.-- The minutes of the meeting of the Board of Directors of the Texas Student Publications, Inc., held on Friday, July 30, 1965, have been approved and in connection therewith the 1965-66 budget for The University of Texas, Texas Student Publications, Inc. A copy of this budget is appended to the Auxiliary Enterprises Budget of Main University in the bound Official Volume XX.
- (e) 1965 SMALL CLASS REPORTS FOR MAIN UNIVERSITY, TEXAS WESTERN COLLEGE, ARLINGTON STATE COLLEGE. -- The Small Class Reports for the several summer terms of 1965 for Main University, Texas Western College, and Arlington State College have been approved as submitted for the full Board's consideration and for filing with the Coordinating Board, Texas College and University System (formerly Texas Commission on Higher Education). This is in compliance with Senate Bill No. 86, 58th Legislature, Regular Session, 1963, Article IV, Special Provisions, Section 25. Copies of the reports are in Secretary's Files, Volume XII, Page / .
- (f) SYSTEM-WIDE: AWARD OF BLANKET FIRE AND EXTENDED COVERAGE INSURANCE TO INSURANCE COMPANY OF NORTH AMERICA. -- As authorized on July 17, 1965, the Executive Committee has approved, and reports for ratification of the Board, the award of a contract for Blanket System-Wide Fire and Extended Coverage Insurance to the lowest acceptable bidder, Insurance Company of North America, Philadelphia, Pennsylvania, for a premium of \$141,000, for a three-year term beginning September 24, 1965.
- (g) MAIN UNIVERSITY: NEPOTISM CASE (MRS. JANET KING) .-- The Executive Committee has approved as an interim action the appointment of Mrs. Janet Kramer King as Instructor in the Department of Germanic Languages for the 1965-66 Long Session at a rate of \$7,500 for 9 months. Mrs. King is the wife of Robert King, an instructor in the same department. Under the Rules and Regulations, prior approval of the Board is required.

Adoption of Report.-- Upon motion of Regent Brenan, seconded by Regent Olan, the foregoing report was unanimously adopted and all actions therein were ratified.

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REPORT OF ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE (See Page 36 for adoption.) -- Committee Chairman Olan presented the following report:

The Academic and Developmental Affairs Committee recommends to the full Board for its consideration the following:

Rules and Regulations, Part Two: Amendment to Chapter X, Subsections 8.1 and 8.2 (Texas Student Publications, Inc.)

1. That the Rules and Regulations of the Board of Regents for the Government of The University of Texas, Part Two, Chapter X, Subsections 8.1 and 8.2 be amended to read as follows:

8.1 At least fifteen copies of the minutes of all meetings of the Board of Directors of Texas Student Publications, Inc. shall be delivered promptly to the Chancellor of The University of Texas for distribution to the Members of the Board of Regents, to the Secretary of the Board of Regents, and to such members of the University's administration as the Chancellor may direct. No action of the Board of Directors of Texas Student Publications, Inc. shall have any force or effect until it has been approved by the Board of Regents.

8.2 No budget or budget amendment adopted by the Board of Directors of Texas Student Publications, Inc. shall have any force and effect until such budget or budget amendment has been approved by the Board of Regents of The University of Texas.

Arlington State College: Request to Submit Degree Programs at Master Level to the Coordinating Board, Texas College and University System

2. That the Administration ask the Coordinating Board, Texas College and University System, for permission to establish the following degree programs at Master level at Arlington State College:

Master of Arts in Economics
 Master of Science in Electrical Engineering
 Master of Science in Engineering Mechanics
 Master of Science in Mechanical Engineering
 Master of Science in Psychology
 Master of Science in Mathematics and Master
 of Arts in Mathematics
 Master of Science in Physics

It is understood that no request will be filed with the Coordinating Board for any one of the programs until the Graduate Assembly has approved the specific degree program.

Establishment of Guy H. Heath and Dan C. Heath Memorial
Lecture Fund, M. D. Anderson Hospital and Tumor Institute

3. The Committee is very happy to recommend that the proceeds of the stock that has been given by Judge W. W. Heath from time to time to M. D. Anderson Hospital and Tumor Institute which has been sold for \$25,087.22 be transferred from temporary investments to Permanent Endowment Funds and that the income be used to establish the Guy H. Heath and Dan C. Heath Memorial Lecture Fund. There will be a lecture presented each year in conjunction with the annual clinical conference for M. D. Anderson Hospital. The lecturer will be selected by a specially appointed committee composed of appropriate members of the faculty of M. D. Anderson Hospital and Tumor Institute and consultants from other academic and research institutions with the selection to be based upon an outstanding contribution to the better care of the cancer patient by the clinical application of basic research knowledge.

Main University: Texas Student Publications, Inc.: Minutes of
Directors' Meeting of September 21, 1965

4. That the minutes of the meeting of the Board of Directors of the Texas Student Publications, Inc., held September 21, 1965, be approved.

Medical Branch: Establishment of Warmoth Professorship of
Neurology in the Department of Neurology and Psychiatry

5. That there be established the Warmoth Professorship in Neurology in the Department of Neurology and Psychiatry in the amount of \$100,000, funds to come from the \$150,000 received from the Estate of Miss Charlotte Warmoth designated for use at the Medical Branch for the study of Parkinson's Disease and Leukemia; that the balance of the \$50,000 plus any subsequent distribution from the estate and private gifts be accumulated until the balance reaches \$100,000 at which time a recommendation will be made to establish a Professorship in the Department of Internal Medicine. At the August meeting, the Regents deferred action pending an interpretation as to this bequest by the University Attorney who has rendered an opinion that the establishment of such professorship "is within the intent and in conformity with the provisions of the will of Charlotte Warmoth, deceased."

Discussion Item: Use of Student Assistants at Texas Western
College and Arlington State College

6. The last item on the Agenda was not for action but a report in the Committee's effort to learn what is going on at our academic institutions. At the August meeting, our Committee spent a good deal of time learning about teaching assistants at the Main University. At this meeting, President Ray and President Woolf reported to the Board how teaching assistants are used at their respective institutions.

Adoption of Report. -- Upon motion of Regent Olan, seconded by Vice-Chairman Erwin, the motion unanimously prevailed.

REPORTS OF (1) JOINT MEETING OF BUILDINGS AND GROUNDS COMMITTEE AND MEDICAL AFFAIRS COMMITTEE (2) MEETING OF BUILDINGS AND GROUNDS COMMITTEE (See Page 42 for adoption.). -- Regent Johnson, Chairman of the Buildings and Grounds Committee, reported the following joint recommendation of the Buildings and Grounds Committee and the Medical Affairs Committee:

South Texas Medical School: Construction of an Access Road to Serve the Bexar County Teaching Hospital and The South Texas Medical School. -- It is recommended that the Board approve the construction of a 48-foot wide access road from a point from Babcock Road to a point where it will meet with an access road in the construction contract for the South Texas Medical School building, with one-half of the cost to be borne by the San Antonio Medical Foundation and the other half, estimated at \$9,000, to be borne by the University, provided there is sufficient money left in the appropriation after bids have been received for the construction of the building and its related site improvements.

Then Committee Chairman Johnson presented the following recommendations of the Buildings and Grounds Committee:

1. Main University: Approval of Final Plans and Specifications for Second Records Storage Building on the Balcones Tract. -- It is recommended that the Board approve the final plans and specifications for the Second Records Storage Building on the Balcones Tract at the Main University as prepared by the Main University Physical Plant staff, with authorization to Walter C. Moore to call for bids to be presented to the Board for consideration at a later meeting.
2. Main University: Addition to the Power Plant. -- The following report by Walter C. Moore on the solution of the noise problem in connection with the new gas turbine to be installed in the Addition to the Power Plant Building at the Main University was accepted by the Committee:

I have consulted Lundgren and Maurer concerning this problem, and they have furnished me with partial plans showing the construction features of the building which are being provided to reduce the noise. Mr. Carl J. Eckhardt, Director of Physical Plant, furnished me with specifications and other data concerning this problem which I have reviewed with Dr. Boner.

The specifications for the installation of this equipment contain the following requirements:

- "a. The gas turbine manufacturer is required to conduct a complete noise level survey of the area prior to the time any equipment is installed.

- "b. The gas turbine manufacturer is required to install silencing equipment at the turbine air inlet by the use of which the 'sound pressure level in decibels shall not be more than three (3) decibels above the ambient sound pressure level existing in the area previous to the installation of the gas turbine.'
- "c. The waste heat boiler manufacturer is required to be installed silencing equipment on the by-pass stack so that 'when the gas turbine is running on the by-pass stack' the silencing shall be such that 'the sound pressure level in decibels shall not be more than three (3) decibels above the ambient sound pressure level existing in the area previous to the installation of the gas turbine.' "

The Westinghouse Electric Corporation, suppliers of the Gas Turbine, have employed the services of Bolt, Beranek, and Newman, Inc., Acoustical Consultants, to conduct a survey showing the present noise level in the vicinity in which the equipment is to be installed as well as other points around the Campus. The report submitted by Bolt, Beranek, and Newman, as well as additional information submitted by Westinghouse Electric Corporation, has been reviewed with Dr. Boner; and it is his opinion that if the conditions of the specifications are met, which call for the sound pressure level in decibels to be not more than three decibels above the ambient sound pressure level existing in the area previous to the installation of the gas turbine, that there should be no objectionable increase in noise produced by the gas turbine located in this particular area. Dr. Boner further stated that in his opinion it would be a very difficult job for these specifications to be complied with; however, he further stated that he had the utmost confidence in the firm of Bolt, Beranek, and Newman, as well as Westinghouse Electric Corporation and felt sure that they would do everything possible in order to comply with the specifications.

By way of information, the results of recent readings at a point approximately 100 feet away from the proposed air inlet to the gas turbine indicate a reading of 73 decibels at the present time. Another reading was made at 11:45 p. m. in front of the Main Building Tower, and the noise level was found to be 65 decibels. A reading made adjacent to the Drama Building indicated a reading of 78 decibels.

I am of the opinion that if the manufacturer of the equipment is able to comply with the specifications, the added noise level created by the installation of the gas turbine should not be objectionable.

3. Texas Western College: Approval of Final Plans and Specifications for Physical Sciences-Mathematics Building. -- It is recommended that the Board approve the final plans and specifications for the Physical Sciences-Mathematics Building at Texas Western College as prepared by Garland and Hilles, Associate Architects on the project, with authorization to Walter C. Moore to advertise for bids to be presented to the Board for consideration at a later meeting.
4. Arlington State College: Appropriation for Associate Architect's Fees for Mathematics-Language Building. -- It is recommended that an additional \$25,000 be appropriated from Unappropriated Income for Architects' Fees on the Mathematics-Language Building at Arlington State College.

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5. Arlington State College: Approval of Preliminary Plans for Addition to Gymnasium. --It is recommended that the preliminary plans and outline specifications for the Addition to the Gymnasium at Arlington State College as prepared by the Consulting Architects, Brooks, Barr, Graeber, and White, be approved by the Board.

6. Arlington State College: Refund of Funds Advanced for Auditorium and Other Building Construction. --It is recommended that the Board approve the reimbursement to certain auxiliary enterprise accounts of funds which were advanced to cover preliminary expenses during the early stages of planning of the Auditorium, Theater, Health Center, and Student Center at Arlington State College, as follows:

 \$16,500 to the Food Service Account out of the Auditorium Building Fund

 \$27,500 to the Exchange Store Account out of Unappropriated Plant Funds, Proceeds of 1964 Student Fee Bond Issue.

7. Arlington State College: Landscape Plans for Certain Areas of the Campus. --It is recommended that \$3,000 be appropriated from Arlington State College Unappropriated Plant Funds - Proceeds of 1964 Student Fee Bonds to cover the cost of the preparation of preliminary plans and cost estimates for Landscaping the front of the New Auditorium, Pacht Hall, Theater Building, Health Center, and Davis Hall at Arlington State College. It is further recommended that Gene Schrickel and Associates, Arlington, Texas, be appointed as Landscape Architects for this project.

8. Arlington State College: Approval of Plans and Specifications for Eight Tennis Courts and Appropriation Therefor. --It is recommended that the Board approve an appropriation of \$40,000 from Student Service Fee Unallocated Balance at Arlington State College for the construction of eight tennis courts at the College. It is further recommended that the plans and specifications prepared by the Physical Plant staff of the College be approved and that Walter C. Moore be authorized to call for bids to be presented to the Board for consideration at a later meeting.

9. Arlington State College: Approval of Plans and Specifications for Spectator Seating at Athletic Tract and Appropriation Therefor. --It is recommended that an appropriation of \$10,000 be made from the Exchange Store account at Arlington State College to cover the construction of spectator seating at the Athletic Tract at the College. It is further recommended that

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the Physical Plant staff at the College be authorized to prepare plans and specifications, with authorization to President Woolf, Walter C. Moore, and Chancellor Ransom to approve these plans, after which Mr. Moore is authorized to advertise for bids to be presented to the Board at a later meeting.

10. Texas Western College: Access to Highway Interstate 10 for College Traffic. -- The recommendation in regard to an access to Highway Interstate 10 for college traffic at Texas Western College was withdrawn by Texas Western College.
11. Main University: Award of Contract for Biological Sciences Experimental Field Laboratory on Brackenridge Tract. -- It is recommended that the Executive Committee be authorized to award a contract for the Biological Sciences Experimental Field Laboratory on Brackenridge Tract when the Committee is satisfied that the Contractor receiving the award is financially responsible. Evidence of this financial responsibility is to be furnished the Executive Committee with the recommendation for the contract award.
12. Main University: W. J. McDonald Observatory - Authorization for Consulting Architects to Proceed with Preparation of Preliminary Plans for the New Dome and Building to House 105-Inch Telescope and a Dormitory. -- It is recommended that the Board approve the following recommendations in connection with the construction of the new dome and building to house the 105-inch Telescope and a Dormitory at W. J. McDonald Observatory:
 - a. That an appropriation of \$750,000 be made from Permanent University Fund Bond Proceeds to cover the commitment made at the September 19, 1964, meeting
 - b. That this \$750,000 be combined into one account with the \$250,144.56 appropriated some time ago for certain construction at the W. J. McDonald Observatory and the \$150,000 appropriated for this project at the August 28, 1965, meeting
 - c. That the new account be entitled "Dome and Building to House Telescope, Shops and Transient Housing, etc. - W. J. McDonald Observatory - Allotment Account"
 - d. That the appropriation of \$10,000 from Available University Fund for Consulting Architect's Fees for this project be cancelled and that the amount of \$20,000 to cover these fees be taken from the Allotment Account above recommended

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- e. That the Consulting Architect be authorized to proceed with preliminary plans for the dome and building and for the transient dormitory based on the amount appropriated for the project, keeping in mind the possibility of revising and enlarging the transient dormitory building for which plans and specifications were prepared several years ago
 - f. That the \$150,000 previously committed for Refurbishing the Old McDonald Telescope be appropriated from W. J. McDonald Observatory Fund for this purpose.
13. Main University: Proposed Warehouse for Housing and Food Service. --It is recommended that the Board approve the location of the proposed Warehouse for Housing and Food Service at the Main University to be on a site North of and adjacent to the North fence line of the Brackenridge Field Laboratory and immediately adjacent to the Brackenridge Student Housing, and that the Main University Physical Plant staff be authorized to prepare working drawings and specifications to be submitted to the Board at a later meeting.
14. Main University: Proposed Expansion of Student Health Center Building. --It is recommended that the Board authorize the Consulting Architects to prepare preliminary plans and outline specifications for an Addition to the Health Center at the Main University and also approve the planning of the expansion of the Health Center and the North Campus Classroom and Office Building to proceed simultaneously, with the possibility that the two projects may be bid as one project with the hope that this procedure will result in a cost saving on the Addition to the Health Center. It is further recommended that the Board approve an appropriation in the amount of \$3,750 from the Unallotted Student Services Fee account to cover preliminary expenses and Consulting Architect's Fees.
15. Appointment of Consulting Engineers to Make Long-Range Study of Future Needs for Power, Heating, Cooling, Etc. --It is recommended that the Executive Committee of the Board of Regents be authorized, after recommendations by the Administration, to approve the appointment of Consulting Engineers to make a long-range study of the future needs of the Main University for power, heating, cooling, etc., the possibility of a combined power source for all State institutions in the City of Austin including the Main University, and also the possibility of participating in a power pool with some utility company. It is further recommended that authorization be given to the Chairman of the Board of Regents to execute the contract with the Consulting Engineers for the University.

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16. Main University: Approval of Preliminary Plans for Physics-Mathematics and Astronomy Building. -- It is recommended that the Board approve the preliminary plans for the Physics-Mathematics and Astronomy Building at the Main University as prepared by Consulting Architects Brooks, Barr, Graeber, and White, with the understanding that the Associate Architect appointed on this project will be instructed to prepare the plans in such a way as to take an alternate bid eliminating one entire floor from the office-classroom element of the building and from the office-laboratory element of the building, in order to be more certain that the project will come within the money now allocated.
17. System-Wide: Selection of Associate Architects on Various Projects. -- It is recommended that the architectural firms as listed below be appointed as Associate Architects on the projects named:

Southwestern Medical School: Bio-Medical Information Center -- Harrell and Hamilton, Dallas, Texas

Texas Western College: Addition to Library -- Carroll and Daeuble and Associates, El Paso, Texas

M. D. Anderson Hospital and Tumor Institute: Addition of Sixth and Seventh Floors to Two Wings of Present Building and Two Wings under Construction -- MacKie and Kamrath, Houston, Texas

Medical Branch: Library -- O'Neil Ford and Associates, San Antonio, Texas

Main University: Physics-Mathematics and Astronomy Building -- George L. Dahl, Dallas, Texas

Main University: Engineering Center -- Page, Southerland, and Page, Austin, Texas

Arlington State College: Addition to Gymnasium -- Preston M. Geren, Fort Worth, Texas.

It is understood that the appointment of an Associate Architect on any of the above projects is subject to the written approval of the Governor of the State of Texas, after obtaining the advice of the Legislative Budget Board.

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18. System-Wide: Discussion of Form of Associate Architect's Contract. --In order to clarify a point which has not been clearly understood by all the Regents, it is recommended that the Associate Architect's fee of 5% be based on the total cost of a construction project including landscaping rather than on the cost of the structure only.

Adoption of Report. --The foregoing report was unanimously adopted upon motion of Regent Johnson, seconded by Regent Brennan.

REPORT OF LAND AND INVESTMENT COMMITTEE (See Page 60 for adoption).-- Committee Chairman Erwin presented the following report of the Land and Investment Committee and requested that the actions therein be ratified:

I. Permanent University Fund

A. Investment Matters

1. Report of Purchases and Call of Securities: The report of purchases and call of securities from August 4 through September 10, 1965, for the Permanent University Fund was approved as follows:

PURCHASES OF SECURITIES

CORPORATE BONDS

| <u>Date of Purchase</u> | <u>Security</u> | <u>Par Value of Bonds Purchased</u> | <u>Market Price at Which Purchased</u> | <u>Total Principal Cost*</u> | <u>Indicated Current Yield on Cost**</u> |
|-------------------------|---|-------------------------------------|---|------------------------------|--|
| 8/31/65 | Georgia Power Co. First Mortgage Bonds, 4-7/8% Series, dated 9/1/65, due 9/1/95 | \$500,000 | 101.505N | \$ 507,525.00 | 4.78% |
| <u>COMMON STOCKS</u> | | | | | |
| | | <u>No. of Shares Purchased</u> | | | |
| 8/4/65 | Commonwealth Edison Co. Common Stock | 1,000 | 53 | \$ 53,443.00 | 3.37% |
| 8/4/65 | Federated Department Stores, Inc. Common Stock | 700 | 72 | 50,723.40 | 2.21 |
| 8/4/65 | Ingersoll-Rand Co. Common Stock | 1,200 | 44-3/4(600) 44-5/8(200) 44-1/2(400) | 54,070.90 | 4.44 |
| 8/4/65 | American Home Products Corp. Capital Stock | 700 | 69-5/8 | 49,059.22 | 2.71 |
| 8/4/65 | American Tobacco Co. Common Stock | 1,300 | 38-3/8 | 50,383.97 | 4.39 |
| 8/4/65 | Bendix Corp. Common Stock | 1,000 | 50-7/8(600) 50-3/4(400) | 51,265.86 | 4.68 |
| 8/5/65 | Ford Motor Co. Common Stock | 900 | 52-7/8 | 47,986.11 | 3.75 |
| 8/5/65 | National Dairy Products Corp. Common Stock | 600 | 92-1/4(200) 92 (400) | 55,539.26 | 2.81 |
| 8/5/65 | Standard Oil Co. of California Common Stock | 600 | 73-5/8 | 44,453.16 | 2.97 |
| 8/5/65 | Union Carbide Corp. Capital Stock | 800 | 59-5/8(400) 59-1/2(400) | 48,009.64 | 3.33 |
| 8/5/65 | American Telephone & Telegraph Co. Capital Stock | 800 | 66-7/8(200) 66-3/4(600) | 53,790.46 | 2.97 |
| 8/5/65 | Minnesota Mining & Manufacturing Co. Common Stock | 900 | 56-5/8 | 51,364.44 | 1.93 |
| 8/5/65 | Philadelphia Electric Co. Common Stock | 1,300 | 38-1/4 | 50,220.69 | 3.83 |

*Includes brokerage commissions paid.

**Yield to maturity on bonds; yield at present indicated dividend rates on stocks.

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COMMON STOCKS (Continued)

| Date of Purchase | Security | No. of Shares Purchased | Market Price at Which Purchased | Total Principal Cost* | Indicated Current Yield on Cost** |
|------------------|---|-------------------------|---|-----------------------|-----------------------------------|
| 8/6/65 | Pittsburgh Plate Glass Co. Capital Stock | 700 | 71-5/8 | \$ 50,460.62 | 3.61% |
| 3/6/65 | C. I. T. Financial Corp. Common Stock | 1,600 | 33-1/2(600) 33-3/4(1000) | 54,423.30 | 4.70 |
| 8/6/65 | General Electric Co. Common Stock | 500 | 102-1/4 | 51,371.15 | 2.53 |
| 3/6/65 | Scott Paper Co. Common Stock | 1,400 | 35-1/2(400) 35-3/8(1000) | 50,088.90 | 2.52 |
| 8/6/65 | Texaco Inc. Capital Stock | 600 | 77-7/8 | 47,005.74 | 3.06 |
| 8/6/65 | Union Carbide Corp. Capital Stock | 800 | 59-3/4(400) 59-1/2(400) | 48,059.72 | 3.33 |
| 8/9/65 | Cincinnati Gas & Electric Co. Common Stock | 1,700 | 29-1/2(1600) 29-1/8(100) | 50,686.06 | 3.35 |
| 8/9/65 | Public Service Co. of Indiana, Inc. Common Stock | 1,000 | 50-1/2(900) 49-7/8(100) | 50,877.89 | 3.14 |
| 8/9/65 | American Electric Power Co. Common Stock | 1,200 | 42 (300) 41-7/8(500) 41-3/4(300) 41-5/8(100) | 50,704.15 | 2.93 |
| 8/9/65 | Eastman Kodak Co. Common Stock | 600 | 88-3/8(300) 88 (100) 87-1/2(200) | 53,099.32 | 1.81 |
| 8/9/65 | Norfolk & Western Railway Co. Common Stock | 400 | 129-3/4(100) 130-1/8(100) 130-1/2(200) | 52,295.59 | 4.59 |
| 8/10/65 | Bank of America National Trust & Savings Association (San Francisco) Common Capital Stock | 400 | 57-3/4 Net | 22,950.00 | 3.49 |
| 8/10/65 | Bankers Trust Co. (New York) Capital Stock | 300 | 62-7/8 Net | 18,862.50 | 3.50 |
| 8/10/65 | Continental Illinois National Bank & Trust Co. of Chicago Common Capital Stock | 500 | 42-7/8 Net | 21,437.50 | 2.80 |
| 8/11/65 | Bristol-Myers Co. Common Stock | 600 | 83 (300) 82 (300) | 49,783.50 | 1.45 |
| 8/11/65 | E. I. du Pont de Nemours & Co. Common Stock | 200 | 235 | 47,125.00 | 2.23 |
| 8/11/65 | International Business Machines Corp. Capital Stock | 100 | 483-1/4 | 48,400.00 | 1.24 |
| 8/11/65 | Potomac Electric Power Co. Common Stock | 2,400 | 22-1/2(1300) 22 (1100) | 54,152.50 | 3.55 |
| 8/11/65 | Caterpillar Tractor Co. Common Stock | 1,200 | 41-1/2(400) 41-1/4(400) 40-7/8(400) | 49,925.28 | 2.40 |
| 8/11/65 | Gulf Oil Corp. Capital Stock | 800 | 55-1/4 | 44,556.24 | 3.23 |

*Includes brokerage commissions paid.

**Yield at present indicated dividend rates.

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COMMON STOCKS (Continued)

| Date of Purchase | Security | No. of Shares Purchased | Market Price at Which Purchased | Total Principal Cost* | Indicated Current Yield on Cost** |
|------------------|--|-------------------------|--|-----------------------|-----------------------------------|
| 8/11/65 | Libbey-Owens-Ford Glass Co. Common Stock | 900 | 54-7/8 | \$ 49,787.91 | 5.24% |
| 8/12/65 | Corn Products Co. Common Stock | 900 | 52-5/8(200) 52-3/4(100) 52-1/2(400) 52-1/4(200) | 47,648.26 | 2.83 |
| 8/12/65 | Owens-Illinois Inc. Common Stock | 1,000 | 50-7/8(500) 50-1/2(500) | 51,128.20 | 2.64 |
| 8/12/65 | Public Service Electric & Gas Co. Common Stock | 1,200 | 40-7/8(900) 40-5/8(300) | 49,447.89 | 3.30 |
| 8/16/65 | Federal Insurance Co. Capital Stock | 400 | 59-1/4 Net | 23,700.00 | 2.03 |
| 8/13/65 | Hartford Fire Insurance Co. Capital Stock | 300 | 65-3/4 Net | 19,725.00 | 2.13 |
| 8/13/65 | Lincoln National Life Insurance Co. Capital Stock | 200 | 76-1/2 Net | 15,300.00 | 0.84 |
| 8/13/65 | National Life & Accident Insurance Co. Capital Stock | 200 | 86 Net | 17,200.00 | 0.35 |
| 8/13/65 | Mellon National Bank & Trust Co. Capital Stock | 200 | 88-1/2 Net | 17,700.00 | 3.16 |
| 8/13/65 | National Bank of Detroit Common Capital Stock | 300 | 61-1/2 Net | 18,450.00 | 3.25 |
| 8/16/65 | Allied Chemical Corp. Common Stock | 500 | 47-3/8 | 23,900.95 | 3.97 |
| 8/16/65 | Carolina Power & Light Co. Common Stock | 500 | 45-3/4 | 23,084.40 | 2.51 |
| 8/16/65 | General Electric Co. Common Stock | 300 | 104-1/2 | 31,498.35 | 2.48 |
| 8/16/65 | Kennecott Copper Corp. Capital Stock | 300 | 107-3/8 | 32,361.72 | 4.64 |
| 8/16/65 | J. C. Penney Company, Inc. Common Stock | 300 | 68-3/4 | 20,762.64 | 2.49 |
| 8/16/65 | Potomac Electric Power Co. Common Stock | 1,000 | 21-7/8 | 22,163.80 | 3.61 |
| 8/17/65 | Baltimore Gas & Electric Co. Common Stock | 600 | 39-7/8(500) 39-3/4(100) | 24,146.08 | 3.58 |
| 8/17/65 | Continental Oil Co. Common Stock | 300 | 76-1/8 | 22,977.33 | 3.13 |
| 8/17/65 | Firestone Tire & Rubber Co. Common Stock | 500 | 43-1/2 | 21,953.75 | 2.73 |

*Includes brokerage commissions paid.

**Yield at present indicated dividend rates.

COMMON STOCKS (Continued)

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| Date of Purchase | Security | No. of Shares Purchased | Market Price at Which Purchased | Total Principal Cost* | Indicated Current Yield on Cost** |
|------------------|---|-------------------------|--|-----------------------|-----------------------------------|
| 8/17/65 | Borden Co. Capital Stock | 500 | 45 (200) 44-7/8(200) 44-3/4(100) | \$ 22,657.26 | 2.45% |
| 8/17 & 18/65 | Johns-Manville Corp. Common Stock | 500 | 52-1/2(200) 53-3/8(100) 53-1/4(100) 53-1/8(100) | 26,696.48 | 3.75 |
| 8/18/65 | National Lead Co. Common Stock | 300 | 72 | 21,738.60 | 4.49 |
| 8/18/65 | Addressograph-Multigraph Corp. Common Stock | 500 | 47-1/2 | 23,963.75 | 2.92 |
| 8/18/65 | Coca-Cola Co. Common Stock | 300 | 79-5/8 | 24,028.38 | 2.12 |
| 8/18/65 | R. J. Reynolds Tobacco Co. Common Stock | 500 | 42-5/8 | 21,514.05 | 4.18 |
| 8/18/65 | Caterpillar Tractor Co. Common Stock | 600 | 43 | 26,043.00 | 2.30 |
| 8/18/65 | Dow Chemical Co. Common Stock | 300 | 68-1/4 | 20,612.49 | 2.62 |
| 8/18/65 | Southern Co. Common Stock | 400 | 65-3/8 | 26,332.16 | 2.73 |
| 8/19/65 | Ohio Edison Co. Common Stock | 800 | 28-7/8(500) 28-3/4(300) | 23,329.84 | 3.63 |
| 8/19/65 | Parke, Davis & Co. Capital Stock | 800 | 30-1/2(300) 30-3/8(500) | 24,611.20 | 3.74 |
| 8/19/65 | Commonwealth Edison Co. Common Stock | 400 | 54 (100) 53-3/4(200) 53-5/8(100) | 21,690.02 | 3.32 |
| 8/19/65 | Otis Elevator Co. Common Stock | 600 | 45-1/8(200) 45 (100) 44-7/8(300) | 27,236.44 | 4.19 |
| 8/19/65 | Standard Oil Co. (New Jersey) Capital Stock | 300 | 75-7/8(100) 75-3/4(100) 75-5/8(100) | 22,864.73 | 4.07 |
| 8/20/65 | First National Bank of Chicago Common Stock | 200 | 59-1/2 Net | 11,900.00 | 3.03 |
| 8/20/65 | Chase Manhattan Bank (New York) Capital Stock | 200 | 69-7/8 Net | 13,975.00 | 2.86 |
| 8/20/65 | Security First National Bank (Los Angeles) Common Stock | 200 | 47-1/2 Net | 9,500.00 | 2.69 |
| 8/20/65 | American Cyanamid Co. Common Stock | 300 | 76-7/8(200) 76-1/8(100) | 23,127.49 | 2.98 |
| 8/20/65 | General Motors Corp. Common Stock | 300 | 98-3/8(200) 98-1/4(100) | 29,646.51 | 5.06 |

*Includes brokerage commissions paid.
**Yield at present indicated dividend rates.

COMMON STOCKS (Continued)

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| Date of Purchase | Security | No. of Shares Purchased | Market Price at Which Purchased | Total Principal Cost* | Indicated Current Yield on Cost** |
|------------------|--|-------------------------|--|-----------------------|-----------------------------------|
| 8/20/65 | Houston Lighting & Power Co. Common Stock | 500 | 53 (300) 52-3/8(200) | \$ 26,596.38 | 1.88% |
| 8/20/65 | American Telephone & Telegraph Co. Capital Stock | 300 | 67-3/8 | 20,349.72 | 2.95 |
| 8/20/65 | National Biscuit Co. Common Stock | 500 | 56 (100) 55-7/8(200) 55-3/4(200) | 28,147.94 | 3.20 |
| 8/20/65 | Socony Mobil Oil Co., Inc. Capital Stock | 300 | 88-3/8 | 26,656.02 | 3.38 |
| 8/23/65 | Corning Glass Works Common Stock | 100 | 186 | 18,657.60 | 1.34 |
| 8/23/65 | Smith Kline and French Laboratories, Inc. Common Stock | 300 | 79 (100) 78-5/8(200) | 23,765.62 | 2.02 |
| 8/23/65 | Utah Power & Light Co. Common Stock | 600 | 40-3/4 | 24,686.28 | 3.50 |
| 8/23/65 | American Electric Power Co., Inc. Common Stock | 600 | 42-3/8 | 25,666.14 | 2.90 |
| 8/23/65 | Household Finance Corp. Common Stock | 400 | 66-3/4(100) 66-1/2(200) 66-1/4(100) | 26,782.61 | 2.69 |
| 8/23/65 | Westinghouse Electric Corp. Common Stock | 400 | 52-1/8 | 21,026.84 | 2.28 |
| 8/24/65 | International Business Machines Corp. Capital Stock | 100 | 496-1/4 | 49,700.00 | 1.21 |
| 8/24/65 | Kimberly-Clark Corp. Common Stock | 400 | 50-1/4 | 20,276.12 | 3.95 |
| 8/24/65 | Merck & Co., Inc. Common Stock | 500 | 58-1/8(200) 58-1/4(300) | 29,324.11 | 1.71 |
| 8/24/65 | Ex-Cell-O Corp. Common Stock | 600 | 47 | 28,455.00 | 3.80 |
| 8/24/65 | Public Service Co. of Colorado Common Stock | 800 | 28-3/4(200) 28-5/8(200) 28-3/8(200) 28-1/2(200) | 23,116.26 | 2.91 |
| 8/25/65 | E. I. du Pont de Nemours & Co. Common Stock | 100 | 232-3/4 | 23,337.28 | 2.25 |
| 8/25/65 | Public Service Electric & Gas Co. Common Stock | 600 | 40-7/8 | 24,761.64 | 3.30 |
| 8/25/65 | Shell Oil Co. Common Stock | 400 | 66-3/8 | 26,732.56 | 2.54 |
| 8/25/65 | General Electric Co. Common Stock | 200 | 101-7/8 | 20,473.38 | 2.54 |

*Includes brokerage commissions paid.
 **Yield at present indicated dividend rates.

COMMON STOCKS (Continued)

10-07-65

| Date of Purchase | Security | No. of Shares Purchased | Market Price at Which Purchased | Total Principal Cost* | Indicated Current Yield on Cost** |
|------------------|---|-------------------------|---|-----------------------|-----------------------------------|
| 8/25/65 | Union Pacific Railroad Co. Common Capital Stock | 600 | 41-1/4 | \$ 24,987.78 | 4.32% |
| 8/25/65 | United States Gypsum Co. Common Stock | 400 | 70 | 28,184.00 | 4.54 |
| 8/26/65 | St. Paul Fire & Marine Insurance Co. Capital Stock | 200 | 66-3/8 Net | 13,275.00 | 2.23 |
| 8/26/65 | Bankers Trust Co. (New York) Capital Stock | 200 | 64-3/8 Net | 12,875.00 | 3.42 |
| 8/26/65 | Morgan Guaranty Trust Co. of New York Capital Stock | 100 | 106 Net | 10,600.00 | 3.77 |
| 8/26/65 | Travelers Insurance Co. Capital Stock | 300 | 33-1/4 Net | 9,975.00 | 1.50 |
| 9/7/65 | American Home Products Corp. Capital Stock | 300 | 72 (100) 71-1/2(200) | 21,638.50 | 2.63 |
| 9/7/65 | Carolina Power & Light Co. Common Stock | 600 | 45-7/8(300) 45-3/4(300) | 27,738.96 | 2.51 |
| 9/7/65 | Dow Chemical Co. Common Stock | 400 | 69-7/8(200) 69-1/2(200) | 28,058.88 | 2.57 |
| 9/7/65 | Insurance Co. of North America Capital Stock | 100 | 80-3/4 | 8,122.08 | 2.46 |
| 9/8 & 9/65 | Central and South West Corp. Common Stock | 500 | 48-7/8(200) 49-1/4(100) 49-1/8(100) 48-1/2(100) | 24,679.82 | 2.80 |
| 9/8 & 9/65 | Minnesota Mining & Manufactur- ing Co. Common Stock | 400 | 55-1/2(300) 55-1/4(100) | 22,353.18 | 1.97 |
| 9/8 & 9/65 | Pacific Gas & Electric Co. Common Stock | 700 | 36-1/2(100) 36-3/8(100) 36-1/4(200) 36-7/8(100) 36-5/8(200) | 25,810.76 | 3.25 |
| 9/9/65 | Armstrong Cork Co. Common Stock | 400 | 63 | 25,381.20 | 1.97 |
| 9/9/65 | Procter & Gamble Co. Common Stock | 300 | 71-5/8 | 21,625.98 | 2.57 |
| 9/9/65 | Standard Oil Co. of California Common Stock | 300 | 74-1/8 | 22,376.73 | 2.95 |
| 9/10/65 | Honeywell Inc. Common Stock | 400 | 72 (200) 71-1/2(200) | 28,884.70 | 1.52 |
| 9/10/65 | Chemical Bank New York Trust Co. Capital Stock | 200 | 59.70 Net (X-D) | 11,940.00 | 3.52 |
| 9/10/65 | Connecticut General Life Insurance Co. Capital Stock | 100 | 128.74 Net | 12,874.00 | 0.84 |

*Includes brokerage commissions paid.

**Yield at present indicated dividend rates.

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COMMON STOCKS (Continued)

| <u>Date of Purchase</u> | <u>Security</u> | <u>No. of Shares Purchased</u> | <u>Market Price at Which Purchased</u> | <u>Total Principal Cost*</u> | <u>Indicated Current Yield on Cost**</u> |
|-------------------------|---|--------------------------------|--|------------------------------|--|
| 9/10/65 | Security First National Bank (Los Angeles) Common Stock | 200 | 47.70 Net | \$ 9,540.00 | 2.68% |
| | Total Common Stock Purchased | <u>61,100</u> | | <u>3,410,411.82</u> | <u>3.03</u> |
| | TOTAL CORPORATE SECURITIES PURCHASED | | | <u>\$3,917,936.82</u> | <u>3.26%</u> |

*Includes brokerage commissions paid.

**Yield at present indicated dividend rates.

CALL OF CORPORATE SECURITIES

| <u>Date Called</u> | <u>Security</u> | <u>Total Principal Proceeds</u> |
|--------------------|---|---------------------------------|
| 9/2/65 | \$61,000 par value Baltimore Gas and Electric Co. 4-7/8% Series due 1980, First Refunding Mortgage Sinking Fund Bonds, dated 6/1/60, due 6/1/80, called at 101.34% plus accrued interest (Gain on call over book value \$61.06) (\$263,000 par value of \$324,000 holding not called) | \$61,817.40 |

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B. Land Matters

I. Leases, Easements, Material Source Permits, Grazing Leases and Water Contract were approved as follows: (All are at the standard rates unless otherwise stated; all are on the University's standard forms, with grazing leases carrying provisions for renewal for an additional five years at negotiated terms; all payments for easements and material source permits have been received in advance, unless otherwise stated, and all have been approved as to form by the University Attorney and as to content by the Endowment Officer):

EASEMENTS AND SURFACE LEASES

| No. | Grantee | Type of Permit | County | Location | Distance or Area | Period | Consideration |
|------|--|----------------------|----------|---------------|-------------------------------------|--------------------------------------|---------------|
| 2064 | West Texas Utilities Company | Power Line | Pecos | Block 26 | 978.8 rds. | 9/1/65-8/31/75 | \$ 489.40 |
| 2065 | El Paso Natural Gas Co. (renewal of 756) | Pipe Line | Upton | Blocks 3 & 58 | 579.842 rds.6-5/8" | 1/1/66-12/31/75 | 579.84 |
| 2066 | Phillips Petroleum Co. (renewal of 735) | Pipe Line | Crane | Block 35 | 301.5 rds.4-1/2" 26.5 rds.3-1/2" | 10/1/65-9/30/75 | 164.00 |
| 2067 | Texas Electric Service Co. (renewal of 745) | Power Line | Andrews | Block 10 & 11 | 3,230.24 rds. | 11/1/65-10/31/75 | 1,615.12 |
| 2068 | Gulf Refining Company | Pipe Line | Ward | Block 16 | 361 rds.4-1/2" | 9/1/65-8/31/75 | 180.50 |
| 2069 | Gulf Refining Company (renewal of 721) | Pipe Line | Ector | Block 35 | 333 rds. 10" | 9/1/65-8/31/75 | 333.00 |
| 2070 | Jack D. Anderson | Surface Lease | Andrews | Block 13 | 100' x 400' | 9/1/65-8/31/66 | 50.00* |
| 2071 | Gulf Refining Company (renewal of 722) | Telephone Line | Ector | Block 35 | 492 rds. | 9/1/65-8/31/75 | 246.00 |
| 2072 | Pasotex Pipe Line Co. (renewal of 763) | Pipe Line | Hudspeth | Blocks K & L | 3,907.13 rds.20" | 11/1/65-10/31/75 | 5,860.70 |
| 2073 | Ward County | Highway right-of way | Ward | Block 18 | 1,284.33 rds.x 120" | So long as used for highway purposes | none |

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

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EASEMENTS AND SURFACE LEASES.--- Continued

| No. | Grantee | Type of Permit | County | Location | Distance or Area | Period | Consideration |
|------|--|--|---------|----------|---|------------------|---------------|
| 2074 | Magnolia Pipe Line Co. | Pipe Line | Andrews | Block 13 | 390.9 rds. 4" | 9/1/65-8/31/75 | \$ 195.45 |
| 2075 | O. D. Lovell | Surface Lease (residence site) | Reagan | Block 49 | 180'x 225' | 10/1/65-9/30/66 | 50.00* |
| 2076 | Phillips Petroleum Co. | Pipe Line | Andrews | Block 10 | 241.0 rds. 4-1/2" 306.5 rds. 6-5/8" 190.1 rds. 3-1/2" | 8/1/65-7/31/75 | 522.05 |
| 2077 | El Paso Electric Co. (renewal of 740) | Power Line | El Paso | Block L | 1,844.1 rds. | 11/1/65-10/31/75 | 922.00 |
| 2078 | El Paso Electric Co. | Surface Lease (Power Switching Station) | El Paso | Block L | 100'x 100' | 11/1/65-10/31/66 | 50.00* |
| 2079 | Phillips Petroleum Co. (renewal of 838) | Pipe Line | Andrews | Block 12 | 230.2 rds. 4-1/2" | 12/1/65-11/30/75 | 115.10 |

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

MATERIAL SOURCE PERMIT

| No. | Grantee | County | Location | Quantity | Consideration |
|-----|------------------------------------|--------|----------|-----------------|---------------|
| 289 | L. C. Younger Construction Company | Reagan | Block 10 | 200 cubic yards | \$ 50.00 |

10-07-65

GRAZING LEASES

| NEW NO. | OLD NO. | LESSEE | COUNTY | LOCATION | ACREAGE | PERIOD | ANNUAL RATE PER ACRE | SEMI-ANNUAL PAYMENTS 1/1 - 7/1 | TOTAL ANNUAL RENTAL |
|---------|---------|------------------|-----------|---------------------------------------|-----------|-----------------|----------------------|--------------------------------|---------------------|
| 954 | 818 | Elrod & Elrod | Terrell | Blocks 34,35 | 15,606.50 | 1/1/66-12/31/70 | .38 | \$2,965.24 | \$ 5,930.48 |
| 955 | 819 | Burch Woodward | Pecos | Blocks 22,23 | 29,000.50 | " | .35 | 5,075.09 | 10,150.18 |
| 956 | 826 | H. F. Neal | Upton | Blocks 3,58 | 7,553.40 | " | .40 | 1,259.98* | 2,519.96* |
| 957 | 827 | Dow Puckett | Pecos | Block 27 James Campbell Survey 165 | 4,570.60 | " | .30 | 685.59 | 1,371.18 |
| 958 | 828 | G. W. Cunningham | Pecos | Blocks 21, 23, 24 | 16,126.40 | " | .35 | 2,822.12 | 5,644.24 |
| 959 | 831 | John H. Harper | Culberson | Block 48 | 4,139.40 | " | .15 | 310.46 | 620.92 |

*Part of Stock Rotation Plan approved by Board of Regents. Semi-annual rental through July 1, 1969, reduced to \$1,259.98 and annual rental reduced proportionately. Semi-annual rental due January 1 and July 1, 1970, will be \$1,510.68.

WATER CONTRACT

| NO. | GRANTEE | COUNTY | LOCATION | ACREAGE | CONSIDERATION | PERIOD |
|-----|--|--------|----------|-------------|---|-----------------|
| 111 | J. M. Simpson and John R. Daugherty, dba S. D. Company | Reagan | Block 11 | 2.066 acres | \$.10 per 1,000 gallons of water. Minimum of \$200 per year, plus rental of \$100 per year. | 10/1/65-9/30/73 |

2. Grazing Lease No. 960, James R. Childress and Bob Childress, (Lessees), Terrell County -- The granting of Grazing Lease No. 960 to James R. Childress and Bob Childress, lessees, which lease covers 22,624.4 acres in Blocks 34 and 35, Terrell County for the period January 1, 1966 through December 31, 1970, was approved. Annual rental rate is \$.38, with semi-annual payments due January 1 and July 1 during the term of the lease, of \$4,298.64.

This is the acreage covered by current Grazing Lease No. 822 held by Nip D. Blackstone, (lessee) which expires December 31, 1965. Mr. Blackstone is assigning the lease to James R. and Bob Childress. The University is receiving \$8,750, one-half of the transfer bonus paid. The assignment is approved.

The Chairman of the Board is authorized to execute the necessary instruments when they are approved as to form by the University Attorney and as to content by the Endowment Officer.

3. Assignments of Surface Lease No. 574, Mineral Lease No. 4, and Pipe Line Easement No. 1130 from J. M. Simpson to J. M. Simpson and John R. Daugherty, dba S. D. Company. -- The assignments of Surface Lease No. 574, Mineral Lease No. 4, and Pipe Line Easement No. 1130 from J. M. Simpson to J. M. Simpson and John R. Daugherty, dba S. D. Company were approved effective October 1, 1965. There is no bonus involved and the University has received the assignment fee of \$25 for each instrument. The Chairman of the Board is authorized to execute the necessary instruments when they are approved as to form by the University Attorney and as to content by the Endowment Officer.

4. Grazing Lease No. 909 Franco Wyoming Oil Company, Crane and Upton Counties - Consent to Assignment to Clinton Manges of Raymondville, Texas. -- The assignment of this grazing lease from Franco Wyoming Oil Company to Clinton Manges was approved. The lease covers 60,783.7 acres in Blocks 30 and 31, Crane and Upton Counties, for the period July 1, 1964 through June 30, 1969. Annual rental is \$.20 per acre, payable \$12,156.74 on July 1 during the term of the lease. The University's approval for assignment is required by the terms of the lease. The University's one-half of the bonus, \$10,000, has been received. The Chairman of the Board is authorized to execute the necessary instrument upon approval as to form by the University Attorney and as to content by the Endowment Officer.

5. Former Pyote Air Force Base Facilities - Acquisition by the University of Improvements, Release of the Government's Lease and Lease to Texas Youth Council. -- As previously authorized by the Board, the lease proposal on the facilities at the Pyote Air Force Base, upon release from the Government, has been executed by the officials of the Texas Youth Council and of the University; and the Offer to Purchase the improvements from the Government for the sum of \$86,100, which will be paid to the University by the Youth Council, has been executed by the Chairman of the Board and transmitted to General Services Administration in Dallas for forwarding to Washington. The foregoing actions are approved and ratified.

10-07-65

6. Highway Right of Way Easement No. 2039, Ward County - Amendment to Easement. -- An amendment to Highway Right of Way Easement No. 2039, Ward County, to add approximately .5 acre in Section 38, Block 16, University Lands, was approved.

This easement, in favor of Ward County for a county road, was authorized at the July, 1965, meeting of the Board of Regents. The easement covered approximately 13.35 acres in Sections 38 and 40, Block 16, University Lands. It has now been discovered that approximately .5 acre in Section 38, at one end of the road, was omitted from the description as prepared by the county. The amendment of the easement to include the omitted .5 acre parcel is approved. The Chairman of the Board of Regents is authorized to execute the necessary instrument when approved as to form by the University Attorney and as to content by the Endowment Officer.

10-07-65

II. Trust and Special Funds

A. Investment Matters

1. Report of Purchases and Sales of Securities: The report of purchases of securities from August 20 through September 13, 1965, and sales of securities from August 11 through September 2, 1965, for Trust and Special Funds, was approved as follows:

PURCHASES OF SECURITIES

| Date of Purchase | Security | Principal Cost |
|------------------|---|----------------|
| 8/20/65 | \$300,000 maturity value U. S. Treasury Bills, dated 4/15/65, due 10/14/65, to yield 3.74% at a dollar price of 99.4286111 | \$ 298,285.83 |
| | \$400,000 maturity value U. S. Treasury Bills, dated 5/13/65, due 11/12/65, to yield 3.81% at a dollar price of 99.1110 | 396,444.00 |
| | \$600,000 maturity value U. S. Treasury Bills, dated 6/17/65, due 12/16/65, to yield 3.80% at a dollar price of 98.7544444 | 592,526.67 |
| | \$700,000 maturity value U. S. Treasury Bills, dated 7/15/65, due 1/13/66, to yield 3.89% at a dollar price of 98.4223889 | 688,956.72 |
| | \$700,000 maturity value U. S. Treasury Bills, dated 8/12/65, due 2/10/66, to yield 3.91% at a dollar price of 98.1101667 | 686,771.17 |
| | \$800,000 par value U. S. 3-7/8% Treasury Notes, Series C-1966, dated 8/15/64, due 2/15/66, at 99.984375 Net to yield 3.86% to maturity | 799,875.00 |
| | \$700,000 maturity value U. S. Treasury Bills, dated 3/31/65, due 3/31/66, to yield 3.83% at a dollar price of 97.627527 | 683,392.69 |
| | \$800,000 par value U. S. 4% Treasury Notes, Series D-1966, dated 11/15/64, due 5/15/66, at 99.9921875 Net to yield 4.01% to maturity | 799,937.50 |
| | \$700,000 maturity value U. S. Treasury Bills, dated 5/31/65, due 5/31/66, to yield 3.93% at a dollar price of 96.8996667 | 678,297.67 |
| | \$900,000 maturity value U. S. Treasury Bills, dated 6/30/65, due 6/30/66, to yield 3.94% at a dollar price of 96.5634444 | 869,071.00 |
| | \$1,700,000 par value U. S. 4% Treasury Notes, Series A-1966, dated 2/15/62, due 8/15/66, at 99.984375 Net to yield 4.02% to maturity | 1,699,734.38 |
| | (Proceeds from Sale of Permanent University Fund Bonds - Series 1964 (\$2,300,000) and Series 1965 (\$6,000,000) - Temporary) | |
| 8/23/65 | \$129,000 maturity value U. S. Treasury Bills, dated 7/31/65, due 7/31/66, to yield 3.95% at a dollar price of 96.2842945 | 124,206.74 |
| | \$125,000 par value U. S. 3-3/4% Treasury Notes, Series A-1967, dated 9/15/62, due 8/15/67, at 99.375 Net to yield 4.08% to maturity | 124,218.75 |
| | (Ford Foundation Grant for Hogg Foundation for Mental Health - Consultation Services for Local Foundations in the Southwest) | |
| 8/24/65 | 200 Shares E. I. du Pont de Nemours & Co. Common Stock, at 232-3/4 (Hogg Foundation: W. C. Hogg Estate Fund) | 46,674.56 |
| 8/25/65 | 100 Shares Coca-Cola Co. Common Stock, at 77-3/4 | 7,821.78 |
| | 100 Shares Standard Oil Co. of California Common Stock, at 73-7/8 | 7,433.89 |
| | 100 Shares Commonwealth Edison Co. Common Stock, at 53-1/4 (Funds Grouped for Investment) | 5,369.33 |
| | 60 Shares General Motors Corp. Common Stock, at 98-5/8 (Wilbur S. Davidson Educational Fund) | 5,960.42 |

PURCHASES OF SECURITIES
(Continued)

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10-07-65

| Date of Purchase | Security | Principal Cost |
|------------------|--|----------------|
| 8/25/65 | 100 Shares General Motors Corp. Common Stock, at 98-3/8 | \$ 9,886.34 |
| | 100 Shares Johns-Manville Corp. Common Stock, at 53 | 5,344.30 |
| | 100 Shares Ohio Edison Co. Common Stock, at 28-1/4 (Hogg Foundation: Varner Properties) | 2,858.13 |
| | 90 Shares American Telephone & Telegraph Co. Capital Stock, at 67-3/8 (Will C. Hogg Memorial Scholarships Fund) | 6,106.81 |
| 9/1/65 | \$4,600 par value Austin National Bank 3-3/4% Time Certificate of Deposit, dated 9/1/65, due 3/1/66, at par (College of Fine Arts - Fine Arts Foundation - Various Donors - Official Entertainment - Temporary) | 4,600.00 |
| | \$6,500 par value Ditto (College of Fine Arts - Various Donors - The Fine Arts Foundation - Unallotted - Temporary) | 6,500.00 |
| | \$7,000 par value Ditto (The Fine Arts Foundation - Various Donors - Scholarships in Fine Arts - Temporary) | 7,000.00 |
| | \$4,700 par value Austin National Bank 4% Time Certificate of Deposit, dated 9/1/65, due 9/1/66, at par (Texas Veterans of World War II Memorial Scholarship) | 4,700.00 |
| 9/3/65 | \$8,000 par value Austin National Bank 4% Time Certificate of Deposit, dated 9/3/65, due 9/3/66, at par (College of Engineering - Chemical Engineering - Industrial Grants - Various Donors - Various Purposes - Temporary) | 8,000.00 |
| | \$8,000 par value Ditto (E. I. du Pont de Nemours and Co. Grant-in-Aid of Fundamental Research in Chemical Engineering - Temporary) | 8,000.00 |
| 9/13/65 | 150 Shares Libbey-Owens-Ford Glass Co. Common Stock, 100 at 53-1/2 and 50 at 53-3/4 | 8,112.29 |
| | 100 Shares Smith Kline and French Laboratories, Inc. Common Stock, at 78-1/2 | 7,896.85 |
| | 100 Shares United States Gypsum Co. Common Stock, at 68-1/2 (The William Orville Bullington Memorial Fund - Medical Branch) | 6,895.85 |

SALES OF SECURITIES

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10-07-65
Principal
Proceeds

| Date Sold | Security | Principal Proceeds |
|-----------|---|--------------------|
| 8/11/65 | 27 Shares Standard Oil Co. (New Jersey) Capital Stock, sold at 75 (Loss on sale over book value \$432.18) (College of Arts and Sciences Foundation - Richard J. Gonzalez Fellowships in Economics) | \$ 1,997.82 |
| 8/26/65 | 5 Shares Tennessee Gas Transmission Co. Common Stock, sold at 23-1/8 (College of Business Administration Foundation - Various Donors - Unallotted) | 109.38 |
| 9/2/65 | 120 Shares General Electric Co. Common Stock, sold 100 at 104-1/2 and 20 at 104-1/4 (Gain on sale over book value \$9,647.24) | 12,449.64 |
| | 75 Shares Texas Gulf Sulphur Co. Capital Stock, sold at 62-3/4 (Gain on sale over book value \$2,264.66) | 4,660.74 |
| | 112 Shares First National City Bank (New York) Capital Stock, sold at 58-1/4 Net (Gain on sale over book value \$3,157.16) (The William Crville Bullington Memorial Fund - Medical Branch) | 6,521.00 |

2. Funds Grouped for Investment.-- The additions made to the Funds Grouped for Investment endowment account on September 1, 1965, which additions are comprised of cash, stock, and transfer of funds, were approved as follows:

| Fund | Recommended Addition |
|---|----------------------|
| E. Dagby Atwood Memorial Graduate Scholarship in English (\$6,300.75 already in Grouped) | \$ 53.56 |
| Albert A. Bennett Mathematics Prizes (\$4,719.11 already in Grouped) | 124.26 |
| Florence Ralston Brooke Fund for Library Books (\$17,831.82 already in Grouped) | 152.47 |
| W. J. Bryan Prize in Government (\$1,952.08 already in Grouped) | 128.70 |
| Thomas Frederic Bush Scholarship Fund (\$20,924.67 already in Grouped) | 1,061.04 |
| The Accounting Education Fund (College of Business Administration Foundation) (\$36,203.55 already in Grouped) | 23.80 |
| J. Anderson Fitzgerald Special Scholarship Fund (College of Business Administration Foundation) (\$5,284.94 already in Grouped) | 10.00 |
| Morgan and Hamah Smith Callaway Fund (\$16,953.21 already in Grouped) | 166.14 |
| Emma Dallenbach Clark Fellowship in Psychology (\$19,606.19 already in Grouped) | 199.01 |
| Roy Crane Award in the Arts (\$10,019.38 already in Grouped) | 19.08 |
| John Wallace Dallenbach Fellowship in Psychology (\$45,897.95 already in Grouped) | 540.27 |

FUNDS GROUPED FOR INVESTMENT - RECOMMENDATIONS RE ADDITIONS
(Continued)

10-07-65

| Fund | Recommended Addition |
|---|-------------------------|
| S. C. Dolley Finance Education Fund (\$118.16 already in Grouped) | \$ 1.21 |
| Clara Driscoll Scholarship for Research in Texas History (\$10,451.39 already in Grouped) | 367.22 |
| The F. B. Plummer Scholarship Recognition Fund in Petroleum Engineering (College of Engineering Foundation) (\$1,248.37 already in Grouped) | 52.17 |
| Various Donors - Various Purposes (College of Engineering Foundation) (\$3,147.47 already in Grouped) | 615.22 |
| Advisory Council - Various Donors (College of Fine Arts Foundation) (\$4,135.33 already in Grouped) | 81.06 |
| E. William Doty Scholarship Fund (College of Fine Arts Foundation) (\$2,001.96 already in Grouped) | 17.99 |
| Department of Drama Ex-Students Scholarship Fund (College of Fine Arts Foundation) (\$1,155.81 already in Grouped) | 9.10 |
| Mavis Alexander Fitzgerald Awards (\$169.11 already in Grouped) | 1.91 |
| I. Friedlander Building and Loan Prize (\$1,707.86 already in Grouped) | 157.77 |
| Mary E. Gearing Bequest for Child Welfare and Parent Education Foundation (\$27,706.77 already in Grouped) | 186.48 |
| Hal P. Bybee Memorial Fund (Geology Foundation) (\$104,437.75 already in Grouped) | 1,560.00 |
| F. L. Whitney Memorial Scholarship Fund (Geology Foundation) Common Stock on hand 8/31/65 transferred at market close as of 8/31/65, last business day of quarter -- 12 Shares Standard Oil Co. (New Jersey) Capital Stock at 73-7/8 (\$14,580.63 already in Grouped) | 886.50 |
| German Play Scholarship Fund - Various Donors (\$1,657.16 already in Grouped) | 58.13 |
| The Gilbreth Award Fund (\$316.89 already in Grouped) | 3.17 |
| Thos. E. Hogg - Residuary Legacy (Fund being transferred) | 2,411.13 |
| Bobby Layne Scholarship Fund (\$6,049.43 already in Grouped) | 51.74 |
| Library Memorial Fund - Various Donors (\$1,991.75 already in Grouped) | 165.00 |
| The Roger Q. Mills Scholarship Fund (\$52.08 already in Grouped) | 1.11 |
| S. H. Osmond Scholarship Fund (\$916.14 already in Grouped) | 49.70 |

FUNDS GROUPED FOR INVESTMENT - RECOMMENDATIONS RE ADDITIONS
(Continued)

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| Fund | Recommended Addition |
|--|-------------------------|
| Lera Lee Pederson Scholarship Fund, Graduate School of Social Work (\$2,456.69 already in Grouped) | \$ 20.93 |
| W. F. Gidley Appreciation Endowment Fund (Pharmaceutical Foundation) (\$2,060.56 already in Grouped) | 50.00 |
| The Senior Class Endowment Fund (Pharmaceutical Foundation) (\$6,155.95 already in Grouped) | 408.00 |
| Alma Jacobs House Piner Fund (\$6,661.11 already in Grouped) | 66.35 |
| DeWitt Reddick Journalism Scholarship Fund (\$3,162.86 already in Grouped) | 29.23 |
| Aaron Schaffer Memorial Scholarship Fund (\$4,806.38 already in Grouped) | 37.01 |
| The Amanda Stoltzfus Memorial Trust Fund (\$2,493.21 already in Grouped) | 32.72 |
| David M. Warren and Alvah Meyer Warren Journalism Scholarship Fund (\$14,429.48 already in Grouped) | 371.28 |
| O. B. Williams Memorial Fund (\$1,854.51 already in Grouped) | 76.93 |
| Guy H. Heath and Dan C. Heath Memorial Lecture Fund for M. D. Anderson Hospital (M. D. Anderson Hospital and Tumor Institute) (Fund being transferred) | 25,087.22 |
| The Sophie Caroline Steves Endowment Fund for Cancer Research (M. D. Anderson Hospital and Tumor Institute) (\$40,185.36 already in Grouped) | 371.04 |
| The Robert Cantrell Feanster Foundation (Medical Branch) (\$2,537.64 already in Grouped) | 25.44 |
| Lloyd A. Nelson Professorship in Geology (Texas Western College) (\$2,584.49 already in Grouped) | 20.03 |
| Additions Made to Funds Grouped on September 1, 1965 | <u>\$35,751.12*</u> |

*The above total of \$35,751.12, submitted for approval of the Land and Investment Committee, supplements additions previously approved made to Funds Grouped for Investment on September 1, 1965, in the amount of \$21,010.76, making a total of \$56,761.88 (\$55,875.38 in cash and \$886.50 in stocks) added to Funds Grouped for Investment on September 1, 1965, for a new book value for the endowment account of \$2,950,643.08.

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B. Gift, Bequest and Estate Matters

1. Medical Branch - Estate of Charlotte Warmoth - Report on Final Distribution of Estate. -- The final account and settlement, approved by the Probate Court with order of final distribution entered, has now been received from the Executor of the Estate along with check for \$16,646.05. This, together with the distribution reported at the December, 1964 meeting of the Board, makes a total of \$166,646.05 received from the residue estate, in addition to a \$5,000 bequest for a scholarship fund at the Medical Branch, also reported earlier.

Recommendations for the use of the fund will be made by appropriate administrative officials.

C. Real Estate Matters

1. Hogg Foundation - W. C. Hogg Memorial Fund - Proposal from Humble Oil & Refining Company for Raccoon Bend Water Flood Unit II, Raccoon Bend Field, Austin County .-- The ratification of the proposal by Humble Oil and Refining Company for a Raccoon Bend Water Flood Unit II in the Raccoon Bend Field, Austin, County, was approved. The University holds a small royalty interest in approximately 325 acres in this Field. A Unitization Agreement for Humble Oil and Refining Company of the Sparta Sand in this field for secondary recovery was ratified by the Board in 1960. Our interest in the current unit is in only one of the sixteen tracts with 1/128th royalty in the tract. The Chairman of the Board is authorized to execute all necessary instruments when they are approved as to form by the University Attorney and as to content by the Endowment Officer.
2. Hogg Foundation - W. C. Hogg Memorial Fund - Lease for Additional Term to Simpson Dining Car, Inc., on Property at Main and Bell (White Property) in Houston .-- The renewal of the lease on Hogg Foundation property at Main and Bell, Houston, Texas, to Simpson Dining Car, Inc., was approved. The new lease will be for a two year period, January 1, 1966 through December 31, 1967, with the same terms as the current lease except that the base rental will be \$1,000 per month plus 6% of gross sales above \$175,000 annually. The lease will be, as have the past ones, subject to cancellation on 3 months' notice in the event of sale of long-term lease. The improvements are owned by the lessee with right of removal upon termination of the lease. The Chairman of the Board is authorized to execute the lease when it is approved as to form by the University Attorney and as to content by the Endowment Officer.

Adoption of Report. -- The foregoing report was unanimously adopted upon motion of Vice-Chairman Erwin, seconded by Regent Josey.

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REPORT OF THE MEDICAL AFFAIRS COMMITTEE (See below for adoption.) -- In the absence of Committee Chairman Connally, Acting Committee Chairman Josey presented the report of the Medical Affairs Committee and the recommendations therein for the full Board's consideration:

1. Southwestern Medical School: Regional Library Center, Authorization to Negotiate for Establishment. -- It is recommended that Dean Gill's request, concurred in by Chancellor Ransom, to negotiate with the proper agencies for the establishment of a regional library center at the Southwestern Medical School be approved.
2. Southwestern Medical School: Veterans Administration Hospital on Campus, Authorization to Negotiate for Establishment. -- The Medical Affairs Committee also approved the request of Dean Gill, concurred in by Chancellor Ransom, to proceed with negotiations for a Veterans Administration Hospital on the Southwestern Medical School campus and to indicate in such negotiations the intent of the Board to transfer to the Veterans Administration the minimum amount of land required for this hospital, subject to legislative approval for the transfer and subject to the terms of the agreement between The University of Texas and the Veterans Administration.
3. System-Wide: Informal Report on Meeting with State Senate Study Committee on Nursing in Texas. -- The Committee received from Vice-Chancellor Vowell an informal report of the meeting of the representatives of The University of Texas System with the State Senate Study Committee on Nursing in Texas.

Adoption of Report. -- Upon motion of Regent Josey, seconded by Vice-Chairman Erwin, the foregoing report was unanimously adopted.

REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS. -- Regent Brenan reported that oil and gas leases would be offered by the Board for Lease of The University of Texas Lands at its fifty-first public auction on Thursday, December 9, 1965.

OTHER MATTERS

CONVEYANCE TO THE SEALY AND SMITH FOUNDATION FOR THE JOHN SEALY HOSPITAL: LAND FOR THE PSYCHOPATHIC HOSPITAL TO BE CONSTRUCTED BY THE SEALY AND SMITH FOUNDATION. -- It was moved by Vice-Chairman Erwin, seconded by Regent Brenan, and unanimously adopted that The University of Texas convey to The Sealy and Smith Foundation for the John Sealy Hospital that certain tract of land at The University of Texas Medical Branch, Galveston County, Galveston, Texas, which will be occupied by the psychopathic hospital to be constructed by The Sealy and Smith Foundation for the use of the medical school, more particularly described as follows:

Being Lots 8, 9, 10, 11, 12, and 13, and the East one-half of Lot 14 in Block 667 and the adjoining

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20 foot alley on the North and West one-half of 7th Street adjoining Lot 8 on the East, all in the City and County of Galveston, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a point in the South line of Lot 14, said point being North $73^{\circ} 17'$ East. 21.5 feet from the Southwest corner of Lot 14;

THENCE North $16^{\circ} 43'$ West, parallel to the West line of said Lot 14, at 120 feet passing the North line of said Lot 14, and continuing a total distance of 140 feet to a point in the North line of said 20 foot alley;

THENCE North $73^{\circ} 17'$ East, along the North line of said 20 foot alley, at 278.5 feet passing the East line of said Block 667 and continuing a total distance of 318.5 feet to a point in the centerline of 7th Street;

THENCE South $16^{\circ} 43'$ East, along the centerline of said 7th Street, and parallel to the East line of said Block 667, a distance of 140 feet to a point for corner, said point being on a projection east of the South line of said Block 667;

THENCE South $73^{\circ} 17'$ West, along the South line of Block 667 a distance of 318.5 feet to the place of beginning.

That the consideration for the conveyance to The Sealy and Smith Foundation be the land which The Sealy and Smith Foundation has purchased and caused to be conveyed to the University as a part of the current land acquisition program, and that the Chairman of the Board be authorized to execute an appropriate conveyance to The Sealy and Smith Foundation when it has been approved by the University Attorney as to form and by the Chairman of the Board as to content.

NEW DORMITORY COMPLEX, MAIN UNIVERSITY. -- There was an informal discussion by the Regents, the Consulting Architect, Dean Holland, and John Orr, President of the Students' Association, regarding the preliminary plans for the New Dormitory Complex on the campus of Main University. Consulting Architect Brooks indicated that the preliminary plans and specifications would be complete by October 31, 1965.

RECESS. -- The Board recessed until 3:00 p. m., October 8, 1965, in Dallas.

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Friday, October 8, 1965

ATTENDANCE.-- The Board reconvened in Regular Session at 3:00 p. m. in the Trinity Room, Sheraton-Dallas Hotel, Dallas, Texas, with the following in attendance:

| Present | Absent |
|---------------------------|--------------|
| Chairman Heath, presiding | Regent Bauer |
| Vice-Chairman Erwin | |
| Regent Brenan | |
| Regent Connally | |
| Regent Ikard * | |
| Regent (Mrs.) Johnson | |
| Regent Josey | |
| Regent Olan | |

Also present were:

Chancellor Ransom
Secretary Thedford

Among the University representatives were the following:

Doctor James C. Dolley-- Vice-Chancellor, Fiscal Affairs
Doctor Norman Hackerman-- Vice-Chancellor for Academic Affairs
Doctor L. D. Haskew-- Vice-Chancellor, Developmental Affairs
Doctor Wilson Stone-- Vice-Chancellor
Mr. Raymond Vowell-- Vice-Chancellor for Federal and State Affairs

A. J. Gill, M. D., Dean of Southwestern Medical School
Doctor Jack R. Woolf, President of Arlington State College

REPORT ON SOUTHWESTERN MEDICAL SCHOOL.-- A report was presented on The University of Texas Southwestern Medical School by Doctor Gill and his associates, Doctor Donald Wayne Seldin, Professor of Internal Medicine and Chairman of the Department, Doctor George Thomas Shires, Professor of Surgery and Chairman of the Department, and Doctor Charles A. LeMaistre, Associate Dean and Professor of Internal Medicine. A copy of this report will be in the Secretary's Files, Volume XIII, Page 14.

* Regent Ikard was in attendance at the regular meeting of the Board but did not arrive in time for the committee meetings.

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COMMITTEE OF THE WHOLE

Chairman Heath reported that the Committee of the Whole had taken the following action:

AGREEMENTS WITH CITY OF AUSTIN FOR STANDBY ELECTRIC SERVICE.-- Two agreements with the City of Austin for Standby Electric Service were approved with authority to Chairman Heath to execute on behalf of the Board of Regents.

The first agreement provides for a contract capacity of 6000KVA at a minimum monthly cost of \$7,500 for the 11 month period October 1, 1965 to August 31, 1966, as set out below:

CITY OF AUSTIN - ELECTRIC DEPARTMENT
AGREEMENT FOR STANDBY ELECTRIC SERVICE

September 7, 1965

University of Texas (herein called Customer) and ELECTRIC DEPARTMENT of the CITY OF AUSTIN (herein called City) agree as follows:

1. City will supply, and Customer will take and pay for the electric power and energy required on Customer's premises, main campus in Austin, Texas located at or near _____ up to a Contract Capacity of 6,000 KVA, in accordance with these terms and conditions, and of City Rate Schedule SS and Service Regulations, both attached to and made a part of this Agreement.
2. The electric power and energy delivered shall be in the form of 3 phase alternating current at approximately 60 cycles and approximately 12,500 volts.
3. The point of delivery for the power and energy to be supplied shall be vault at southwest corner at campus, 21st and Guadalupe Streets.
4. Rate Schedule SS is expressly subject to change by the orders of any governmental body having jurisdiction. Any such change so ordered shall affect only that portion of this Agreement specifically ordered to be changed, all other portions remaining in full force and effect.
5. All bills rendered under this Agreement are due upon presentation and customer agrees to pay the same at the Municipal Building, in the City of Austin, Travis County, Texas.

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6. The term of this agreement shall be for 11 consecutive calendar months from October 1, 1965, or from the date of initial delivery of service hereunder, whichever shall be earlier, and shall extend for a period of 0 year(s) from each expiration date unless either party shall notify the other in writing not more than 90 nor less than 60 days prior to such expiration date of its desire to terminate this Agreement.

7. This is the only Agreement between the Customer and the City relative to this electric service and supersedes all previous understandings.

8. This Agreement shall inure to the benefit of and be binding upon the respective heirs, legal representatives, successors and assigns of the parties hereto, but no assignment by customer shall be binding upon City until accepted in writing by the latter.

9. The City shall not be obligated to furnish service exceeding the Contract Capacity and shall install suitable devices which will interrupt the service in event the Customer should attempt to take energy at a rate of supply greater than the Contract Capacity.

Customer

By /s/ W. W. Heath

ELECTRIC DEPARTMENT - CITY
OF AUSTIN, TEXAS
City

By /s/ D. C. Kinney

The second agreement provides for a contract capacity of 8000KVA at a minimum monthly cost of \$9,500 for the 12 month period September 1, 1966 to August 31, 1967, as set out below:

CITY OF AUSTIN - ELECTRIC DEPARTMENT
AGREEMENT FOR STANDBY ELECTRIC SERVICE

September 7, 1965

University of Texas (herein called Customer) and ELECTRIC DEPARTMENT of the CITY OF AUSTIN (herein called City) agree as follows:

1. City will supply, and Customer will take and pay for the electric power and energy required on Customer's premises, main campus in Austin, Texas located at or near _____ up to a Contract Capacity of 8,000 KVA, in accordance with these terms and conditions, and of City Rate Schedule

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SS and Service Regulations, both attached to and made a part of this Agreement.

2. The electric power and energy delivered shall be in the form of 3 phase alternating current at approximately 60 cycles and approximately 12,500 volts.

3. The point of delivery for the power and energy to be supplied shall be vault at southwest corner at campus, 21st and Guadalupe Streets.

4. Rate Schedule SS is expressly subject to change by the orders of any governmental body having jurisdiction. Any such change so ordered shall affect only that portion of this Agreement specifically ordered to be changed, all other portions remaining in full force and effect.

5. All bills rendered under this Agreement are due upon presentation and customer agrees to pay the same at the Municipal Building, in the City of Austin, Travis County, Texas.

6. The term of this Agreement shall be 1 year from September 1, 1966, or from date of initial delivery of service hereunder, whichever shall be earlier, and shall extend for a period of 0 year(s) from each expiration date unless either party shall notify the other in writing not more than 90 nor less than 60 days prior to such expiration date of its desire to terminate this Agreement.

7. This is the only Agreement between the Customer and the City relative to this electric service and supersedes all previous understandings.

8. This Agreement shall inure to the benefit of and be binding upon the respective heirs, legal representatives, successors and assigns of the parties hereto, but no assignment by customer shall be binding upon City until accepted in writing by the latter.

9. The City shall not be obligated to furnish service exceeding the Contract Capacity and shall install suitable devices which will interrupt the service in event the Customer should attempt to take energy at a rate of supply greater than the Contract Capacity.

Customer

By /s/ W. W. Heath

ELECTRIC DEPARTMENT - CITY
OF AUSTIN, TEXAS
City

By /s/ D. C. Kinney

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The City Rate Schedule SS referred to in Item 1 of both contracts follows:

"SS - STANDBY ELECTRIC SERVICE RATE"

Application: This rate is applicable when a portion or all of the electric service requirements on customer's premises are served either electrically or mechanically from a source of energy other than the City.

Character of Service: Alternating current, 60 cycles.

Single Phase - 120/240, three wire service
Three Phase - 120/240 or 125/216 volt, four wire service
480, 4, 160, 12, 500, or 69, 000 volt service
is available for certain loads where the
City of Austin has facilities installed for
such service.

Net Monthly Rate: For each Billing Period the payment shall be the sum of the "Standby Capacity Charge" and the "Energy Charge" each determined as provided herein or the Minimum Bill, whichever is the greater.

Billing Period: The term "Billing Period" as used herein shall mean the time between two consecutive meter readings taken for billing purposes. Each Billing Period shall be approximately one month (30) days and there shall be 12 Billing Periods each calendar year.

Billing Demand: The term "Billing Demand" as used herein for any Billing Period shall be the greatest average thirty (30) minute rate of delivery of energy express as kilovolt amperes measured and recorded in the Billing Period by the instrument or instruments installed by the City for such purpose.

Energy Charge: The net charge for energy used each Billing Period shall be as follows:

| | |
|----------------------------------|-----------|
| \$0.05 per KWH for the first | 50 KWH |
| 0.033 per KWH for the next | 550 KWH |
| 0.026 per KWH for the next | 2400 KWH* |
| 0.012 per KWH for the next | 5000 KWH* |
| 0.006 per KWH for all additional | KWH |

*Add 100KWH for each KVA of Billing Demand from 20 to 100 KVA inclusive, 70KWH for each KVA of Billing Demand from 101 to 500 KVA inclusive, and 50 KWH for each KVA of Billing Demand over 500 KVA.

Fuel Cost Adjustment: The above energy charges shall be increased or decreased by .004¢ per KWH for each whole one quarter of a cent by which the delivered cost

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of fuel during the next preceding month exceeds 18 cents or is less than 16 cents per million BTU.

Standby Capacity Charge: Each Billing Period there shall be a charge for Standby Capacity which is defined as the difference between Contract Capacity and the Billing Demand all expressed in kilovolt-amperes.

The Standby Capacity Charge shall be determined by the following schedule:

| | |
|---|----------|
| \$1.50 per kilovolt-ampere for the first | 1000 KVA |
| 1.25 per kilovolt-ampere for the next | 4000 KVA |
| 1.00 per kilovolt-ampere for all additional | KVA |

Minimum Bill: The minimum payment each Billing Period shall be not less than the amount computed by applying the schedule for Standby Capacity Charge immediately above to the Contract Capacity as stated in Agreement for Standby Electric Service.

Payment: Bills computed at the Net Monthly Rate are due when rendered and are payable within 15 days from date of bill. Bills not so paid shall be payable at the Gross Monthly Rate which is the Net Monthly Rate plus 10%.

Service Rules: Service hereunder shall be in accordance with Rules and Regulations prescribed by the City of Austin attached hereto, except that Sections 22 and 29 of said Regulations are deleted by agreement and shall have no force and effect. (The said Regulations are attached to the official copy of these contracts.)

TEXAS WESTERN COLLEGE: IMPROVEMENTS TO HOOVER HOUSE.
-- The Committee of the Whole empowered the President of Texas Western College to submit plans for any structural changes as submitted, including air-conditioning and site improvement, in the Hoover House to the Consulting Architect for approval before any changes are made. It was authorized that any interior decoration shall be chosen by the President and his wife and also that the sum of money requested (\$28,350) shall be approved only after the plans within this amount of money have been approved by the Consulting Architect.

MEDICAL BRANCH: ADMINISTRATIVE ORGANIZATION AMENDED.
-- The necessary rules having been suspended, the administrative organization at the Medical Branch was amended by adding lines of responsibility to the Office of Assistant Director and Coordinator of Sponsored Research, by changing the title of General Director of Hospitals to General Administrator of University Hospitals, and by eliminating the Executive Council. The administrative organization as amended is set out on the following pages (69-76).

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THE UNIVERSITY OF TEXAS MEDICAL BRANCH

ADMINISTRATIVE ORGANIZATION

Executive Director and Dean

The Executive Director and Dean of the Medical Branch shall be the chief administrative officer for the Medical Branch and shall be appointed upon recommendation of the Chancellor. He is the officer and reports and shall be directly responsible to the Chancellor of the University and through him to the Board of Regents. The duties and responsibilities of the Executive Director and Dean with appropriate participation of the staff shall include:

1. Develop and administer plans and policies for the program, organization and operations of the institution.
2. Interpret University policy to the staff and interpret the institution's program and needs to the Chancellor and to the public.
3. Develop and administer policies relating to students and to proper management of services to patients.
4. Recommend appropriate budgets and supervise expenditures under approved budgets.
5. Nominate all members of the faculty and staff, maintain efficient personnel programs and recommend staff members for promotion, retention or dismissal for cause.
6. Insure efficient management of business affairs and physical property; recommend additions and alterations to the Physical Plant.
7. Serve as presiding officer at official meetings of Medical Branch Faculty and Staff, and ex officio member of each school or departmental faculty.
8. Appoint all appointive faculty and staff committees.
9. Cause to be prepared and submitted to the Chancellor, and through him to the Board of Regents, regulations for the governance of the institution.
10. Assume initiative in developing long-term plans for the program and physical facilities of the institution.
11. Assume active leadership in developing private fund support for the Medical Branch in accordance with policies and procedures established by the Chancellor with the advice of the University Development Board.
12. Such other responsibilities as may be assigned by the Chancellor.

The Executive Director and Dean of the Medical Branch reports to and is responsible to the Chancellor.

Associate Director

The duties and responsibilities of the Associate Director include both staff and administrative functions. Specifically, the duties are as follows:

1. Prepare budget policies for the Medical Branch within the framework of the University system-wide policies.

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2. Review all budget data for policy compliance before submission to the Executive Director and Dean.
3. Supervise the preparation of the Board of Regents' Docket.
4. Coordinate the Building, Remodeling, and Land Acquisition Program.
5. Serve as ex officio member of all Medical Branch committees.
6. Perform the administrative duties of the Executive Director and Dean in consultation with other administrative officers and faculty when directed to do so by or in the absence of the Executive Director and Dean.
7. At the direction of the Executive Director and Dean, represent the Medical Branch in relation with both Governmental and Non-Governmental units in negotiating agreements for support of patient care, research programs, building and remodeling programs, etc., subject to the policies approved by Central Administration and the Board of Regents.
8. Coordinate a program of institutional research designed to develop improved practices in administration.
9. Line responsibilities over the following offices and functions:
 - a. Business Manager
 - b. Staff Personnel
 - c. Physical Plant
 - d. Building Program and Planning
 - e. Admissions and Student Affairs
 - f. Sponsored Research
10. Such other responsibilities as may be designated by the Executive Director and Dean.

The Associate Director reports to and is responsible to the Executive Director and Dean.

Business Manager

The Business Manager is responsible for the following functions and duties:

1. Collection, custody, and disbursement of institutional funds.
2. Maintenance of accurate accounting records, and control of expenditures in accordance with approved budgets and University Regulations.
3. Maintenance of an effective program of internal audit.
4. Supervision of Auxiliary Enterprises and Service Departments.
5. Supervision of Purchasing, Central Receiving and Central Stores.
6. Coordinating and supervising the Central Data Processing Center.
7. Preparation of periodic financial reports, and continuing studies for improved business practices.
8. Supervision of the accumulation of all budget data for review by the Associate Director.
9. Campus Security and Traffic Control.

The Business Manager reports to and is responsible to the Associate Director.

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Assistant Director - Admissions and Student Affairs

The duties and responsibilities of the Assistant Director - Admissions and Student Affairs shall include:

1. Supervision of the admission of students to all schools at the Medical Branch.
2. Coordination of recruiting activities for all educational units, including publication of catalogues, brochures, and other informational material.
3. Registration of all students and maintenance of appropriate records.
4. Supervision of student loan and scholarship programs for the School of Medicine, Graduate School, and Medical Service Schools.
5. Preparation of statistical reports for all academic areas.
6. In cooperation with the Dean of Medicine, develop policies and procedures for student government, other student organizations and student publications.
7. Serve as a member of the Student Affairs Committee which shall have general supervisory control over, and investigatory powers as to, all matters involving the academic performance of students, all matters involving ethical, moral and personal standards of conduct of students and disciplinary action in connection therewith, including but not limited to the consideration of all findings and recommendations by appropriate student organizations in connection therewith, and such other problems of student affairs as may be brought before it.
8. Evaluate with the Dean of Medicine, the effectiveness of student counseling and devise ways and means to improve its effectiveness.
9. Serve as Secretary of the Faculty of Medicine and of the Executive Committee of the Faculty of Medicine.
10. Serve as ex officio member of all faculty committees.
11. Such other responsibilities as may be designated by the Associate Director.

The Assistant Director - Admissions and Student Affairs reports to and is responsible to the Associate Director.

Assistant Director and Coordinator of Sponsored Research

The duties and responsibilities of the Assistant Director and Coordinator of Sponsored Research shall include:

1. Direct the Office of Sponsored Research
2. Coordinate all activities leading to the procurement of any funds, irrespective of source, which will be used to sponsor research at the Medical Branch.
3. Coordinate the formulation of all internal policies governing sponsored research. Accumulate and interpret all external policies governing sponsored research. Disseminate to the Medical Branch all policy information.
4. Serve as the coordinating official for sponsored research fellowships.
5. Serve as the coordinating official for sponsored research training programs.

6. Serve as the coordinating official for site visits and other evaluative missions from granting agencies.
7. In close liaison with the fiscal officer, maintain appropriate records as required by granting agencies and coordinate the preparation of reports and informational data for both internal and external sources.
8. Originate and maintain suitable source files of potential granting agencies, their policies and their availability. Make this file readily available to the faculty for reference.
9. Coordinate fellowships, traineeships and other research activities for students of the Medical Branch.
10. Line responsibility over the following offices and functions:
 - a. Schools of Health Related Sciences
 - b. Educational and Research Services.
11. Such other responsibilities as may be designated by the Associate Director.

The Assistant Director and Coordinator of Sponsored Research reports to and is responsible to the Associate Director.

Dean of Medicine

The duties and responsibilities of the Dean of Medicine shall include:

1. Develop, with faculty assistance, educational, research and service programs of excellence in the School of Medicine.
2. Institute long-range plans, in cooperation with departmental chairmen of the School of Medicine and other administrative officers of the Medical Branch, in the broad areas of staffing, research, curriculum, space, and the like.
3. Nominate and recommend for appointment, promotion, retention or dismissal, all members of the faculty and staff in the School of Medicine.
4. Develop, with assistance of the faculty, standards for grading, promotion and graduation of students in the School of Medicine.
5. Serve as presiding officer of the School of Medicine; in the absence of the Executive Director and Dean, to preside at meetings of the Executive Committee of the Faculty of Medicine.
6. Nominate, in cooperation with the Executive Director and Dean, members for various non-elective faculty committees of the School of Medicine.
7. Coordinate with hospital administration, medical staff relations to assure an appropriate balance of effort between teaching, investigational and patient-care responsibilities.
8. Develop, in cooperation with the departmental chairmen and hospital administration, programs for interns, residents, and other post-graduate medical education.
9. Serve as a member of the Student Affairs Committee which shall have general supervisory control over, and investigatory powers as to, all matters involving the academic performance of students, all matters involving ethical, moral and personal standards of conduct of students and disciplinary action in connection therewith, including but not limited to the consideration of all findings and recommendations by appropriate student organizations in connection therewith, and such other problems of student affairs as may be brought before it.

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10. Evaluate with the Assistant Director - Admissions and Student Affairs, the effectiveness of student counseling and devise ways and means to improve its effectiveness.
11. Recommend annual and biennial budgets for the School of Medicine.
12. Approve all travel requests submitted by personnel in the School of Medicine.
13. Provide liaison with county, state, and national medical associations.
14. Serve as ex officio member of all School of Medicine committees.
15. Such other responsibilities as may be assigned by the Executive Director and Dean.

The Dean of Medicine reports to and is responsible to the Executive Director and Dean.

Dean of the School of Nursing

The duties and responsibilities of the Dean of the School of Nursing shall include:

1. Develop, with faculty assistance, educational, research and service programs of excellence in the School of Nursing.
2. Institute long-range planning for the School of Nursing in the broad areas of staffing, research, curriculum, space, etc.
3. Develop, in cooperation with the faculty, standards for grading, promotion, and graduation of students in the School of Nursing.
4. Recommend annual and biennial budgets for the School of Nursing and expenditures under approved budgets.
5. Nominate and recommend for appointment, promotion, retention or dismissal, all members of the faculty and staff in the School of Nursing.
6. Serve as presiding officer of the Faculty of the School of Nursing.
7. Nominate, in cooperation with the Executive Director and Dean, members for various non-elective faculty committees of the School of Nursing.
8. Serve as ex officio member of all School of Nursing committees.
9. Such other responsibilities as may be assigned by the Executive Director and Dean.

The Dean of the School of Nursing reports to and is responsible to the Executive Director and Dean.

Associate Dean for Graduate Studies

The Associate Dean for Graduate Studies is the responsible administrative officer for the Graduate School at the Medical Branch. His duties and responsibilities shall include:

1. Develop, with faculty assistance, academic programs of excellence in the Graduate School at the Medical Branch.
2. Insure that the requirements for degrees are met before any student is certified for graduation.

3. Appoint supervisory and examining committees for candidates after consultation with the chairman and/or graduate adviser of the department concerned.
4. Serve as presiding officer of the Graduate Faculty and the Steering Committee of the Graduate Faculty at the Medical Branch.
5. Such other responsibilities as may be designated by the Executive Director and Dean within the provisions of Article VI, Part One, The Rules and Regulations of the Board of Regents for the Government of The University of Texas. The Associate Dean for Graduate Studies reports to and is responsible to the Executive Director and Dean.

General Administrator of University Hospitals

The General Administrator of University Hospitals is the chief administrative officer of all hospitals (including Moody School) operated by The University of Texas Medical Branch. Specifically, his duties shall include:

1. Development of plans and programs consistent with changing concepts of efficient hospital management.
2. Promotion of all opportunities to develop and expand practices of the best patient care services in the most economical manner.
3. Advancing techniques of communication between all members of the health care team so that all may have a full appreciation and understanding of patient needs.
4. Establish and maintain rapport with all local, state, federal, and voluntary health and welfare agencies.
5. Coordinating activities and functions of the medical staff and the various hospital departments with the Dean of Medicine, clinical chiefs, and hospital administrative officers.
6. Recommend annual and biennial budgets for all hospital units.
7. Through the Executive Director and Dean, interpret to the public the missions and objectives of the University Hospitals.
8. Develop policies to assure that the business affairs and physical property of the hospitals are managed properly and utilized effectively.
9. Report directly to the Associate Director of the Medical Branch on all fiscal matters.
10. Establish medical and para-medical committees, whenever necessary, to advise on matters pertaining to aspects of hospital operations and direct patient care as outlined at the committees inception.
11. Chairman of the Joint Advisory Committee of the Medical Staff. Serve as ex officio member on all other Medical Staff Committees.
12. Carry out the duties and responsibilities as set forth in the Bylaws of the Medical Staff.

The General Administrator of University Hospitals reports to and is responsible to the Executive Director and Dean except for fiscal matters.

Associate General Administrator of University Hospitals

The Associate General Administrator of University Hospitals is a line officer responsible to the Administrator for routine operational matters of all kinds. Specifically, his duties shall include:

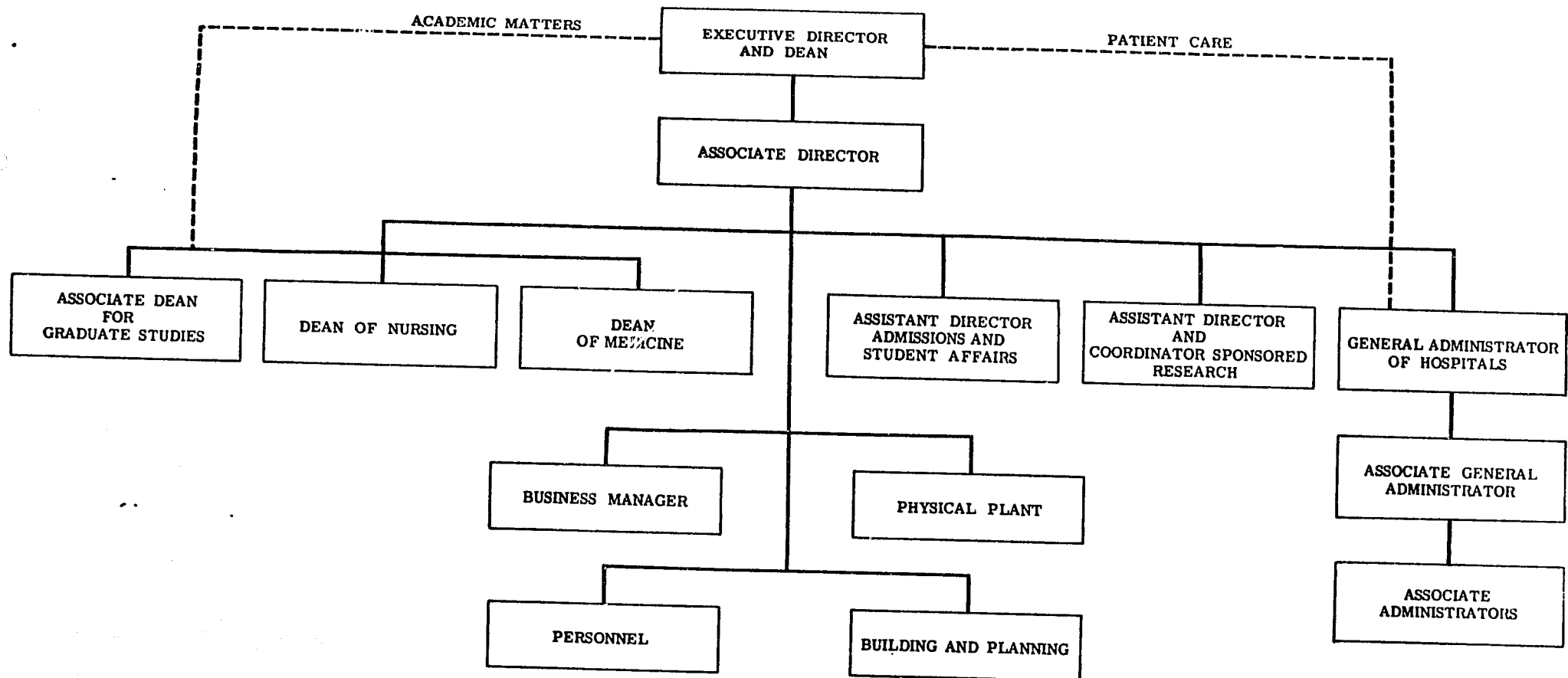
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1. Coordination of daily operations.
2. Interpretation and implementation of new programs of administration through the Associate Administrators, Assistant Administrators, and the Director of Nursing Service.
3. Inform and consult with the General Administrator and other members of the Hospital Administration staff concerning activities, problems and progress of hospital operations.
4. In consultation with the Hospital Administration staff, prepare and recommend to the General Administrator the annual and biennial budgets for all hospital units. Supervise expenditures under approved budgets.
5. Coordination of executive and supervisory training programs, institutes and workshops.
6. Develop and implement an educational program on the graduate level for Hospital Administrators.
7. Development and integration into hospital operations programs utilizing volunteers.
8. Act for the General Administrator during the General Administrator's absence.

The Associate General Administrator of University Hospitals reports to and is responsible to the General Administrator.

Administrative Council

The Administrative Council is established to advise with the Executive Director and Dean upon administrative matters relating to academic programs and patient care. It is composed of the Executive Director and Dean (the Chairman), the Associate Director, the Assistant Director - Admissions and Student Affairs, the Assistant Director and Coordinator of Sponsored Research, the General Administrator of University Hospitals, the Dean of Medicine, the Dean of the School of Nursing, and the Associate Dean for Graduate Studies.



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Chart of Administrative Organization
The University of Texas
Medical Branch

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REQUEST FOR ATTORNEY GENERAL'S OPINION, SECTION 18, ARTICLE VII OF THE CONSTITUTION OF TEXAS. -- The Administration was authorized to request an opinion from the Attorney General as to the legal construction to be given the word "value" as it is used in Section 18, Article VII of the Constitution of Texas, which reads in part as follows:

" . . . , the Board of Regents of The University of Texas is hereby authorized to issue negotiable bonds and notes not to exceed a total amount of two-thirds (2/3) of twenty percent (20%) of the value of the Permanent University Fund exclusive of real estate at the time of any issuance thereof; . . . "

COMPTROLLER'S OFFICE: PERSONNEL AND SPACE AUTHORIZED. -- Effective November 1, 1965, a second position of Branch College Auditor was authorized at an annual salary rate of \$8520 and Otto J. Ehrlich was appointed to that position as of November 1, 1965.

At a date to be selected by the Chancellor, it was authorized that the Comptroller's Office (currently in Room 121, Main Building) be moved to Room 201, Main Building, and that the Consulting Architect be requested to submit plans and cost estimates to convert this room into adequate and suitable office space as may be directed by the Chancellor and that the space previously occupied by the Comptroller be assigned to the University Attorney.

BANK DEPOSITORIES IN HOUSTON: APPORTIONMENT OF FUNDS. -- With reference to The University of Texas institutions in Houston, it was ordered that the funds (both demand and time deposits) of these institutions shall be apportioned between the authorized bank depositories in Houston as follows for the remainder of the fiscal year, ending August 31, 1966, with the understanding (1) that this deposit plan will be reviewed in the summer of 1966 to determine if any changes should be made effective September 1, 1966, and (2) that the time deposits shall be adjusted as rapidly as same can be accomplished without loss of interest:

| | |
|--|------|
| Bank of the Southwest National Association | 30% |
| First City National Bank | 30% |
| Central National Bank | 15% |
| Texas National Bank of Commerce | 15% |
| Fannin Bank | 10%. |

It is recommended that the foregoing be effective as soon as the necessary depository bank agreements for the remainder of the year can be entered into; that Comptroller Sparenberg be instructed to negotiate for depository agreements with the banks listed above that do not presently have such agreements and that the Chairman and the Secretary of the Board of Regents be authorized to execute the agreements when they have been approved as to subject matter by Comptroller Sparenberg and as to form by Attorney Waldrep.

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OFFICE OF FACILITIES PLANNING AND CONSTRUCTION: PERSONNEL AND SPACE AUTHORIZATIONS.-- Effective October 1, 1965, in the Office of Facilities Planning and Construction, the following changes were authorized:

1. Change of status of Walter C. Moore from Acting Director and Architect to Assistant Director and Architect at an annual salary rate of \$14,500.
2. Change in annual salary rate of Wayne Bell to \$7,800.
3. Change in salary rate of Linda K. Moore to \$3,504.

Remodeling of Rooms 201, 203, 203A and 205 of the Engineering Building (Taylor Hall) as office space for the Offices of the Director of Facilities Planning and Construction was authorized.

MCDONALD OBSERVATORY: CONSTRUCTION OF TELESCOPE AND FIGURING OF OPTICS, BIDS AUTHORIZED FOR.-- The Administration was authorized to use restricted bidding in calling for bids from a list of bidders who have demonstrated their qualifications and have the approval of NASA for the construction of the 105 inch telescope (four qualified bidders) and the figuring of the optics (five qualified bidders) therefor at the McDonald Observatory.

IRELAND GRAVES READING ROOM.-- The Committee of the Whole directed that one of the reading rooms in the Law Library be named the Ireland Graves Reading Room.

PERSONNEL CHANGES.-- Effective October 1, 1965, the following were authorized:

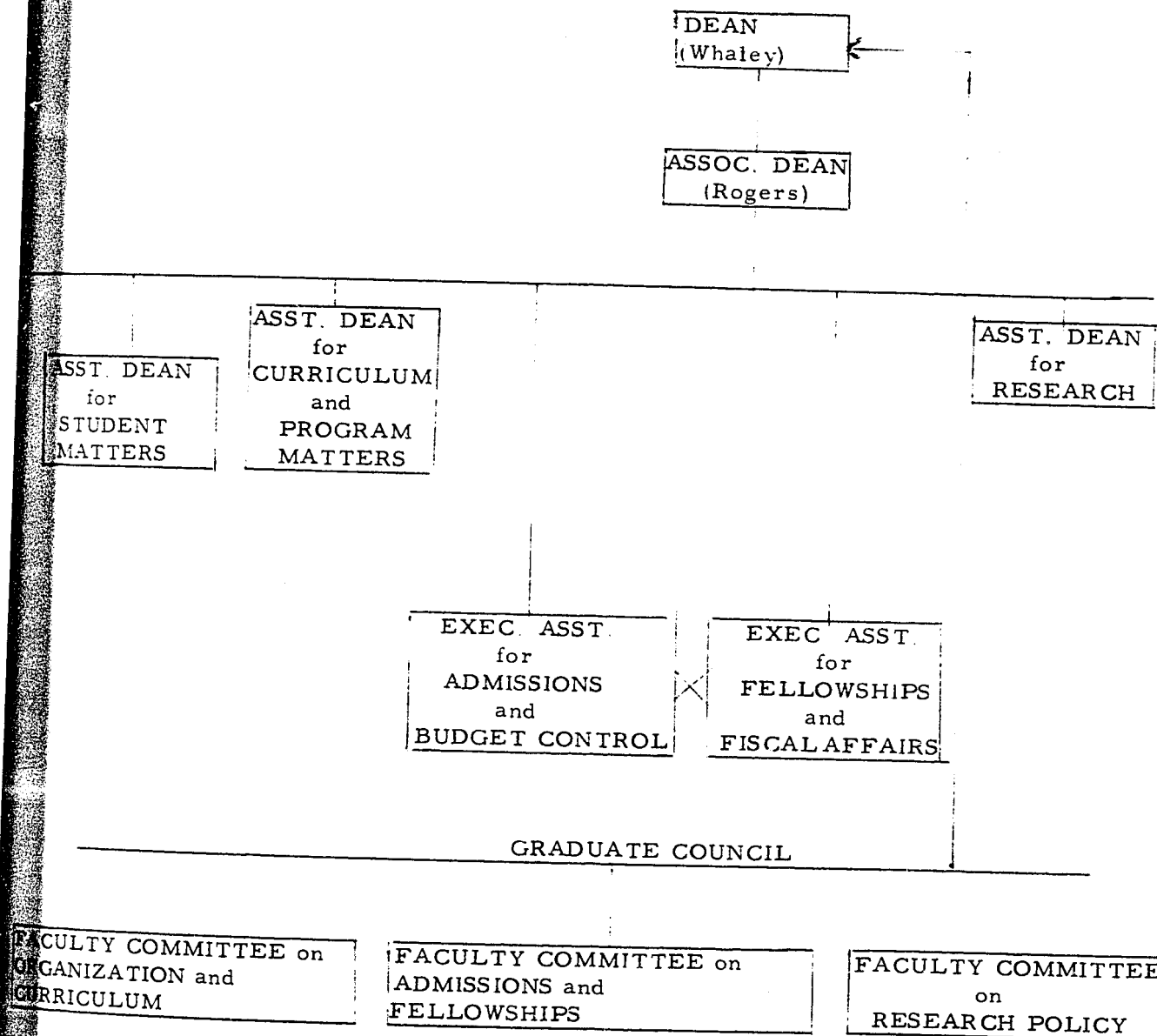
1. The annual salary rate of Doctor Stuart A. MacCorkle, Professor of Government and Director of the Institute of Public Affairs, was increased by \$2,000.
2. The annual salary rate of William R. Long, III, Assistant Land and Trust Attorney, University Lands, Legal and Surveying, was increased to \$9,600 payable 50% from W. C. Hogg Fund, Varner Properties and 50% from James W. McLaughlin Fellowship Fund.

SPECIAL COMMITTEE ON ADMINISTRATIVE ORGANIZATION.-- The Chairman was authorized to appoint a special committee to work with the Chancellor in bringing to the Board specific recommendations about the organization of Central Administration and of people to fill any vacancies that may exist.

ARLINGTON STATE COLLEGE: APPROVAL OF PRELIMINARY PLANS FOR NEW CLASSROOM BUILDING.-- The Committee of the Whole authorized the Consulting Architect to prepare preliminary plans for a new classroom building at Arlington State College to cost \$4,000,000 to \$4,500,000 and authorized an expenditure of up to \$45,000 for the preparation of these plans, the appropriation to come from Unappropriated Income at Arlington State.

10-08-65

MAIN UNIVERSITY: GRADUATE SCHOOL OFFICE ORGANIZATION. --
The Committee of the Whole approved the Graduate School Office organization for Main University as set out in the chart below:



It was pointed out that the three committees and the Graduate Council function for the Main University only and are advisory to the Dean. Any approvals or actions by the Graduate Assembly would be on those items submitted by the Dean, though such items in turn might have come via these three committees.

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AUTHORIZATION TO CHANCELLOR AND CHAIRMAN FOR REPRESENTATIVES, BOARD OF THE UNIVERSITIES RESEARCH ASSOCIATION. -- Chancellor Ransom and Chairman Heath were authorized to recommend a corporate representative and a representative from a faculty to the Board of the Universities Research Association which will direct the research program of the new Atomic Energy Commission facility, wherever located.

APPOINTMENT OF DEAN CHARLES A. LEMAISTRE TO CHAIR SYSTEM COMMITTEE FOR COORDINATING MEDICAL EDUCATION--RESEARCH PLANS. -- Dean Charles A. LeMaistre was appointed as Chairman of a System Committee to Consolidate Medical Education--Research Plans for reports and to provide information on The University of Texas dental and medical institutions for the Coordinating Board, Texas College and University System. It was pointed out that each medical unit, including the Dental Branch, would have a representative on the System Committee which Dean LeMaistre chairs

APPOINTMENT OF DEAN FRANK HARRISON, SOUTHWESTERN MEDICAL SCHOOL, AS CONSULTANT ON DEVELOPMENT OF GRADUATE PROGRAMS FOR ARLINGTON STATE COLLEGE. -- Doctor Frank Harrison, Associate Dean of Medical School and Associate Dean of Graduate Studies, and Professor of Anatomy, Southwestern Medical School, was appointed by inter-institutional arrangement to consult with President Woolf and his colleagues on the development of graduate programs at Arlington State College and on their presentation to the Graduate Assembly and through appropriate channels to the Coordinating Board Texas College and University System.

MAIN UNIVERSITY: APPOINTMENT OF GEORG MAX HUENERT, GERMANIC LANGUAGES (NEPOTISM CASE). -- The appointment of Georg Max Huenert as Assistant Instructor, one-third time for the 1965-66 Long Session in the Department of Germanic Languages, Main University, was approved. Mrs. Else Huenert--Hofmann, his wife has been appointed as instructor in the same department

ADOPTION OF THE CHANCELLOR'S COUNCIL. -- The Chancellor's Council of The University of Texas and its by-laws as set out below were adopted.

THE CHANCELLOR'S COUNCIL
OF
THE UNIVERSITY OF TEXAS

The Chancellor's Council of The University of Texas is an informal association of selected alumni and friends of the University joined together by an active and abiding interest in the University and acting through the sponsorship of the Board of Regents and the Development Board.

Purposes

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The purposes of The Chancellor's Council are:

1. To work actively in promoting the welfare of the University when called upon by the Chancellor.
2. To meet periodically with the Chancellor, the deans and directors to discuss the plans and objectives of The University of Texas and to offer the assistance and counsel of its members.
3. To establish an exemplary pattern of substantial giving to the University by alumni and friends.
4. To recognize devoted alumni and friends who become members.

Meetings

An annual meeting of The Chancellor's Council will be held at which officers will be elected, necessary business transacted, and the report of the members' contributions to the University will be presented to the Chancellor. Other meetings may be called during the year at which University administrative officers and faculty members will acquaint The Council with the plans and work of the University. The meetings will provide an opportunity for the members to meet some of the eminent scholars on the faculty, see demonstrated evidence of vital research, hear the current thought in special fields of interest, and learn firsthand about the progress being made at the very threshold of new knowledge.

Organization

The administration of The Chancellor's Council will be delegated to an Executive Committee composed of nine members, seven of whom shall be elected in the first instance by the Founding Members and thereafter self-perpetuating. The Chancellor and the Executive Director of the University Development Board will serve ex-officio and non-voting. A Chairman, Vice-Chairman and Secretary will be elected annually by the Executive Committee.

Membership

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Membership in The Chancellor's Council is open, upon invitation initially of the University Development Board and subsequently of the Executive Committee, to those alumni and friends of the University who have demonstrated or indicated their active interest in promoting its welfare.

Membership will be accorded all those individuals who have fulfilled or who hereafter fulfill one or more of the following conditions:

1. Contribute \$10,000 or more to The University of Texas
2. Signify the intention to contribute \$10,000 or more to The University of Texas within a ten-year period. Such pledge will be payable at the rate of \$1,000 or more annually. While this pledge does not in any way legally bind the donor or his estate, it is hoped that the donor will provide for any unpaid portion through testamentary provision.
3. Signify by appropriate means the intention to provide \$15,000 or more to The University of Texas by means of a bequest, a life insurance program, a life income gift or any other deferred giving instrument.

Each member of The Chancellor's Council will receive an appropriately inscribed membership certificate. A membership roster will be maintained and published periodically.

Use of Gift Funds

Gifts of members of The Council shall be used for current purposes, as designated by the Chancellor of the University, to strengthen and improve the academic program of the University. A member may limit the use of his Chancellor's Council gift to a particular school, college, division, or department of the University.

Forfeiture of Membership

Failure to honor a pledge within a reasonable time or without a valid reason may, upon action of the Executive Committee, terminate membership.

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Founding Members

The following alumni and friends of the University have met the requirements of The Chancellor's Council and are hereby certified as Founding Members with authority to perpetuate the enterprise for the benefit of The University of Texas. (As a matter of record these will be reported at a subsequent meeting.)

HOGG FOUNDATION: WILL C. HOGG MEMORIAL FUND -- TOWN HOUSE PROPERTY (ALLEN PARKWAY, FORMERLY CORNER OF INTERSECTION OF WAUGH DRIVE AND BUFFALO DRIVE) HOUSTON, TEXAS. -- The Committee of the Whole authorized that a counter proposal be made to W. Howard Lee, et al, lessees of the Town House Property (Allen Parkway, formerly southeast corner of intersection of Waugh Drive and Buffalo Drive) Houston, Texas, that the present lease currently held by W. Howard Lee, et al on said property expiring 1966, be extended for another 50 years (to expire in 2046) with the rental for the first 10 years at \$30,000 annually, for the next 10 years \$35,000, for the next 10 years \$40,000, for the next 10 years \$60,000, and thereafter for 6% net of the value of the property based on reappraisal at that time or a minimum of \$75,000.

MINUTES OF THE BOARD OF REGENTS: DISTRIBUTION LIST AMENDED. -- To the list of those in Central Administration who receive copies of the Minutes of the Board of Regents, the Director of the Office of Facilities Planning and Construction was added.

CHANCELLOR'S DOCKET NO. 2. -- The Secretary of the Board reported that the Chancellor's Docket No. 2 had been approved by mail ballot. This is attached to and made a part of the minutes.

APPOINTMENTS: E. D. WALKER, DIRECTOR OF FACILITIES PLANNING AND CONSTRUCTION, AND WARREN G. HARDING, ASSOCIATE DIRECTOR OF MEDICAL BRANCH. -- Effective November 1, 1965, Mr. E. D. Walker, Associate Director of The University of Texas Medical Branch, was appointed as Director of the Office of Facilities Planning and Construction; and Mr. Warren G. Harding, Assistant Director and Dean of Student Affairs, was appointed as Associate Director of The University of Texas Medical Branch.

AGREEMENT BETWEEN THE UNIVERSITY OF TEXAS AND THE UNITED STATES OF AMERICA FOR PRESIDENT ARCHIVAL DEPOSITORY. -- Final approval was given to an agreement between The University of Texas and the United States of America to Utilize as a Presidential Archival Depository Land, Buildings, and Equipment of The University of Texas as a Part of the National Archives System. This agreement is set out on the following pages (Pp. 84-86).

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AGREEMENT
BETWEEN
THE UNIVERSITY OF TEXAS AND THE UNITED STATES OF AMERICA
TO
UTILIZE AS A PRESIDENTIAL ARCHIVAL DEPOSITORY LAND,
BUILDINGS AND EQUIPMENT OF THE UNIVERSITY OF TEXAS
AS A PART OF THE NATIONAL ARCHIVES SYSTEM

WHEREAS, by letter dated August 6, 1965, a copy of which is annexed hereto as Exhibit A, to the President of the United States, the Board of Regents of the University of Texas proposed on behalf of the University to make available certain lands and facilities to be constructed thereon for the use of the United States as a Presidential Archival Depository in perpetuity, subject to the terms and conditions contained therein; and

WHEREAS, by letter dated August 9, 1965, a copy of which is annexed hereto as Exhibit B, to the Chairman of the Board of Regents of the University of Texas, the President of the United States accepted the proposal of the University of Texas; and

WHEREAS, by letter dated August 13, 1965, a copy of which is annexed hereto as Exhibit C, to the Administrator of General Services, President Lyndon Baines Johnson offered to the United States his papers and other historical materials for ultimate deposit in a Presidential Archival Depository, subject to the terms and conditions therein; and

WHEREAS, by letter dated August 17, 1965, a copy of which is annexed hereto as Exhibit D, to President Lyndon Baines Johnson, the Administrator of General Services accepted the offer of the President; and

WHEREAS, the Senate and House of Representatives of the United States of America in Congress assembled by Joint Resolution, approved on September 6, 1965, a copy of which is annexed hereto as Exhibit E, authorized the Administrator of General Services to enter into an agreement upon such terms and conditions as he deems proper with the University of Texas for the Lyndon Baines Johnson Presidential Archival Depository and to maintain, operate, and protect such depository;

NOW, THEREFORE, the Board of Regents of the University of Texas, acting for and on behalf of the University of Texas, and the Administrator of General Services, acting for and on behalf of the United States of America, hereby covenant and agree as follows:

FIRST. For and in consideration of:

- (1) the agreement by the University of Texas to provide a site, construct and equip thereon a building and to turn over, dedicate and make available to the United States, but without transfer of title, certain space and facilities in said building for use in perpetuity as the Lyndon Baines Johnson Library, all as more particularly set forth in Exhibits A and B annexed hereto,

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- (2) the gift to the United States by President Lyndon Baines Johnson of his papers and other historical materials, all as more particularly set forth in Exhibits B and C annexed hereto, and
- (3) other good and valuable consideration,

the United States will, when said space and facilities have been completed by the University of Texas and turned over, dedicated, and made available to the United States, maintain, operate and protect such depository in perpetuity as a part of the national archives system.

SECOND. The terms and conditions set forth in Exhibits A and B are annexed hereto, incorporated herein by reference, and made a part hereof, and shall be binding upon the parties hereto to the same extent as though recited herein verbatim.

THIRD. It is understood and agreed that the space and facilities to be provided by the University as a Presidential Archival Depository shall include such office space, appropriately furnished and equipped, as the Administrator of General Services determines to be reasonable for providing, pursuant to Section 507(f)(6) of the Federal Property and Administrative Services Act of 1949, as amended (44 U. S. C. 397(f)(6)), for the personal use of Lyndon Baines Johnson.

FOURTH. Inasmuch as (1) the Lyndon Baines Johnson Presidential Archival Depository is to be provided by and at the expense of the University of Texas on its campus; (2) the University of Texas intends to establish the Lyndon Baines Johnson Institute of Public Service to expand its capabilities, especially at the graduate school level, in the fields of history, government, economics, public administration, and related disciplines, and in so doing, as stated in paragraph 5(a) of its letter of August 6, 1965 (Exhibit A), expects to have access to the Presidential papers and other materials in the Library; (3) the Administrator of General Services, pursuant to Section 507(f)(4) of the Federal Property and Administrative Services Act of 1949, as amended (44 U. S. C. 397(f)(4)), is authorized to cooperate with and to assist the University to further or to conduct study or research in historical materials deposited in Library; and (4) the University of Texas has agreed to maintain, operate, and protect the site of the Library, including the visitor parking facilities, an obligation of the United States with respect to all other Presidential Archival Depositories in existence on the date hereof, the United States agrees that it will not charge or collect fees for the privilege of visiting and viewing any exhibit rooms or museum space in the Lyndon Baines Johnson Presidential Archival Depository.

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FIFTH. The terms and conditions of this agreement shall be modified, amended, deleted, or otherwise changed only by written agreement of the parties hereto.

SIXTH. Upon execution of this agreement the University of Texas shall without delay commence implementation of its proposal of August 6, 1965, incorporated herein as Exhibit A, pursuant to its terms and conditions and the terms and conditions hereof.

SEVENTH. Upon completion of the construction, furnishing, and equipping of the space and facilities to be occupied by the Presidential Archival Depository and simultaneously with turning over, dedicating, and making available the same to the United States for its use in perpetuity as the Lyndon Baines Johnson Library, but without transfer of title, the University of Texas will cause to be prepared and properly executed an appropriate instrument conforming to applicable laws of the State of Texas and recordable under such laws in the local land records of said State evidencing dedication of such space and facilities for use by the United States in perpetuity and will cause such instrument to be so recorded.

IN WITNESS WHEREOF, the parties hereto set their hand and seal this 8th day of October, 1965.

Harry Ransom
CHANCELLOR

THE UNIVERSITY OF TEXAS
W. W. Heath
Chairman, Board of Regents

Carl Bauer

Franklin Erwin

Walter P. Brennan

H. F. Connally, Jr.

Paul D. Jones

James G. Hurd

Mrs. J. Lee Johnson III

Levi A. Clark

Members, Board of Regents

UNITED STATES OF AMERICA
Samuel B. Frost, Jr.
Administrator of General Services

10-08-65

REQUEST TO ADMINISTRATION FOR RECOMMENDATION RE (1) REMOVAL OF INTERCOLLEGIATE ATHLETICS FACILITIES AND (2) CLOSING OF SAN JACINTO STREET. -- The Administration was requested to (1) present to the Board a statement and recommendation relating to the removal of the Intercollegiate Athletics facilities at the Main University and (2) to make a study of whether or not that portion of San Jacinto Street on the Main University campus occupied by The University of Texas (between 19th and 26th Streets) should be closed with the view to rerouting traffic on Red River Street.

REQUEST FOR ATTORNEY GENERAL'S OPINION RE TWO POSITIONS WITHIN THE MEANING OF SECTIONS 12, 33, AND 40 OF ARTICLE XVI OF THE CONSTITUTION OF TEXAS; RESOLUTION RE SERVICE OF CHANCELLOR RANSOM ON PRESIDENT'S COMMISSION ON PATENT SYSTEM. -- The Chairman was authorized to request an official opinion from the Attorney General on:

Whether service on a State or Federal board or commission by a member of the faculty or administration of The University of Texas is in violation of the common law rule of "incompatibility" or in violation of either Section 12, 33 or 40 of Article XVI of the Texas Constitution, where the Board of Regents of the University, acting pursuant to delegated Legislative authority, (1) has required the member to serve on the board or commission as an additional duty of his employment by the University and (2) has found as a fact that the member's service on the board or commission is compatible with his employment by the University and is a benefit and advantage to the University and to the State of Texas.

and in this connection the following resolution was adopted:

RESOLUTION

WHEREAS, Dr. Harry Hunt Ransom, Chancellor of The University of Texas, has an opportunity to serve as Chairman of the President's Commission on the Patent System:

NOW, THEREFORE, BE IT RESOLVED by the Board of Regents of The University of Texas, acting pursuant to delegated Legislative authority:

1. That the said Dr. Harry Hunt Ransom be, and he is hereby, directed and required by the Board of Regents to serve as Chairman of the President's Commission on the Patent System until he no longer has an opportunity to do so or until this direction and requirement is amended or revoked by the Board of Regents;
2. That the said Dr. Harry Hunt Ransom be, and he is hereby, directed and required by the Board of Regents to serve as Chairman of the President's Commission on the Patent System as a duty of his employment by The University of Texas, and such duty shall be in addition to all other duties that have been or may hereafter be assigned to or required of him by the Board of Regents;

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3. That the Board of Regents finds as a fact that Dr. Harry Hunt Ransom's service as Chairman of the President's Commission on the Patent System is, and will continue to be, fully and entirely compatible with his employment by The University of Texas; and,

4. That the Board of Regents finds as a fact that Dr. Harry Hunt Ransom's service as Chairman of the President's Commission on the Patent System is, and will continue to be, a benefit and advantage to The University of Texas and the State of Texas.

Adoption of Report of the Committee of the Whole. -- The foregoing report was unanimously adopted upon a motion by Regent Ikard, seconded by Regent Brennan.

OTHER MATTERS

ENVIRONMENTAL HEALTH UNIT IN HOUSTON. -- Upon motion of Regent Connally, seconded by Regent Ikard, Doctor R. Lee Clark was authorized to inform site visitors from the United States Public Health Service that the Board of Regents had approved Doctor Lee E. Farr, presently chief of the section of Nuclear Medicine at M. D. Anderson Hospital and Tumor Institute, as head of an environmental health unit in Houston.

OFFICE OF FACILITIES, PLANNING AND CONSTRUCTION: ALLOCATIONS ON BUILDINGS PROJECTS AND AUTHORIZATION TO EMPLOY MECHANICAL ENGINEER. -- Vice-Chairman Erwin moved that in accordance with the Administration's recommendation (1) that on each building project as of July 17, 1965, and thereafter, the sum of 10% of the total project cost be allocated to the Office of Facilities, Planning and Construction to be expended for the following purposes:

| | | |
|-----|--|-------------|
| (a) | Architects' fees | 6% |
| (b) | Contingency Fund | 2% |
| (c) | Other Expenses: | |
| | Full time and field supervision -- | |
| | Clerk of the Works | 3/4% |
| | Preliminary Expenses, Laboratory testing, Test borings, Service, etc. | 1/2% |
| | Salaries for Architect, Interior Decorator and related expenses for the purchase of furniture and equipment | 1/4% |
| | Office expenses which include salaries for mechanical engineers, architects, architectural assistant, executive assistant, secretary, travel and maintenance and operation | <u>1/2%</u> |
| | | 2% |

and (2) that the director be authorized to negotiate for a mechanical engineer with the understanding that his salary would be presented to the Board or the Executive Committee for approval. Regent Ikard seconded the motion which unanimously prevailed.

10-08-65

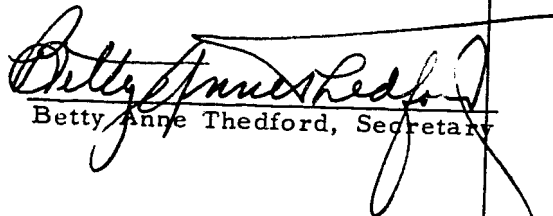
SCHEDULED MEETINGS. -- Upon motion duly made and seconded, the following meetings were scheduled:

November 3-5, 1965, a trip through West Texas University Lands

November 23-24, 1965, in Austin

January 14-15, 1966, in Austin-- The Board agreed that the supporting material might be mailed five days before the meeting and that for this meeting the ten-day rule would be waived.

ADJOURNMENT. -- There being no further business, on motion made the meeting thereupon adjourned.


Betty Anne Thedford, Secretary

November 1, 1965