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Austin, Texas
 March 14, 1958
 Meeting No. 567

The Board of Regents of The University of Texas met as a Committee of the Whole in the President's Office (Main Building 101), Austin, Texas, Friday, March 14, 1958, at 3:00 p.m., with the Chairman presiding and the following in attendance:

<u>Present</u>	<u>Absent</u>
Chairman Jeffers	Regent (Mrs.) Devall--excused
Vice-Chairman Sorrell	Regent Hardie--excused
Regent Bryan	
Regent Johnson	
Regent Lockwood	
Regent Minter	
Regent Thompson	
President Wilson	
Secretary Thedford	

Also in attendance were Vice-President Dolley, Vice-President Haskew, Vice-President Casberg, and Assistant to the President Cox.

Though the order of those appearing before the Committee of the Whole varied from the usual procedure as a time-saving element for some of the individuals from out of Austin, each institutional head was given an opportunity to come into the meeting of the Committee of the Whole and to discuss matters relating to his institution. Likewise, the Regents and President Wilson brought up for consideration in the Committee of the Whole items which they deemed should properly come before the full Board for consideration, rather than as a recommendation from one of the standing committees.

These items included, among other things, those listed on the Agenda of the Academic and Developmental Affairs Committee and in some instances on the Buildings and Grounds Committee, since two members from each of these committees were absent.

The following is the report of the Committee of the Whole:

CONGRATULATORY MESSAGES. --Chairman Jeffers opened the meeting by reading letters and telegrams of congratulations on the 75th Anniversary of The University of Texas. The first telegram read was from President Dwight D. Eisenhower.

ATTENDANCE. --Vice-President and Provost Ransom came into the meeting.

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MAIN UNIVERSITY

At the request of Chairman Jeffers through President Wilson, Vice-President Ransom reported on conditions in general at the Main University. In commenting on the mobility of the faculty at the Main University, he said that a written report would be mailed at an early date to the Regents. He reported that the Excellence Program now being set up in the College of Arts and Sciences was being received enthusiastically by public school administrators and by high school students. This program designed to give special privileges to the top 250 entering freshmen will be reported for the record in detail in a subsequent docket.

PROPOSAL FOR DEVELOPMENT OF LIBRARY.--Doctor Ransom pointed out to the Board the hopeless inadequacies of the undergraduate library and the disadvantages to the University, including the serious concern of recruiting and keeping young students. He presented a plan whereby Texas could equal the best undergraduate libraries in the United States. This plan is in keeping with the recommendations of the Texas Commission on Higher Education and includes among other things a research center with new collections and an undergraduate academic center.

The Board of Regents received this report and plan enthusiastically and instructed the Administration to go forward with plans so that definite action may be taken.

AUTHORIZATION FOR REPAIRS AND REMODELING AND AN ADDITIONAL STRUCTURE, 2506 WHITIS; AUTHORIZATION FOR REPAIRS AND REMODELING, 2512 WHITIS; APPROPRIATION OF \$20,000 FOR FURNITURE.--Mr. Thompson moved that the following recommendations of the Administration be approved: See Page 77

1. Authorize the Comptroller to proceed with the drawing of preliminary plans and specifications for remodeling and repairing the structures at 2506 Whitis and 2512 Whitis, and further authorize that an additional structure with accommodations for sixteen individuals be constructed at the immediate rear of 2506 Whitis.
2. Allot \$20,000 from Account No. 4350, "Division of Housing and Food Service--Major Repairs, Remodeling and Replacement, and Operating Reserve Fund," to provide facilities necessary for the additional structure at 2506 Whitis. It is understood that this structure would be used for a minimum period of five years.

Doctor Minter seconded this motion which carried.

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TEXAS STUDENT UNION ACTIVITY FEE INCREASED.--The preliminary plans for the expansion of the Texas Student Union Building have been approved, an associate architect has been designated, and final application has been made to Housing and Home Finance Agency for funds. (Permanent Minutes, Volume V, Pages 440, 444, 477). It is anticipated that construction will begin during the 1958-59 Long Session.

President Wilson recommended that the Board authorize the Texas Student Union Activity Fee increased for each and every student to \$5.00 per semester and to \$2.50 per summer term, effective September 1, 1958, conditioned on receipt at that time of final commitment of funds from Housing and Home Finance Agency for the expansion of the Student Union Building.

Upon motion of Mr. Thompson, seconded by Mr. Johnson, the Board approved the foregoing recommendation of President Wilson.

POLICY RE ARRANGEMENT FOR FUTURE BOWL GAMES.--Chair- See Page 860.
man Jeffers for the Committee of the Whole reported that at its meeting January 11, 1958, the Board upon motion of Mr. Thompson, seconded by Vice-Chairman Sorrell, instructed the Administration to inform the Athletic Director and the Athletic Council (1) that the Administration and the Board of Regents shall be advised, and their advance approval received, of all arrangements proposed in connection with future bowl games, and (2) that the Board of Regents, concurred in by the Administration, disapproves of the practice of granting bonuses to personnel unrelated to the sport involved.

USE OF LITTLEFIELD HOME.--President Wilson presented the request of the Executive Committee of The Ex-Students' Association, made See Page 858 through its President, Herman Jones, that the Board of Regents of The University of Texas assign the Littlefield Home, located at 24th and Whitis Avenue, to The Ex-Students' Association for an Alumni House. The Ex-Students' Association in exchange for the assignment of this property proposed:

1. To make it the show place of the University main campus by having it completely refurnished with the guidance of the best interior decorators available, and completely re-landscaped by competent landscape architects;
2. To make it available to the Board of Regents, the Administration, faculty and other University groups for meetings, small luncheons and dinners, teas, etc.;
3. To make available two or three guest rooms on the second floor for the use of important persons visiting the campus and desiring overnight accommodations; and
4. To make the property available for such other uses which the Board of Regents and the Administration deem advisable and desirable.

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Upon recommendation of President Wilson and on motion of Mr. Thompson, seconded by Doctor Minter, the Board approved the foregoing request as set out with the understanding that a subsequent proposal with plans will be submitted, and that the building will not be available until arrangements can be made to provide space for that portion of the Music Department presently assigned to the Littlefield Home.

ESTABLISHMENT OF STUDENTS MEMORIAL SCHOLARSHIP FUND-- THE GOVERNOR AND MRS. JAMES STEPHEN HOGG MEMORIAL SCHOLARSHIP FUND. --President Wilson reported that the Board of Directors of the Students' Memorial Loan Fund of The University of Texas has unanimously recommended the transfer of \$151,114 from Account No. 7311, Students' Memorial Scholarship Fund, to a new account entitled Students' Memorial Scholarship Fund--The Governor and Mrs. James Stephen Hogg Memorial Scholarship Fund. This recommendation of the Board of Directors to the Board of Regents will carry out the intent of Will C. Hogg in making his original gift to the Students' Memorial Loan Fund. This action, when approved by the Board of Regents, is within the authority granted in the amended charter of the Students' Memorial Loan Fund as filed with and approved by the Secretary of State on May 4, 1953.

The foregoing recommendation was approved by motion of Mr. Johnson, seconded by Mr. Thompson.

NAME CHANGED TO CLAYTON FOUNDATION BIOCHEMICAL INSTITUTE. --President Wilson recommended to the Board that the name of the Biochemical Institute be changed to the Clayton Foundation Biochemical Institute. He reported notification from Mr. Benjamin Clayton, President of the Clayton Foundation for Research, of the approval of the name change by the Trustees of the Clayton Foundation for Research.

Upon motion of Mr. Lockwood, seconded by Mr. Thompson, the Board approved the recommendation of President Wilson.

BUILDINGS AND GROUNDS COMMITTEE MATTERS

Mr. Lockwood, Chairman of the Buildings and Grounds Committee, presented the following items that had been referred from the Buildings and Grounds Committee to the Committee of the Whole for consideration:

MAIN UNIVERSITY--APPROPRIATION AND APPOINTMENT OF ARCHITECTS FOR CONSTRUCTION OF TEMPORARY LABORATORY THEATER BUILDING FOR DRAMA DEPARTMENT. --It is estimated that construction on the Addition to the Chemistry Building at the Main University will be started sometime between February 1 and April 1, 1959. At that time X Hall must be removed, since it is on the site of this addition. It will then be necessary to make arrangements to take care of the activities of the Drama Department which have been housed in X Hall. See Page 77

After many discussions of this problem and consideration of several possible solutions, the following recommendations are made by the Faculty Building Committee, the Department of Drama, the Comptroller's Office, and the President's Office:

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1. That a temporary Laboratory Theater Building for the use of the Department of Drama be constructed on University property that is now vacant, located on the north side of Twenty-third Street, between E. D. Hall and the Art Building (both temporary buildings), and south of the Power Plant and Greenhouse.
2. That an appropriation of \$45,000.00 be made from the Unappropriated Balance of the Available University Fund to cover the cost of this project, including architect's fees.
3. That Page, Southerland, and Page be appointed as Architect on this project and be authorized to proceed immediately with preparation of preliminary plans for this temporary building.

Report Referred Back. --After due deliberation during which the Board expressed hesitation about investing this amount of money in a temporary building and expressed concern as to how a temporary building might look, Doctor Minter moved that the matter be referred back to the Administration for further study, exploring the possibility of constructing a building of a permanent type, that the Board be notified by mail the results of the study with a sketch of the proposed building as it would look when completed and with a suggestion as to the site. Mr. Johnson seconded this motion which carried.

TEXAS WESTERN COLLEGE--APPROVAL OF FINAL PLANS AND SPECIFICATIONS AND ADDITIONAL APPROPRIATION FOR REMODELING AND ENLARGING LIBRARY BUILDING.--Mr. Thompson moved that action on the final plans and specifications and request for an additional appropriation for remodeling and enlarging the Library Building at Texas Western College be referred back to President Holcomb for re-submission in See Page 1107 view of the fact that the proposal had not been processed through proper channels to the Buildings and Grounds Committee. Mr. Lockwood seconded this motion which carried.

RECESS.--The Committee of the Whole recessed at 6:00 p. m. and reconvened at 9:00 a. m., Saturday, March 15, with the same attendance as the preceding session.

CENTRAL ADMINISTRATION

PERMANENT UNIVERSITY FUND PROGRAM; PROCEDURE FOR RE- See Page 858
PORTS.--Prior to the meeting of the Board, Doctor Dolley had furnished each member with a copy of the fourth Interim Report concerning the Permanent University Fund Program. This report had been prepared pursuant to the disclosure provisions of HJR-15 and SR-601.

Since the Permanent University Fund Program has been in operation about one year, it was a rather opportune time to discuss its functioning. In a discussion between the Administration and the members of the Board, Doctor Dolley reported that a representative of the Lionel Edie and Company

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had met with the Investment Advisory Committee March 1, 1958, and had gone over each stock previously purchased. According to the original plan, the Investment Adviser, Lionel Edie and Company, had been asked to keep the Permanent Investment Fund portfolio under constant surveillance and report any stock which the company thinks dubious.

As a result of the exchange of ideas, Chairman Jeffers suggested and it was mutually agreed that notices and invitations to each quarterly meeting of the Investment Advisory Committee be sent to the members of the Board. Those who can and desire to may meet with this Committee. He further suggested that if possible there be a representative from the Lionel Edie and Company at the next quarterly meeting of the Investment Advisory Committee and that the Board meet with the Committee at which time a permanent procedure for reports might be arranged. Both as a protection to the Administration and to the Board of Regents, it was mutually agreed that annually an independent analysis of the Permanent University Fund Program, presumably by a representative of the Investment Adviser, be made directly to the Board.

COTTON RESEARCH COMMITTEE. -- President Wilson reported that he had received from Mr. K. Lanse Turner, Director of the Cotton Research Committee of Texas, the following excerpt from the minutes of a special meeting of the Committee that had been held in Denton, Texas, on February 9:

The following recommendations by the Director were considered and unanimously approved by the Committee:

- (a) That the Cotton Research Committee of Texas discontinue support of the present Cotton Economic Research program at The University of Texas, at a date not later than August 31, 1958.
- (b) That thereafter, the Cotton Research Committee of Texas contract directly with the Bureau of Business Research, University of Texas, for such economic and statistical research as may be deemed advisable.

AUTHORIZATION FOR VICE-PRESIDENT J. C. DOLLEY TO ACT FOR THE PRESIDENT. -- Upon recommendation of President Wilson, Mr. Thompson moved that the Board authorize Doctor J. C. Dolley to act for President Wilson during his absences from the University in all matters requiring the President's approval, effective immediately until withdrawn. Mr. Lockwood seconded this motion which carried.

REPORT OF MEDICAL AFFAIRS COMMITTEE. -- Doctor Minter reported that there were no recommendations from the Medical Affairs Committee to the full Board. The Medical Affairs Committee discussed matters in general concerning the Medical units. The Committee anticipates receiving the recommendations of James A. Hamilton and Associates not later than the May 1958 meeting. See Page 767

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Doctor Minter reported for the record and for the information of the Board that Dormitory No. 6, the conversion of which was authorized at the January meeting of the Board (Permanent Minutes, Volume V, Page 480), would be finally completed and occupied by April 1. This date is most convenient for the transfer of students since the quarter ends March 29.

It was reported to the Medical Affairs Committee that the application in the name of M. D. Anderson Hospital and Tumor Institute for tax-exempt status was forwarded January 23, 1958, and acknowledgement from the Internal Revenue Service in Austin indicates it has been forwarded to Washington.

MEETINGS OF THE BOARD; REVISED SCHEDULE. --Upon motion duly made and seconded, the Board revised its schedule of meetings (Permanent Minutes, Volume V, Page 442) to read as follows:

April 9, 1958 (Joint meeting with the University
Development Board, beginning at
12 o'clock noon)

April 26, 1958, in Austin (Was formerly scheduled
April 19)

May 30-31, 1958, in Austin

October 24-25, 1958, in Houston

ATTENDANCE. --The items for consideration by the Committee of the Whole having been completed, the institutional heads were called individually into the meeting. Doctor John V. Olson entered.

DENTAL BRANCH

At this point, Doctor Casberg reported that following the recent inspection of The University of Texas Dental Branch made by accrediting officials informal statements by members of the inspecting team were highly complimentary of the facilities and faculty.

ESTABLISHMENT OF DEPARTMENT OF GENERAL PRACTICE,
DENTAL BRANCH. --Doctor Olson presented the following request for the establishment of a Department of General Practice:

Since our move into the new Dental Branch building in June of 1955, we have followed two different methods of clinical teaching. In the junior year we teach by departments-- that is, each department is responsible for its own clinical teaching, which includes the assignment of patients and the actual instruction of the students and the checking of their work in the clinic. In the senior year we teach by having an instructor assigned to a given number of students and this instructor in turn is responsible for the various types of dental treatment being carried out by those students. This we refer to as a "general practice" instruction. This

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general practice type of instruction is something of an innovation in dental teaching (there are one or two other dental schools that follow a similar method); so in the beginning no attempt was made to set up a department for this purpose, but rather instructors were assigned to departments and then given as their primary responsibility the duty of instructing in the general practice area. This type of instruction has proved to be of value, but since the individual instructors were assigned to other departments, they at times would seem to lack a sense of belonging to a group and would feel that they were, to an extent, "outcasts."

In order to correct this situation, I should like to take the positions that we have been using for this purpose and assemble them in a department which we will call the Department of General Practice. This will not create any new positions, and in the budget for 1958-1959 will consist of one professor who will be paid from Outpatient Division, one associate professor who will be transferred from Diagnosis in the Department of Medicine, and eight full-time instructors who will be transferred from the various departments, and with three part-time positions transferred from other departments.

Since this is not actually creating a new department, but rather reorganizing that which already exists, I am requesting that if you approve of this request, it be presented to the Board of Regents, and, in turn if it has their approval, to the Texas Commission on Higher Education.

Upon recommendation of President Wilson, joined by Vice-President Casberg, and upon motion of Doctor Minter, seconded by Vice-Chairman Sorrell, the Board approved the foregoing recommendation for the establishment of a Department of General Practice at The University of Texas Dental Branch, subject to approval by the Texas Commission on Higher Education.

ATTENDANCE. --Doctor Olson left the meeting, and Doctor Holcomb entered.

TEXAS WESTERN COLLEGE

STADIUM EXPANSION, TEXAS WESTERN COLLEGE. --Doctor Holcomb stated that he had no report to make on stadium expansion at Texas Western College at this time and that he did not have any matters to present to the Committee of the Whole. He did, however, extend to the Board an invitation to meet in El Paso in the fall of 1958.

SMALL CLASS REPORT, SPRING SEMESTER, 1957-58, (HOUSE BILL NO. 133, 55th LEGISLATURE, R. S., ARTICLE V, SECTION 6) TEXAS WESTERN COLLEGE. --The small class report as of the twelfth class day for the 1957-58 spring semester, Texas Western College was furnished to each Regent in the Material Supporting the Agenda.

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This report has been prepared in accordance with House Bill No. 133, 55th Legislature, R. S. Article V, Section 6, of the Special Provisions and listed the classes in the following categories:

1. Course in a small department which offers the minimum number of courses consistent with the maintenance of a balanced departmental program.
2. Required courses for majors in this field and should be completed this semester to keep proper sequence in courses.
3. Graduate course that is required for completion of an advanced degree.
4. Required course for graduating seniors in one or more degree programs.

The foregoing report was adopted upon motion of Mr. Thompson, seconded by Mr. Lockwood. A copy is in the Secretary's Files, Volume V, Page 158.

ATTENDANCE.--Doctor Holcomb retired from the meeting. Doctors Gill, Clark, and Taylor came into the meeting, but they had no matters for consideration at this time.

REGULAR SESSION.--The Committee of the Whole resolved itself into regular session at 11:00 a. m.

ATTENDANCE.--Comptroller Sparenberg, Endowment Officer Stewart, Doctor R. Lee Clark, Jr., Doctor A. J. Gill, Doctor Dysart Holcomb, Doctor John V. Olson, Doctor Harry H. Ransom, Doctor Grant Taylor, Doctor John B. Truslow, other representatives of the University, and representatives of the press came into the meeting.

COMMITTEE REPORTS

REPORT OF LAND AND INVESTMENT COMMITTEE (See Page 47 See Page 617. for adoption.).--At the request of Chairman Jeffers, Vice-Chairman Sorrell, Chairman of the Land and Investment Committee, presented the following report:

INVESTMENT AND LAND MATTERS OF PERMANENT UNIVERSITY FUND; AND INVESTMENT, GIFT, BEQUEST AND ESTATE, REAL ESTATE, AND REVENUE BOND FINANCING MATTERS OF TRUST AND SPECIAL FUNDS.--(Since each member of the Board had been furnished in the Material Supporting the Agenda the formal recommendations of the Endowment Officer to the Land and Investment Committee, Vice-Chairman Sorrell called attention only to the additional items as listed below that were not on the original agenda and to the revisions made by the Committee in the original material:

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I. Additional Items Not on the Agenda

	<u>See Pages</u>
A. Permanent University Fund Investment-- Authorization to Sell in Installments Prior to Maturity U. S. Treasury 2-1/4% Bonds Due June 15, 1962/59, and to Reinvest the Proceeds in Corporate Securities (Page <u>21</u>)	591
B. Pipe Line Easement No. 1068, Phillips Petroleum Company, Andrews and Crane Counties, Texas (Page <u>27</u>)	597
C. Channel Right-of-Way Easement No. 1069, Texas State Highway Commission, El Paso County, Texas (Page <u>27</u>)	597
D. Pipe Line Easement No. 1070, El Paso Natural Gas Company, Crane and Pecos Counties, Texas (Page <u>28</u>)	598
E. Amendment to Water Contract No. 54, El Paso Natural Gas Company and Hunt Oil Company (Page <u>28</u>)	598
F. M. D. Anderson Hospital and Tumor Institute-- Authorization to Sell One Hundred Shares Anderson, Clayton & Company Common Stock Held in the Harmon Whittington Fund (Page <u>32</u>)	602
G. Hogg Foundation: W. C. Hogg Memorial Fund-- Proposal from Allright, Inc., and D. M. Carothers for Renewal of Lease on Massey Property, 1108 Rusk Avenue, Houston, Texas (Page <u>47</u>)	617

II. Revisions in Original Recommendations

A. Main University--Panhellenic and Interfraternity Councils Gift (Page <u>34</u>)	604
B. Texas Western College--Cotton Estate--Recom- mendation re Proposed Filing of Plat and Dedication of Streets in Cotton Addition, El Paso, Texas (Page <u>38</u>)	608

Vice-Chairman Sorrell did call the Board's attention to the recommen-
dation of the Land and Investment Committee that Mr. James Shepherd,
Jr., and Mr. Joe C. Thompson be named as directors representing the
Preferred Stock of the Toreador Royalty Corporation (Page 36). 606
This recommendation was made upon the suggestion of Endowment
Officer Stewart that a member of the Board be named to serve in this
capacity instead of the Endowment Officer.)

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PERMANENT UNIVERSITY FUND--INVESTMENT MATTERS.--

REPORT OF PURCHASES OF SECURITIES AND SALE OF STOCK DIVIDEND AND RIGHTS. --The following purchases of securities and sale of stock dividend and rights have been made for the Permanent University Fund since the report of January 11, 1958. We ask that the Board ratify and approve these transactions:

PURCHASE OF SECURITIES

COMMON STOCKS

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
1/6, 7 & 8/58	American Tel. & Tel Co. Capital Stock	300	169-1/8(100) 168-1/2(100) 169-3/8(100)	\$ 50,850.00	5.13%
1/10, 13 & 14/58	Central and South West Corp. Common Stock	1,300	42-1/4(200) 42-5/8(200) 42-7/8(300) 43 (300) 43-1/4(300)	56,186.09	3.93
1/8/58	Cleveland Electric Illuminating Co. Common Stock	1,500	40 (100) 40-1/4(400) 40-3/8(100) 40-5/8(900)	61,228.50	3.92
1/8/58	Continental Can Co. Common Stock	1,200	42-7/8(800) 43 (200) 43-1/8(200)	51,962.64	4.16
1/10, 13 & 14/58	El Paso Natural Gas Co. Common Stock	1,700	27-1/4(300) 27-1/2(500) 27-5/8(300) 27-1/8(200) 28-3/4(400)	47,628.21	4.64
1/7/58	General American Transportation Corp. Common Stock	700	71-1/2(300) 71-3/4(400)	50,445.17	5.20
1/9/58	General Motors Corporation Common Stock	1,400	36-3/8	51,389.66	5.45
1/7/58	Minneapolis-Honeywell Regulator Co. Common Stock	600	82	49,459.20	2.12

*Includes brokerage commission paid.

**Yield at present indicated annual dividend rate.

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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**
1/7/58	Minnesota Mining & Mfg. Co. Common Stock	700	75-1/2Net	\$ 52,850.00	1.59%
1/6,7,8 & 14/58	Pacific Gas & Electric Co. Common Stock	1,100	49 (500) 49-1/2(100) 50 (500)	54,887.25	4.81
1/3/58	Chas. Pfizer & Co., Inc. Common Stock	1,000	55-3/4(100) 56 (300) 56-1/2(600)	56,681.28	3.97
1/9/58	Phillips Petroleum Co. Common Stock	1,400	39-1/8(700) 39-1/4(700)	55,346.83	4.30
1/3/58	Sinclair Oil Corporation Common Stock	1,000	48-1/2(300) 48-5/8(700)	48,980.42	6.12
1/13/58	Chemical Corn Exchange Bank Capital Stock	500	43-3/8Net	21,687.50	5.30
1/14 & 15/58	Consolidated Natural Gas Co. Capital Stock	1,200	41 (100) 41-1/2(1000) 41-3/4(100)	50,203.88	4.78
1/15/58	Firestone Tire & Rubber Co. Common Stock	600	89 (300) 89-3/4(300)	53,888.64	2.89
1/13/58	First National Bank of Boston Capital Stock	300	65-1/2Net	19,650.00	5.11
1/14/58	Public Service Electric & Gas Co. Common Stock	1,600	31-1/2(900) 31-5/8(700)	50,979.92	5.65
1/15/58	Sears, Roebuck & Co. Common Stock	2,000	25-5/8	51,806.20	4.25
1/16 & 29/58	Aetna Casualty & Surety Co. Capital Stock	200	129Net(50) 133-1/2Net(150)	26,475.00	2.04
1/17/58	Aluminum Co. of America Common Stock	800	61-1/2	49,529.20	1.94

*Includes brokerage commission paid. **Yield at present indicated annual dividend rate.

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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**
1/20/58	Armco Steel Corporation Common Stock	1,100	46 (400) 46-1/8(200) 46-3/8(300) 46-1/2(100) 46-5/8(100)	\$ 51,269.25	6.44%
1/21/58	Caterpillar Tractor Co. Common Stock	800	62 (100) 62-1/2(700)	50,279.95	3.82
1/16/58	Continental Illinois Natl. Bank & Trust Co. of Chicago Common Stock	300	87-1/2Net	26,250.00	4.57
1/16/58	First National City Bank of New York Capital Stock	400	58-3/4Net	23,500.00	5.11
1/20/58	Household Finance Corp. Common Stock	900	28-1/2(200) 28-5/8(700)	26,001.17	4.15
1/22/58	Houston Lighting & Power Co. Common Stock	900	55-1/2	50,314.95	2.86
1/21/58	Pittsburgh Plate Glass Co. Capital Stock	700	69-3/4(100) 70 (100) 70-1/4(100) 70-1/2(100) 71 (300)	49,644.36	3.88
1/20/58	Shell Oil Company Common Stock	800	63 (300) 62-3/4(300) 62-1/2(200)	50,555.24	3.16
1/22/58	Southern California Edison Company Common Stock	1,000	50-3/4	51,150.80	4.69
1/17/58	Union Pacific Railroad Co. Common Stock	2,000	25-3/8(500) 25-1/2(1000) 25-5/8(500)	51,555.00	6.21

*Includes brokerage commission paid. **Yield at present indicated annual dividend rate.

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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**
1/27/58	Corning Glass Works Common Stock	600	79-1/2(500) 80 (100)	\$ 48,007.75	1.87%
1/30/58	Crown Zellerbach Corp. Common Stock	1,000	49 (200) 49-1/8(200) 49-1/4(300) 49-1/2(300)	49,646.26	3.63
1/30/58	General Foods Corporation Common Stock	1,000	52-1/4(200) 52-3/8(800)	52,752.38	3.79
1/27/58	Ohio Edison Company Common Stock	1,000	52-3/4(100) 53 (100) 53-1/8(300) 53-1/4(100) 53-1/2(400)	53,640.74	4.92
1/28/58	Owens-Illinois Glass Company Common Stock	800	65 (200) 65-1/4(600)	52,482.18	3.81
1/28/58	Standard Oil Company (New Jersey) Capital Stock	1,000	50-7/8(500) 51 (500)	51,338.45	4.38
2/4/58	Texas Utilities Co. Common Stock	1,000	48-7/8Net	48,875.00	3.27
1/29/58	Union Carbide Corp. Capital Stock	500	93-3/8(100) 93-1/2(200) 93-5/8(100) 93-3/4(100)	46,996.78	3.83
1/29 & 30/58	United Gas Corporation Common Stock	1,700	29-5/8(500) 29-3/4(200) 30-1/8(500) 30 (500)	51,334.11	4.97
1/28 & 2/6/58	United States Fidelity & Guaranty Co. Capital Stock	400	63-1/2Net(100) 64-1/2Net(300)	25,700.00	3.11
2/3/58	American Tel. & Tel. Co. Capital Stock	300	171-7/8	51,712.50	5.22

*Includes brokerage commission paid. **Yield at present indicated annual dividend rate.

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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**
2/5/58	Atchison, Topeka & Santa Fe Ry. Co. Common Stock	2,600	19-3/4	\$ 51,993.50	7.00%
2/3/58	Continental Oil Co. (Del) Capital Stock	1,100	43-3/8(700) 44-1/8(100) 44-1/4(300)	48,455.28	3.63
2/5/58	Florida Power & Light Co. Common Stock	800	60-5/8(400) 60-1/2(100) 60-3/8(100) 60-1/4(200)	48,715.89	2.30
2/6 & 7/58	General Electric Company Common Stock	800	63-1/8(400) 63-3/8(400)	50,930.60	3.14
2/4/58	General Motors Corporation Common Stock	1,400	35-1/8	49,630.84	5.64
2/3/58	Mellon National Bank & Trust Co. Common Capital Stock	200	124Net	24,800.00	3.23
2/3/58	National Cash Register Co. Common Stock	900	53-3/4(500) 54 (400)	48,838.50	2.21
2/6 & 7/58	R. J. Reynolds Tobacco Co. New Class B. Common Stock	800	67-3/8(600) 67-1/4(200)	54,208.90	5.31
2/4, 5 & 6/58	Virginia Electric & Power Co. Common Stock	1,800	27-7/8(100) 28 (1200) 27-3/4(500)	50,783.84	3.54
2/18/58	Aetna Life Insurance Co. Capital Stock	100	181	18,150.00	1.87
2/25/58	Connecticut General Life Insurance Capital Stock	100	251	25,150.00	0.80
2/24/58	Aluminum Co. of America Common Stock	800	64-3/4(100) 64-7/8(700)	52,219.41	1.79

*Includes brokerage commission paid. **Yield at present indicated annual dividend rate.

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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**
2/26/58	Corn Products Refining Co. Common Stock	1,400	36 (1300) 36-1/8(100)	\$ 50,874.56	4.40%
2/20/58	The Detroit Edison Co. Capital Stock	1,300	39-3/4(1100) 39-1/2(200)	51,663.59	5.03
2/26/58	E. I. du Pont de Nemours & Co. Common Stock	300	177-3/4	53,475.00	3.65
2/21 & 24/58	Federated Department Stores, Inc., Common Stock	1,500	33 (1000) 33-1/8(500)	50,035.30	4.80
2/21/58	The Goodyear Tire & Rubber Co. Common Stock	700	71-1/8(300) 71-1/4(200) 71-1/2(200)	50,182.39	3.35
2/19, 21 & 25/58	Gulf Oil Corp. Capital Stock	500	103 (100) 103-1/2(100) 104 (100) 102 (100) 101 (100)	51,576.35	2.42
2/20/58	International Business Machines Corp. Capital Stock	100	337	33,750.00	0.77
2/25/58	Kimberly-Clark Corp. Common Stock	1,000	50-1/8(500) 50-1/4(200) 50-3/8(200) 50-1/2(100)	50,637.74	3.55
2/24/58	Merck & Co. Common Stock	1,100	42-7/8(200) 43 (400) 43-1/8(500)	47,739.18	2.77
2/20/58	Minnesota Mining & Mfg. Co. Common Stock	700	75-7/8(100) 76 (100) 76-1/8(100) 76-1/2(400)	53,698.40	1.56
2/25/58	National Lead Co. Common Stock	500	90	45,220.00	3.59

*Includes brokerage commission paid. **Yield at present indicated annual dividend rate.

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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**
2/27/58	Bethlehem Steel Corp. Common Stock	1,300	38-3/4(400) 38-7/8(900)	\$ 50,934.98	6.13%
2/27/58	U. S. Gypsum Co. Common Stock	700	70-1/2(300) 70-1/4(100) 70 (100) 69-7/8(200)	49,444.16	3.89
2/24, 25, 26, & 27/58	The Procter & Gamble Co. Common Stock	900	56-5/8(100) 56-3/8(100) 57 (200) 57-5/8(500)	51,879.00	3.47
2/28/58	Eastman Kodak Co. Common Stock	500	101-3/4(400) 101-7/8(100)	50,713.01	2.81
2/28/58	Philadelphia Electric Co. Common Stock	1,300	39-1/2(200) 39-5/8(800) 39-3/4(300)	51,977.62	5.00
	Totals	<u>64,500</u>		\$ <u>3,292,800.50</u>	<u>3.87%</u>

*Includes brokerage commission paid.

**Yield at present indicated annual dividend rate.

SALE OF STOCK DIVIDEND AND RIGHTS

Date Sold	Security	Net Proceeds
2/16/58	500/1000ths fractional share International Business Machines Corporation Capital Stock, received as part of 2-1/2% stock dividend	\$ 168.00
2/13/58	600 Rights to subscribe for American Telephone & Telegraph Co. 4-1/4% Convertible Debentures, due March 12, 1973, at 3.03125 per right	1,770.53

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PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - PROPOSED CONTINUATION OF INVESTMENT ADVISER SERVICE OF LIONEL D. EDIE AND COMPANY, INC. --The contract with the Lionel D. Edie and Company, Inc., for investment advisory services on the Permanent University Fund investment program expired February 14, 1958. It is the opinion of the University administration and the Land and Investment Committee that the advisory services should be continued for at least one additional year. Accordingly, it is recommended that the Endowment Officer be authorized to execute a renewal contract with the Edie firm for an additional year, beginning February 15, 1958, and ending February 14, 1959, at the same fee of \$7,500 annually, payable quarterly at the end of each quarter after performance of the work called for under the contract as required by the State Comptroller. See Page 858.

AUTHORIZATION TO SELL U. S. TREASURY 2-3/8s MATURING JUNE 15, 1958, AND TO REINVEST THE PROCEEDS IN TREASURY BILLS. --See Page 873. The Permanent University Fund now holds \$5,000,000 par value U. S. Treasury 2-3/8% bonds, maturing June 15, 1958, the proceeds from which will be needed temporarily to help finance the purchase program now underway on the Permanent University Fund Bonds, Series 1949, the settlement date now set for the bonds to be purchased as July 1, 1958. The 2-3/8s are now selling at around 100-10/32nds, reflecting some probable rights value at maturity. It now appears that market conditions will be such after the terms are announced around the end of May or first of June by the Treasury Department for the refunding of the 2-3/8s that sale of the Permanent Fund's holding sometime between June 1 and the maturity date of June 15 would be advantageous in that the rights value on the issue would be realized. Also, since the proceeds would not be needed for the Series 1949 purchase program until around July 1, reinvestment in Treasury bills for the remainder of June would provide an income advantage over holding the proceeds. Accordingly, it is recommended that the Endowment Officer be authorized to sell the \$5,000,000 U. S. Treasury 2-3/8s, maturing June 15, 1958, and to reinvest the proceeds in Treasury bills due just prior to July 1, 1958, the final decision as to whether or not market conditions warrant sale and reinvestment and the timing of such actions to be subject to the approval of the Staff Investment Committee, comprised of the Vice President for Fiscal Affairs, the Endowment Officer, the Senior Security Analyst, and the Assistant to the Endowment Officer.

REFUNDING PERMANENT UNIVERSITY FUND BONDS, SERIES 1949: See Page 872
 AUTHORIZATION FOR CONTRACT WITH AGENTS FOR PURCHASE OF UNCOMMITTED BONDS. --At the meeting of the Board of Regents on October 11, 1957, approval was given for the employment of F. S. Smithers & Co. of New York and Emerson & Co. of San Antonio as agents of the University for both a limited bond purchase program to be terminated December 20, 1957, and for a bond exchange and/or purchase program to be conducted in the spring to complete the refunding operation. The contract and Supplemental Agreement covering the limited bond purchase program of last fall have been executed and ratified by the Board. However, the contract covering the second phase of the refunding operation has not yet been approved, because it is desirable to delay until the last practicable time before determining the terms of the offer to be tendered to the holders of uncommitted bonds.

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Under the limited purchase program of last fall, the Permanent University Fund purchased at various discounts \$1,956,000 par value of The University of Texas bonds and \$1,095,000 par value of the Texas A. & M. College bonds. In addition, the Permanent University Fund is committed to purchase on July 1, 1958, at 99-1/2, \$542,000 par value of The University of Texas bonds and \$265,000 par value of the Texas A. & M. College bonds. These latter bonds have been acquired by our agents and currently are being warehoused in San Antonio. Accordingly, there remains outstanding and uncommitted \$3,452,000 par value of The University of Texas bonds and \$1,615,000 par value of the Texas A. & M. College bonds, a total of \$5,067,000 par value.

Until recently, the staff had contemplated that the spring refunding program would include offering to the holders of the uncommitted bonds two options, namely: either to exchange their bonds for refunding bonds carrying an attractive coupon, or to sell their bonds to the Permanent University Fund at an attractive price. As a result of recent staff studies, it now seems clear that the holders of callable bonds should be offered only the opportunity to sell their bonds to the Permanent University Fund at the call price of 102, and that the holders of the \$750,000 par value of bonds maturing July 1, 1959, should be offered only the opportunity to sell their bonds to the Permanent University Fund at a price of 100-1/2. This latter price is very slightly above the price at which the 1959 series was originally sold.

This staff conclusion was canvassed at length at a meeting held February 24 which, among others, was attended by Clyde Freeman, Comptroller of the Texas A. & M. College, Paul Horton of our bond counsel firm, and representatives from our agent bond houses. This meeting confirmed the conclusion as to the desirability of the single purchase offer approach.

Briefly, the considerations leading to this conclusion are as follows:

1. A substantial interest saving would result. It is believed that an exchange offer in April, in order to be attractive, must carry a coupon at least .3% higher than the current market. This would involve an increase in total interest cost over the life of the refunding issue in the amount of \$165,825. Further, in view of the rising trend of bond prices, it is believed that the refunding bond issue could be sold at a lower yield in July than presently obtains; if so, a further saving in interest cost would result.
2. The purchase offer at the indicated prices would be attractive to all bondholders, virtually assuring the success of the refunding program.
3. The operation would be much simpler to handle than an option to exchange or to sell.
4. The total premium involved amounting to \$90,090 would be substantially offset by total discount of \$79,481, already realized on the limited bond purchase program of last fall.

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5. Funds to purchase the uncommitted bonds will be available from a \$5,000,000 Treasury bondholding maturing on June 15, supplemented by one month of royalty income.

Accordingly, it is recommended that the Board of Regents authorize the Chairman to execute a contract with the agent bond houses (F. S. Smithers & Co. and Emerson & Co.) to cover the purchase program for the presently uncommitted bonds. It is recommended that this contract include, among other matters, the following provisions: (1) the period during which the bondholders are to be solicited for sell commitments is to begin April 1 and end May 15, unless the latter date is extended by mutual agreement; (2) holders of the 1959 series are to be offered a price of 100-1/2 and holders of the 1960-69 series are to be offered a price of 102; (3) the bonds committed are to be delivered without the July 1 coupon in Austin on July 1, 1958, against payment at the State Treasury; (4) at least 85% of the total outstanding University of Texas bonds and at least 85% of the total outstanding Texas A. & M. College bonds are to be sold to the Permanent University Fund or committed for such sale in order for either bond refunding to be declared effective; (5) the services to be provided by the agent bond houses are to be described in detail; and (6) the total compensation of the agent bond houses is to be \$17,850 to be paid 2/3 by The University of Texas and 1/3 by Texas A. & M. College; of this total compensation \$10,000 is to be paid April 1, 1958, and the remainder when the refunding is completed, that is when the refunding bonds are actually exchanged for the outstanding bonds.

It is further recommended that the Board of Regents authorize the Endowment Officer, after 85% of The University of Texas outstanding bonds have been sold or committed to the Permanent University Fund, to call all of The University of Texas bonds of the 1960-69 series for payment July 1, 1959, at 102 and accrued interest, the call notice to be published as prescribed by the bond resolution. It will be necessary for the Texas A. & M. College to join in the contract covering the bond purchase program and to authorize the call of the Texas A. & M. College outstanding bond series 1960-69. Accordingly, a copy of this recommendation will be forwarded to the Board of Directors of that institution for their consideration.

At a later date it is expected that the staff will recommend that the Board of Regents authorize the sale at competitive bidding of all refunded bonds of The University of Texas and of Texas A. & M. College which have been purchased by the Permanent University Fund. It will not be necessary for the Board of Directors of Texas A. & M. College to concur in this recommendation.

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PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - AUTHORIZATION TO SELL IN INSTALLMENTS PRIOR TO MATURITY U. S. TREASURY 2-1/4% BONDS DUE JUNE 15, 1962/59, AND TO REINVEST THE PROCEEDS IN CORPORATE SECURITIES. -- The Permanent University Fund now holds \$6,000,000 par value U. S. Treasury 2-1/4% Bonds, due June 15, 1962/59, which, under the present approved policy for the investment program for the Fund, will be reinvested in corporate securities upon maturity. The present amortized book price of the bonds is 98.71627 and the current market price is 99.09375 (average of Bid-Ask for 3/7/58), thus indicating sale under present and prospective market conditions at a small profit. Present conditions in the petroleum industry indicate that receipts from oil royalties to the Fund will probably be considerably decreased during the remaining months of 1958 and possibly longer. In order that the dollar averaging program for corporate securities can be maintained without material interruption or curtailment, it is recommended that the Endowment Officer be authorized to sell all or part of the \$6,000,000 Treasury 2-1/4s, due June 1, 1962/59, in installments prior to maturity as needed for the corporate security purchase program provided market conditions warrant sale at the time such sale proceeds are deemed necessary to the continuation of the dollar averaging corporate security purchase program without interruption or curtailment. The timing of such sales shall be subject to the approval of the Staff Investment Committee, comprised of the Vice President for Fiscal Affairs, the Endowment Officer, the Senior Security Analyst, and the Assistant to the Endowment Officer.

PERMANENT UNIVERSITY FUND--LAND MATTERS.--

LEASES AND EASEMENTS. --The Land and Investment Committee has given consideration to the following applications for various leases and easements on University Lands. All are at the standard rate unless otherwise stated, are on the University's standard forms, and have been approved as to form by the University Land and Trust Attorney and as to content by the University Endowment Officer. The Land and Investment Committee asks that the Board approve these applications and authorize the Chairman of the Board to execute the instruments involved:

POWER LINE EASEMENT NO. 1046, TEXAS ELECTRIC SERVICE COMPANY, WINKLER COUNTY, TEXAS. --This application for a power line right-of-way easement to Texas Electric Service Company covers 1,662 rods of line at \$0.05 per rod per year in Sections 3, 4, 5, 10, 11, 13 and 14, Block 21, University Lands, Winkler County, Texas. This easement is for a 10-year period beginning December 1, 1957, and ending November 30, 1967. The full consideration of \$831.00 for the 10-year period has been received.

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PIPE LINE EASEMENT NO. 1047, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS. --This application for a pipe line easement to El Paso Natural Gas Company covers 263.636 rods of 8-5/8 - inch natural gas pipe line at \$1.00 per rod in Sections 15 and 16, Block 9, University Lands, Andrews County, Texas, for a 10-year period beginning January 1, 1958, and ending December 31, 1967. The full consideration of \$263.64 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1048, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS. --This application for a pipe line easement to El Paso Natural Gas Company covers 320.4 rods of 6-5/8 - inch natural gas pipe line at \$0.75 per rod in Sections 21, 23 and 24, Block 1, University Lands, Andrews County, Texas, for a 10-year period beginning January 1, 1958, and ending December 31, 1967. The full consideration of \$240.30 for the 10-year period has been received.

POWER, TELEPHONE AND TELEGRAPH EASEMENT NO. 1049, HUMBLE PIPE LINE COMPANY, UPTON AND CROCKETT COUNTIES, TEXAS (RENEWAL OF EASEMENT NO. 337). --This application for a power, telephone and telegraph line easement to Humble Pipe Line Company covers 1,486 rods of line at \$0.05 per rod per year in Sections 3, 12, 13, 14, 17 and 18, Block 14, University Lands, Crockett and Upton Counties, Texas, for a 10-year period beginning January 1, 1958, and ending December 31, 1967. The full consideration of \$743.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1051, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS. --This application for a pipe line easement to El Paso Natural Gas Company covers 12.485 rods of 4-1/2 - inch natural gas pipe line at \$0.50 per rod in Section 26, Block 1, University Lands, Andrews County, Texas, for a 10-year period beginning January 1, 1958 and ending December 31, 1967. The full minimum consideration of \$50.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1052, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS. --This application for a pipe line easement to El Paso Natural Gas Company covers 5.570 rods of 4-1/2 - inch natural gas pipe line at \$0.50 per rod in the SW/4 of Section 14, Block 1, University Lands, Andrews County, Texas, for a 10-year period beginning January 1, 1958, and ending December 31, 1967. The full minimum consideration of \$50.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1053, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS. --This application for a pipe line easement to El Paso Natural Gas Company covers 366.00 rods of 4-1/2 - inch natural gas pipe line at \$0.50 per rod in Sections 29 and 32, Block 1, University Lands, Andrews County, Texas, for a 10-year period beginning January 1, 1958, and ending December 31, 1967. The full consideration of \$183.00 for the 10-year period has been received.

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PIPE LINE EASEMENT NO. 1054, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS. --This application for a pipe line easement to El Paso Natural Gas Company covers 305.576 rods of 4-1/2 - inch natural gas pipe line at \$0.50 per rod in Sections 29 and 30, Block 1, University Lands, Andrews County, Texas, for a 10-year period beginning January 1, 1958 and ending December 31, 1967. The full consideration of \$152.79 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1055, COMANCHE PIPE LINE COMPANY, WARD COUNTY, TEXAS (RENEWAL OF EASEMENTS NOS. 335 AND 404 TO SHELL PIPE LINE CORPORATION, COMBINED WITH ADDITIONAL LINES IN TAYLOR-LINK FIELD). --This application for a pipe line easement to Comanche Pipe Line Company covers 3,233 rods of 2-inch and 4-inch oil pipe line at \$0.25 per rod and 215.20 rods of 6-inch oil pipe line at \$0.50 per rod in Sections 31, 32 and 33, Block 16, Section 6, Block 17, and Sections 12, 13, 14 and 24, Block 18, University Lands, Ward County, Texas, for a 10-year period beginning November 1, 1957 and ending October 31, 1967. This easement is a renewal of Easements Nos. 335 and 404 to Shell Pipe Line Corporation, combined with additional lines in the Taylor-Link Field. Easements Nos. 335 and 404 were issued to Shell Pipe Line Corporation but were assigned by them to Comanche Pipe Line Company, together with its gathering system in the Taylor-Link Field. The full consideration of \$915.85 for the 10-year period has been received.

POWER LINE EASEMENT NO. 1056, WEST TEXAS UTILITIES COMPANY, CRANE COUNTY, TEXAS. --This application for a power line right-of-way easement to West Texas Utilities Company covers 160 rods of line at \$0.05 per rod per year in Section 47, Block 30, University Lands, Crane County, Texas. This easement is for a 10-year period beginning October 1, 1957, and ending September 30, 1967. The full consideration of \$80.00 for the 10-year period has been received.

POWER LINE EASEMENT NO. 1057, TEXAS ELECTRIC SERVICE COMPANY, ECTOR COUNTY, TEXAS. --This application for a power line right-of-way easement to Texas Electric Service Company covers 324 rods of line at \$0.05 per rod per year in Section 1, Block 35, Ector County, Texas. This easement is for a 10-year period beginning January 1, 1958, and ending December 31, 1967. The full consideration of \$162.00 for the 10-year period has been received.

SALT WATER DISPOSAL EASEMENT NO. 1058, MONSANTO CHEMICAL COMPANY (LION OIL COMPANY DIVISION), WINKLER COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 334). --This application for renewal of Easement No. 334 covers a site of 338.62 acres in Sections 1, 12 and 13, Block 21, University Lands, Winkler County, Texas, to be used as a waste water reservoir for impounding waste salt and sulphur water. The period covered begins January 28, 1958, and ends January 27, 1963, at a rate of \$5.00 per acre for the 5-year period, for which rental of \$1,693.10 has been received. Easement No. 334, of which this is a renewal, was originally issued to Lion Oil Company, which has been merged into Monsanto Chemical Company.

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RESIDENCE SITE EASEMENT NO. 1059, BILL LAQUEY, CRANE COUNTY, TEXAS. --This application for a residence site easement covers a tract of land 400 feet by 400 feet in the NE/4 of Section 34, Block 31, University Lands, Crane County, Texas, for a period of one (1) year beginning January 1, 1958, and ending December 31, 1958, with an option to extend and renew from year to year for a total period of 10 years at a rental of \$50.00 per year. This site was under lease to Mr. W. R. Price under Residence Site Easement No. 921, which expired December 31, 1957. Rental of \$50.00 for the year ending December 31, 1958, has been received.

PIPE LINE EASEMENT NO. 1060, PHILLIPS PETROLEUM COMPANY, CRANE COUNTY, TEXAS. --This application for a pipe line easement to Phillips Petroleum Company covers 128.1 rods of 4-1/2 - inch natural gas pipe line at \$0.50 per rod in Sections 35 and 36, Block 30, University Lands, Crane County, Texas, for a 10-year period beginning February 1, 1958, and ending January 31, 1968. The full consideration of \$64.05 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1061, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS. --This application for a pipe line easement to El Paso Natural Gas Company covers 116.102 rods of 4-1/2 - inch natural gas pipe line at \$0.50 per rod in Sections 29, 32, and 33, Block 1, University Lands, Andrews County, Texas, for a 10-year period beginning February 1, 1958, and ending January 31, 1968. The full consideration of \$58.05 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1062, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS. --This application for a pipe line easement to El Paso Natural Gas Company covers 47.861 rods of 4-1/2 - inch natural gas pipe line at \$0.50 per rod in Section 29, Block 1, University Lands, Andrews County, Texas, for a 10-year period beginning February 1, 1958, and ending January 31, 1968. The full minimum consideration of \$50.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1063, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS. --This application for a pipe line easement to El Paso Natural Gas Company covers 4.242 rods of 4-1/2 - inch natural gas pipe line at \$0.50 per rod in Section 16, Block 9, University Lands, Andrews County, Texas, for a 10-year period beginning February 1, 1958, and ending January 31, 1968. The full minimum consideration of \$50.00 for the 10-year period has been received.

BUSINESS SITE EASEMENT NO. 1064, H. E. PEARCE, WARD COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 338). -- This application for renewal of a business site easement covers a tract of land 100 feet square in Section 1, Block 16, University Lands, Ward County, Texas, for use of a filling station and cafe. The period of this easement begins July 1, 1958, and ends June 30, 1959, with the option to extend and renew the lease from year to year, not to exceed a total period of 10 years from July 1, 1958, upon payment in advance of annual rental of \$100.00. Rental of \$100.00 for the first year has been received.

PIPE LINE EASEMENT NO. 1065, KEWANEE OIL COMPANY, CRANE COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 343). --This application for a pipe line easement to Kewanee Oil Company covers 1,735 rods of 2-3/8 - inch pipe line at \$0.25 per rod in Sections 27, 28 and 29, Block 30, University Lands, Crane County, Texas, for a 10-year period beginning May 1, 1958, and ending April 30, 1968. The full consideration of \$433.75 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1066, SOUTHERN UNION GAS COMPANY, WARD COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 356). --This application for a pipe line easement to Southern Union Gas Company covers 390 rods of 4-inch gas pipe line at \$0.25 per rod in Section 1, Block 18, and Sections 38 and 39, Block 17, University Lands, Ward County, Texas, for a 10-year period beginning March 1, 1958, and ending February 29, 1968. The full consideration of \$97.50 for the 10-year period has been received.

WATER CONTRACT NO. 77, RALPH LOWE, ANDREWS COUNTY, TEXAS (RENEWAL OF WATER CONTRACT NO. 66). --This application for a water contract to Ralph Lowe of Midland, Texas, grants him permission to continue to produce and sell water from water wells in Block 12, University Lands, Andrews County, Texas, under the following provisions: royalties paid to the University are at the rate of 12-1/2% for all water sold for the purpose of drilling oil or gas wells on University Lands and at the rate of 20% for all water sold for the purpose of drilling oil or gas wells on non-University lands; a minimum charge of \$2,500.00 to be paid for all water furnished to a drilling rig while prospecting for oil above the depth of 7,500 feet, and a minimum charge of \$25.00 per day to be paid for all water furnished while prospecting for oil below the depth of 7,500 feet. This contract, which is a renewal of Water Contract No. 66 that expired November 30, 1957, is for a period of two years beginning December 1, 1957, and ending November 30, 1959, subject to cancellation on sixty days' notice by either party.

REQUEST FROM COMMISSIONERS' COURT, CROCKETT COUNTY, TEXAS, FOR CALICHE FROM UNIVERSITY LANDS FOR PAVING VAUGHAN OIL FIELD ROAD, CROCKETT COUNTY, TEXAS. --Permission has been requested by the Commissioners' Court of Crockett County, Texas for use of caliche from University Lands to pave the Vaughan Oil Field Road, which is a cut-off road six miles in length, being paved primarily for use by employees of various oil and gas companies operating on University Lands. It is the plan of the Commissioners' Court to attempt to find caliche on lands owned by individuals closer to the project but if they are unable to find suitable caliche pits on private lands, they request permission for caliche from University Lands. It has been our custom to issue numbered caliche permits in such instances specifying the amount of caliche used. It is recommended that approval be given the County for such caliche, if needed, free of charge with the University Land Agent to check and determine the amount used from University Lands, after which an instrument can be prepared and executed by the Chairman upon approval as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

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PIPE LINE EASEMENT NO. 1067, GULF OIL CORPORATION, ANDREWS COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 344). --This application for a pipe line easement to Gulf Oil Corporation covers 327.27 rods of 2-inch natural gas pipe line at \$0.25 per rod in Sections 4 and 5, Block 14, University Lands, Andrews County, Texas, for a 10-year period beginning March 15, 1958, and ending March 14, 1968. The full consideration of \$81.82 for the 10-year period has been received.

RECOMMENDATION FOR CANCELLATION OF BUSINESS SITE EASEMENT NO. 352, O. M. KIRKEBY, REAGAN COUNTY, TEXAS. --This business site easement was granted to O. M. Kirkeby for a 10-year period beginning September 1, 1948 and has been used for a drive-in theatre. Rental has been paid annually by Mrs. O. M. Kirkeby, widow of the lessee, until September 1, 1957. Since that time there have been correspondence and contacts with Mrs. Kirkeby, who now resides in Abilene, concerning payment of the \$300 rental due, both by the University Land Agent and the University Attorney. Mrs. Kirkeby has advised the Land Agent that she is agreeable to cancellation of the easement. It is recommended that this business site easement be cancelled for non-payment of rent, effective September 1, 1957, that the University Land Agent be authorized to dispose of such improvements as may remain on the property with demand to be made of Mrs. Kirkeby for the balance still due and owing after salvage.

REVISION OF REQUIRED OPERATING AND REPORTING PROCEDURES UNDER UNIVERSITY OIL AND GAS LEASES AND GEOPHYSICAL EXPLORATION PERMITS. --Section I-D of the Required Operating and Reporting Procedures Under University Oil and Gas Leases and Geophysical Exploration Permits is quoted as follows:

D. INFORMATION TO BE MAILED TO. --

University Lands Oil and Gas Auditor
Fourth Floor - Land Office Building
Austin 14, Texas
Attention: Mr. W. R. Cavett

1. The following are to be filed after the lease is on production basis, or if oil or gas be produced while drilling, and not later than the 20th day of the month immediately following the month during which such production was secured:
 - a. Copies of all daily gauge reports, pipe-line or truck-transport run tickets, both actual or void; or meter readings, the pipe-line statement for oil or condensate sold, used, lost, or moved off the lease; invoices for the trucking of oil or condensate where the cost thereof reduces the royalty valuation; gas statements; a copy of the Railroad Commission's Form 3-266-A; and any other memoranda pertaining to the production and sale, use or loss of oil and/or gas.
 - (1) Applications for consolidation for common tankage should include copy of sketch of leases before and after proposed consolidation, and a copy of each Railroad Commission form used concerning this proposed consolidation.

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b. The following are to be filed as soon as each becomes available:

- (1) Tank Tables, and any revision thereof;
- (2) Copies of any contracts made for the sale of gas; or contracts made for trucking oil, if the cost thereof will be charged against the royalty valuation of the oil sold;
- (3) Notice of cessation of all production of oil and/or gas from a University lease.
- (4) Correction run tickets, whenever issued.

c. Affidavits of ownership for oil or any other substances brought onto a lease which will be commingled with oil produced from the lease, being used in fracturing or otherwise treating a well, the value of which substances might be deductible from oil sales; and contemporary notice as to such lessee-owned substances brought onto a lease; describing the nature of the substance, its volume, and cost.

After consideration by the Board for Lease of University Lands on January 9, 1958, the Commissioner of the General Land Office mailed to Operators of oil and gas leases on University Lands a letter directing that certain of the above-listed reports be sent to him rather than to the University Oil and Gas Auditor. On January 31, the Endowment Officer wrote the Operators requesting that, pending revision of the required procedures by the Board of Regents, all of the above-listed material be sent to the Commissioner of the General Land Office. Therefore, it is recommended that the Required Operating and Reporting Procedures Under University Oil and Gas Leases and Geophysical Exploration Permits be revised to provide for mailing of the above-listed material and reports to the Commissioner of the General Land Office.

PIPE LINE EASEMENT NO. 1068, PHILLIPS PETROLEUM COMPANY, ANDREWS AND CRANE COUNTIES, TEXAS. --This application for a pipe line easement to Phillips Petroleum Company covers 110.4 rods of 6-5/8 - inch natural gas line at \$0.75 per rod, 565.1 rods of 4-1/2 - inch natural gas line at \$0.50 per rod and 39.3 rods of 3-1/2 - inch gasoline line at \$0.25 per rod in Section 33, Block 31, Crane County, Texas; Sections 5 and 6, Block 1, Section 5, Block 10, and Section 2, Block 13, Andrews County, Texas. This easement is for a 10-year period beginning February 1, 1958, and ending January 31, 1968. The full consideration of \$375.18 for the 10-year period has been received.

CHANNEL RIGHT-OF-WAY EASEMENT NO. 1069, TEXAS STATE HIGHWAY COMMISSION, EL PASO COUNTY, TEXAS. --This application for a channel right-of-way easement to the Texas State Highway Commission covers a tract of 0.459 acres in Section 24, Block L, University Lands, El Paso County, Texas, for construction of a channel to obtain proper drainage in the vicinity of Station 1350 + 13 on the northeast side of Interstate Highway No. 20, a relocation of U. S. Highway 80 - Interstate - in El Paso County. Highway right-of-way at this location was included in

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Easement No. 918 to the Texas State Highway Commission without provision for this channel readjustment, which has become necessary since approval of Easement No. 918. No consideration is involved in this easement.

PIPE LINE EASEMENT NO. 1070, EL PASO NATURAL GAS COMPANY, CRANE AND PECOS COUNTIES, TEXAS. --This application for a pipe line easement to El Paso Natural Gas Company covers 3,500.846 rods of 20-inch natural gas pipe line at \$1.50 per rod in Sections 6 and 7, Block 30, Sections 12, 13, 24, 25, 26, 35, 38, 46, 47, Block 31, Crane County, Texas; and Sections 17, 18 and 20, Block 19, Pecos County, Texas. This easement is for a 10-year period beginning March 1, 1958, and ending February 29, 1968. The full consideration of \$5,251.27 for the 10-year period has been received.

APPLICATION BY EL PASO NATURAL GAS COMPANY AND HUNT OIL COMPANY FOR AMENDMENT TO WATER CONTRACT NO. 54. --By instrument dated June 18, 1952, the Board of Regents entered into Water Contract No. 54 with Wilshire Oil Company covering Sections 6, 7, 18 and 19, Block 31, University Lands, Crane County, Texas, the rights under which contract have been duly assigned by Wilshire Oil Company to Lone Star Producing Company and then by Lone Star Producing Company to El Paso Natural Gas Company and Hunt Oil Company. The water contract was granted in connection with Easement No. 531 with the Wilshire - Lone Star-McElroy Gasoline Plant. El Paso Natural Gas Company and Hunt Oil Company now ask that this water contract be amended so as to allow assignment without consent of the Board of Regents, but with notice to the University, to a corporation with which the lessee may be merged or consolidated, or which shall have acquired substantially all of their assets, and furthermore to allow such assignment under any mortgage placed upon the property of the lessee. El Paso Natural Gas Company is closing a Supplementary Mortgage Indenture and requests the amendment to the water contract so that its rights can be assigned under the mortgage. It is recommended that the Board of Regents approve the amendment to the water contract and authorize execution of the appropriate instruments by its Chairman upon approval as to content by the Endowment Officer and as to form by the University Land and Trust Attorney.

TRUST AND SPECIAL FUNDS--INVESTMENT MATTERS. --

REPORT OF PURCHASES, EXCHANGES, SALES AND REDEMPTION OF SECURITIES. --The following purchases, exchanges, sales and redemption of securities have been made for the trust and special funds since the report of January 11, 1958. We ask that the Board ratify and approve these transactions:

<u>Date</u>		<u>Principal Cost</u>
1/28/58	\$10,000 par value West Texas Utilities Company First Mortgage Bonds, Series E, 3-7/8%, due January 1, 1988, purchased at 101.335 Net to yield 3.80% to maturity (Funds Grouped for Investment)	\$10,133.50
	\$ 5,000 par value Ditto (The James W. McLaughlin Fellowship Fund - Reserve for Depletion)	5,066.75

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<u>Date</u>			<u>Principal Cost</u>
1/29/58	\$ 8,000	par value Consolidated Natural Gas Company 5% Debentures, due September 1, 1982, purchased at 108-3/4 Net to yield 4.44% to maturity (Funds Grouped for Investment)	\$ 8,700.00
	\$ 5,000	par value Ditto	5,437.50
	\$ 5,000	par value Houston Lighting & Power Company First Mortgage 4-3/4% Bonds, due November 1, 1987, purchased at 107-5/8 Net to yield 4.26% to maturity (The James W. McLaughlin Fellowship Fund - Reserve for Depletion)	5,381.25
	160	Shares R. J. Reynolds Tobacco Company New Class B Common Stock, 60 shares purchased at 66-1/4 and 100 shares at 66 per share	10,649.84
	200	Shares Wisconsin Electric Power Company Common Stock, purchased at 34-7/8 per share (William Heuermann Fund for Cancer Research)	7,039.88
	100	Shares C. I. T. Financial Corporation Common Stock, purchased at 48 per share (Wilbur S. Davidson Educational Fund)	4,839.00
1/30/58	200	Shares Bethlehem Steel Corporation Common Stock, purchased at 39-1/8 per share (William Heuermann Fund for Cancer Research)	7,894.12
	150	Shares National Dairy Products Corporation Common Stock, 50 shares purchased at 40-5/8 and 100 shares at 40-3/8 per share (Wilbur S. Davidson Educational Fund)	6,127.28
	\$ 5,000	par value United States 3-1/4% Treasury Bonds of 1983-78, due June 15, 1983/78, purchased at 99.625 Net to yield 3.27% to maturity (Student Property Deposit Scholarship Fund)	4,981.25
1/31/58	100	Shares Commonwealth Edison Company Common Stock, purchased at 43-1/4 per share (Wilbur S. Davidson Educational Fund)	4,361.63
2/6/58	150	Shares American Can Company Common Stock, 50 shares purchased at 43-3/4 and 100 shares at 42-1/2 per share (William Heuermann Fund for Cancer Research)	6,447.86

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EXCHANGES

<u>Date</u>	<u>Security</u>	<u>Principal Cost</u>
2/3/58	\$500,000 par value U. S. 2-1/2% Treasury Bonds of 1956-58, due March 15, 1958, exchanged for \$500,000 par value U. S. 3-1/2% Treasury Bonds of 1990, due February 15, 1990 (William Buchanan Foundation Grant)	No cash
	\$ 5,000 maturity value United States of America Treasury Bills, due April 15, 1958, exchanged for \$5,000 maturity value U. S. 2-1/2% Treasury Certificate of Indebtedness of Series A-1959, due February 14, 1959. (Interest adjustment paid at rate of \$4.14365 per \$1,000 par value - \$20.72) (Murray Case Sells Foundation Student Loan Fund)	No cash

SALES AND REDEMPTIONS

<u>Date</u>	<u>Security</u>	<u>Net Proceeds</u>
1/3/58	6/50th fractional share Square D Company Common Stock (La Verne Noyes Foundation)	\$ 2.60
1/6/58	16/100th fractional share Rockwell Manufacturing Company Common Stock (John Charles Townes Foundation - Wright Chalfant Morrow Fund)	
1/10/58	5/25ths fractional share The Borden Company Capital Stock (Hogg Foundation: W.C. Hogg Estate Fund)	12.39
1/9/58	28 Shares Allied Finance Company Capital Stock, sold at 26 per share	717.53
1/14/58	1 Share The Pittston Company Common Stock, sold at 41-1/4 per share	38.66
2/3/58	1/20th fractional share The Pittston Company Common Stock	2.31
1/24/58	39.728 Shares Investors Mutual, Inc., Capital Stock, redeemed at \$8.63 per share (College of Arts & Sciences Foundation)	342.85
2/3/58	\$3,500 maturity value U. S. Savings Bonds, Series F - \$1,500 maturity value, dated May 1, 1948, due May 1, 1960, and \$2,000 maturity value, dated October 1, 1950, due October 1, 1962, redeemed as of February 1, 1958 (Book Cost - \$2,590.00) (Texas Union Repairs and Replacement Fund)	3,067.00 (1)

(1) Includes \$477.00 accrued interest paid to redemption date.

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<u>Date</u>		<u>Security</u>	<u>Net Proceeds</u>
2/13/58	122	rights to subscribe for American Telephone & Telegraph Company 4-1/4% Convertible Debentures, due March 12, 1973, at 2.99557939 per right (Funds Grouped for Investment)	\$ 356.02
	343	rights Ditto (Hogg Foundation: W. C. Hogg Estate Fund)	1,000.97
	100	rights Ditto (Hogg Foundation: Varner Properties)	291.83
	40	rights Ditto (J. L. Henderson Textbook Collection)	116.73
	61	rights Ditto (Henry Beckman Scholarship in Mathematics for University of Texas First-year Students)	178.01
	33	rights Ditto (The James W. McLaughlin Fellowship Fund - Reserve for Depletion)	96.30
2/17/58	12/100ths	fractional share The Goodyear Tire & Rubber Company Common Stock (La Verne Noyes Foundation)	9.30
	10/50ths	fractional share The Texas Company Capital Stock (E. D. Farmer International Scholarship Fund)	11.93
	18/50ths	fractional share Ditto (La Verne Noyes Foundation)	21.46

PURCHASES MADE BY TEXAS WESTERN COLLEGE

<u>Date</u>		<u>Security</u>	<u>Principal Cost</u>
2/13/58	\$45,000	maturity value U. S. Treasury Bills, dated February 6, 1958, due May 8, 1958, purchased at 99.60 to yield 1.58% to maturity (Construction Funds) (Constitutional Building Amendment Funds)	\$44,820.00
2/17/58	\$34,000	maturity value Ditto (Student Union Building Fee Account)	33,864.00

PURCHASES
(Continued)

<u>Date</u>		<u>Security</u>	<u>Principal Cost</u>
2/26 & 27/58	\$ 8,000	par value Philadelphia Electric Company First & Refunding Mortgage 3-1/8% Bonds, due April 1, 1985, purchased at 93 plus commission to yield 3.53% to maturity (Funds Grouped for Investment)	\$ 7,460.00

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TEXAS JOURNALISM SCHOLARSHIP FUND (NOW DAVID M. WARREN AND ALVAH MEYER WARREN JOURNALISM SCHOLARSHIP FUND) - RECOMMENDATION RE SALE OF CAPITAL STOCK OF PANHANDLE STATE BANK, BORGER, TEXAS. --At the current meeting, the President's Docket will present a gift of Mr. David M. Warren, Sr., of 50 shares of Panhandle State Bank of Borger, Texas, Capital Stock. Mr. David M. Warren, Jr., has now offered to purchase the stock at \$30 per share, this being the valuation basis on which ~~the~~ father, now deceased, reported the gift for tax deduction. It is recommended by the Land and Investment Committee that the Endowment Officer be authorized to accept the purchase offer of Mr. Warren, Jr., and to execute whatever instruments may be necessary to effect the sale of the stock, the proceeds from the sale to be credited to the endowment account of the Texas Journalism Scholarship Fund, now, since the death of Mr. Warren, Sr., to be called by the terms of his gift the "David M. Warren and Alvah Meyer Warren Journalism Scholarship Fund."

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LILA BELLE ETTER TRUST FUND - RATIFICATION OF SALE OF SECURITIES BY TRUSTEE TO PROVIDE FOR APPROPRIATIONS. --To provide funds for appropriations by the Board of Regents payable from the Lila Belle Etter Trust Fund, it has been necessary to request the Trustee of the Estate, the Republic National Bank of Dallas, to liquidate certain assets of the Estate over the period July, 1956 through January, 1958 as follows:

	Proceeds <u>Less 1% Trustee's Fee</u>
\$40,000 Savings and Loan Association Share Accounts	\$ 39,600.00
\$12,000 U. S. Treasury 2-1/2% Bonds due 12-15-69/64	11,325.60
\$ 5,000 City of Greenville GO 2-1/2% Bonds due 6-1-76/67	4,681.09
2,474 rights to subscribe to Republic National Bank Stock	<u>979.53</u>
	<u>\$ 56,586.22</u>

Ratification of the liquidation of these assets is recommended by the University staff.

M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE - AUTHORIZATION TO SELL ONE HUNDRED SHARES ANDERSON, CLAYTON & COMPANY COMMON STOCK HELD IN THE HARMON WHITTINGTON FUND. --The M. D. Anderson Hospital and Tumor Institute now holds 400 shares of the Anderson, Clayton & Company Common Stock donated by Mr. and Mrs. Harmon Whittington of Houston, Texas, at various times from 1951 through 1956, to be "used for the benefit of the operations of the M. D. Anderson Hospital for Cancer Research in whatever manner might be determined by a committee consisting of Dr. R. L. Clark, Jr., Director of the M. D. Anderson Hospital, and Mr. James E. Anderson of Houston, Texas." The Board of Regents as trustee has been given full power and authority to sell any part or all of the stock

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and to use both the dividends from the stock and the proceeds from the sale of any of the stock in carrying out the purposes of the gift.

The Business Manager of the M. D. Anderson Hospital and Tumor Institute has now requested the Endowment Officer to sell 100 shares of the Anderson, Clayton & Company Common Stock held in the Whittington Fund. Accordingly, it is recommended that the Endowment Officer be authorized to sell the 100 shares requested and to transmit the proceeds therefrom to the Anderson Hospital to be used as directed under the terms of the gift.

TRUST AND SPECIAL FUNDS--GIFTS, BEQUEST AND ESTATE MATTERS. --

MEDICAL BRANCH - REPORT ON WILL OF MRS. JULIA NOTT WAUGH, DECEASED. --The University has been advised by the Frost National Bank of San Antonio, Independent Executor of the Estate of Julia Nott Waugh of San Antonio, who died recently, of a provision in Mrs. Waugh's Will naming the Medical Branch as second alternate beneficiary of the residue of her Estate, with the further advice that the principal and first alternate beneficiaries had survived, so that the Medical Branch would receive nothing. The provision in the Will is quoted as follows:

XXII. I give, devise and bequeath all the rest, residue and remainder of all the property which I may own or have the right to dispose of at the time of my death, of every kind and character whatsoever and wheresoever situated, absolutely and in fee simple to RALPH NELSON if he survives me, or if he should not survive me, to SCOTT CARLYSLE GRAHAM RAHT, or if SCOTT CARLYSLE GRAHAM RAHT should also not survive me, to the UNIVERSITY OF TEXAS, SCHOOL OF MEDICINE at Galveston, Texas. Such gift to the UNIVERSITY OF TEXAS, SCHOOL OF MEDICINE is made by me in memory of the Drs. Nott who practiced in Texas; namely, Dr. Rufus A. Nott, Dr. Thomas H. Nott, Dr. Junius Nott, and Dr. Thomas Edwin Nott, Jr., and such gift shall be used by the Board of Regents or other governing body of such school, in such manner as such Board of Regents, or other governing body, may, in its discretion, deem most advisable in establishing and providing a scholarship or scholarships to enable worthy young men and women to study medicine at such school, or to assist worthy young men and women in studying medicine at such school.

A copy of the Will is in the file of the Secretary of the Board of Regents, and it is recommended that the Board approve closing the matter based on the information already received.

M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE - ESTATE OF ANNA LUCAS - ANNA AND FANNIE LUCAS MEMORIAL GIFT. --This fund consisting of \$3,744.00 invested in U. S. Savings Series J Bonds with maturity value of \$5,000.00 in 1966, \$6.00 in cash and one or two mineral interests of nominal value came to the University in 1952 under the following provisions in the Will of Miss Anna Lucas, and has been carried in Funds Which Will Probably Be Transferred to Funds Grouped for Investment:

"One-third (1/3) of the above mentioned monies shall be given to the ANDERSON FOUNDATION FOR CANCER RESEARCH located in Houston, Texas, and shall be used in such capacity

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and manner as the Board of Directors of the Anderson Foundation for Cancer Research of the University of Texas, shall deem fit and proper, but shall be used for cancer research and shall be known as the 'Anna and Fannie Lucas Memorial Gift'."

Though carried under Endowment Funds on the Records of M. D. Anderson Hospital and Tumor Institute, it appears that appropriate dedication of the fund has not been made heretofore by the Board of Regents. Dr. Clark, with the approval of President Wilson, recommends that the Board establish the fund as an Endowment Fund, "Anna and Fannie Lucas Memorial Gift", with the income to be used for cancer research at M. D. Anderson Hospital and Tumor Institute. It is expected that the Savings Bond will be held to maturity, and that the proceeds will then be placed in Funds Grouped for Investment.

MAIN UNIVERSITY - PANHELLENIC AND INTERFRATERNITY COUNCILS GIFT. --The Panhellenic Council and Interfraternity Council, through the Special Fund Committee, have discussed with appropriate members of the staff, including the Dean of Men and the Dean of Women, a proposal for the Councils to turn over to the Board of Regents approximately \$36,000 in cash derived from accumulated proceeds of the Varsity Carnival under a trust agreement. The Councils will reserve the right to make additions to the trust fund, including reinvestment of income, and contemplate allocation of funds annually from the proceeds of the Varsity Carnival and such other donations as may be realized from time to time.

Other provisions of the trust agreement will cover the following:

1. The Board of Regents as trustee will have the right to resign from the trust at any time upon ninety days' written notice to the Councils.
2. The income received from the investments will be under the control of the Councils and shall be used by them exclusively for worthy religious, charitable, scientific, and educational purposes that are connected or associated with the University.
3. The Board of Regents will have broad investment powers in line with the Texas Trust Act.

It is recommended that the Board of Regents accept the proposal of the Panhellenic and Interfraternity Councils and authorize its Chairman to execute the appropriate instrument when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer. It is further recommended that the Board approve placing the trust funds in Funds Grouped for Investment on the quarterly entry date next following receipt of the funds.

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TEXAS WESTERN COLLEGE - PROPOSED ACCEPTANCE OF PROPERTY DEVISED UNDER THE WILL OF LUCILLE T. STEVENS, DECEASED. --A report was made to the Board of Regents on November 3, 1956, setting out the provisions in the Will of Mrs. Lucille T. Stevens of El Paso devising property in El Paso to Texas Western College with the income only to be used for the purpose of scholarships in the amount of \$5,000 each "for deserving young men who are seeking higher education for special lines of work, as ministers of the gospel, physicians, lawyers, scientists and engineers." Business property at Texas Street and North Mesa Avenue, under lease to 1965 at \$1,200 monthly and inventoried in the Estate at a value of \$375,000, is devised outright to the College. Property on North Piedras Street inventoried at a value of \$110,000 is devised to J. R. Tindall, brother of Mrs. Stevens, for life and then to the College.

The El Paso National Bank, Independent Executor of the Estate, has notified President Holcomb that Administration is nearing completion, after final clearance of tax matters, and that in the near future it will wish to pay over to the College net income to date on the first piece of property in the approximate amount of \$12,000.

It is recommended that the Board of Regents accept on behalf of Texas Western College the properties devised under the Will (the second piece subject to the life estate), and that the Chairman be authorized to execute any instruments required for such acceptance when approved as to form by the Land and Trust Attorney and as to content by President Holcomb and the Endowment Officer.

REPORT OF BEQUEST UNDER THE WILL OF MRS. HATTIE E. GAINES, DECEASED. -- The Austin National Bank, named as Independent Executor of the Estate, and Mr. W. W. Patterson, Attorney for the Estate, have notified the University of the provisions of the Will of Mrs. Hattie E. Gaines, widow of Mr. John Q. Gaines. The Will has been filed for probate in Travis County and is subject to being probated on March 10, 1958.

The Will provides for the residue estate, estimated to be around \$60,000, to be held in trust by The Austin National Bank with one-half of the income to be paid to John R. Gaines, son of the decedent during his life, and one-half to the University as follows:

VI. B. One-half (1/2) of net income, so long as my son, John Reyburn Gaines, survives me, is to be paid to the Board of Regents of The University of Texas, hereinafter called Board, as Trustee, for the use and benefit of The University of Texas, to be used by them for the purpose of establishing a John Q. Gaines Foundation. This fund is to be expended, if such is practicable, in the study of the causes and cure of cancer in the manner as said Board, acting by majority vote, may in their sole discretion determine with the understanding that if it becomes impracticable for any reason, or if it becomes unwise in the judgment of the Board for the funds to be used in cancer research, then such Board may by majority vote, designate another proper purpose, or purposes, which it may deem more appropriate.

The Will further provides that upon the death of John R. Gaines, the Board of Regents will become trustee of the fund and use the income, also with power to expend the principal, for the purposes set out above. This report is for the information of the Board of Regents.

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TOREADOR ROYALTY CORPORATION - REPORT ON TRANSACTIONS AND RECOMMENDATION RE PROXY FOR PREFERRED STOCK AND DIRECTORS REPRESENTING THE BOARD OF REGENTS. --A report to the Board of Regents on January 11, 1958, regarding Toreador Royalty Corporation matters contained information on a Special Meeting of Stockholders called for January 13, 1958, primarily for the purpose of increasing Toreador's authorized Common Stock from 800,000 shares to 2,000,000, all 62-1/2¢ per share par value, and increasing the Board of Directors from 7 to 10 members with the 3 additional members to represent Common Stock and to be selected in accordance with a pending agreement for the exchange of 310,000 shares of the proposed new Common Stock for mineral interests owned by Pease River Cattle Corporation. The proposed action was approved at the Special Meeting of Stockholders. The Board of Directors then met in Dallas on January 24 and completed necessary action by it for closing the Fulton Lease and closing the exchange of common stock for mineral interests with Pease River Cattle Corporation. Both transactions were closed during the following week of January 27. New Directors now on the Board in accordance with the action of the Stockholders on January 13 and the contract with Pease River Cattle Corporation are as follows: Charles J. Stewart, Partner, Lazard Freres & Co., Investment Bankers of New York; Leo Model, Partner, Model, Roland & Stone, Investment Bankers of New York; and Alan T. Christie, Partner, Lambert & Co., Capital Investments, of New York.

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The Board of Directors declared at the January 24 meeting full dividend of 4% from 1957 earnings on the \$600,000 par value of the Corporation's Preferred Stock held by the Board of Regents in the Toreador Trust Fund for Salary Supplementation for the School of Law, and the check for \$24,000 should be received in the near future.

The Annual Meeting of Stockholders and a meeting of the Board of Directors are expected early in April, and it is recommended that the Board of Regents designate Jas. L. Shepherd, Jr., and J. C. Thompson as the two Directors representing the Preferred Stock for formal election at the Annual Meeting of Stockholders and that it constitute Jas. L. Shepherd, Jr., and J. C. Thompson, or either of them, as the Board's proxies in voting the Preferred Stock at the Annual Meeting.

MEDICAL BRANCH - ESTATE OF A. C. McLAUGHLIN - REPORT ON STATUS OF CALIFORNIA ESTATE AND RECOMMENDATION RE APPROVAL AND CLOSING. --The last report to the Board of Regents on the California Administration on the Estate of A. C. McLaughlin was on June 29, 1957, in which it was indicated that the Estate would be closed soon. However, delays were encountered, and just recently the University has received a copy of the Final Accounting of Mr. A. C. McLaughlin, Jr., Administrator with Will Annexed, and related papers pertaining to Final Hearing and closing the Estate. Total Estate on hand, most of which is in cash, is shown at approximately \$230,000 before payment of Administrator's fees, attorneys' fees, and final court costs and miscellaneous expenses. Petition has been filed for allowance of \$12,913.92 as fee to Mr. McLaughlin and the same amount to the attorneys for the Administrator, each being for services from the beginning of the administration in early 1952 to date and each being as

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allowed by statute in California to the extent of \$8,913.92 and the remainder of \$4,000 each being for extraordinary services in the course of the administration. In addition, fee to Mr. Ralph E. Smith, who was employed as special tax attorney for the Estate, is to be set by the court; and it is understood this will be approximately \$10,000. After delivery of specific bequests of jewelry, household furniture, and the like to the decedent's children, the Estate is to be divided approximately 3/4 to the University and 1/4 to two grandchildren of the decedent in accordance with an earlier court decree. Each share is to bear its own State of California Inheritance Taxes which were paid earlier, the tax against the University's share having been \$17,210.37.

It is estimated that the University will receive \$125,000 to \$130,000 net cash from the Estate. This does not take into account final fee to Mr. George W. Wilson, California attorney for the University in the matter, statement for which has not been received.

It is recommended that the Board of Regents approve the Final Accounting of the Administrator, and the fees applied for, and that the Chairman of the Board be authorized to execute appropriate papers that may be required for delivery of the University's share of the Estate, after approval as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

TRUST AND SPECIAL FUNDS--REAL ESTATE MATTERS.--

TEXAS WESTERN COLLEGE - PROPOSED RENEWAL OF FARM LEASE TO MR. JOHN T. BEAN ON COTTON ESTATE PROPERTY, CITY OF EL PASO, TEXAS.--Mr. A. A. Smith, Business Manager, has recommended, and Dr. Dysart E. Holcomb, President, has approved the renewal of the farm lease to Mr. John T. Bean on a 109.212 acre tract of land out of the Cotton Estate Property in the city of El Paso, Texas, for the 1958 calendar year. The terms of the lease are the same as those for 1957. Texas Western College is to receive one-third of the gross proceeds from all crops and will pay one-third of the cost of fertilizer used and the total cost of electricity required for operation of the irrigation pump on the premises. It is recommended that the Board approve the renewal for 1958 as outlined above, with the lease to be signed by the Chairman after approval as to content by the Endowment Officer and as to form by the Land and Trust Attorney.

MEDICAL BRANCH, THE WALTER JUNIUS HILDEBRAND SCHOLARSHIP FUND - PROPOSED RENEWAL OF FARM LEASE AND CONTINUED REDUCTION IN RENTAL, GONZALES COUNTY, TEXAS, TO MALCOLM GESCHEIDLE FOR 1958.--The Walter Junius Hildebrand Scholarship Fund owns a 299 acre tract of land in Gonzales County, Texas, which has been under a farming lease to Malcolm Gescheidle on an annual basis, renewable from year to year, since January 1, 1954. For the period January 1, 1954, through December 31, 1956, the annual rental was \$700, payable \$350 on January 1 and July 1 of each year. At the January 12, 1957, meeting of the Board of Regents, Mr. Gescheidle's request for a reduction in annual rental to \$600 for 1957, payable January 1 and July 1, was approved and he has made the same request for 1958. It is recommended that the Endowment Officer be authorized to notify Mr. Gescheidle of continuation of the lease through 1958 at rental of \$600 for the year, payable \$300 on January 1 (which has been received) and \$300 on July 1.

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HUNTINGTON LANDS - PROPOSAL FOR DUCK HUNTING LEASE FROM BERNARD OTT ET AL, GALVESTON COUNTY, TEXAS. --Mr. Bernard Ott et al of Galveston have proposed a duck hunting lease covering the Wilson Point area of the Huntington Lands with no consideration offered other than the construction of one duck blind for the use of the faculty and staff of the Medical Branch. They propose a lease for 5 years with an option to renew for another five years, though the lease would have reasonable cancellation rights reserved to the University. Considering possible problems under such an arrangement and the fact that others in the area have from time to time expressed an interest in a duck hunting lease, it is recommended that the Board of Regents decline the proposal.

TEXAS WESTERN COLLEGE - LUCILLE T. STEVENS ESTATE - RECOMMENDATION RE APPROVAL OF LEASE ON SPACE IN NORTH PIEDRAS STREET BUILDING, EL PASO, TEXAS. --El Paso National Bank, Executor of the Stevens Estate (see above under Gift, Bequest and Estate Matters) proposes that the Board of Regents approve and agree to be bound by a lease covering a store space in the building at 801 North Piedras Street, El Paso, Texas, now vacant. The lease will be for five years at rental of \$175.00 monthly for the first two years and \$200.00 monthly for the last three years. Such an agreement is required by the lessee since the property is devised under the Will to J. R. Tindall, brother of Mrs. Stevens, for life and then to Texas Western College of The University of Texas. The lease will reserve to the Board of Regents the right of cancellation on 6 months' notice in the event of Mr. Tindall's death during the 5-year term of the lease.

It is recommended that the Board of Regents approve the lease proposal and authorize its Chairman to execute the appropriate instrument when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

TEXAS WESTERN COLLEGE - COTTON ESTATE - RECOMMENDATION RE PROPOSED FILING OF PLAT AND DEDICATION OF STREETS IN COTTON ADDITION, EL PASO, TEXAS. --Surveying work authorized by the Board and being concluded by Lance Engineering Company covering the Cotton Estate property in the Cotton Addition, El Paso, has disclosed missing street dedications, most of which have been duly authorized by the Board of Regents but not satisfactorily of record in El Paso, as well as discrepancies in the exact location of some of the streets.

Lance Engineering Company has completed a plat of the property and streets in question (copy available at Board meeting), and it is deemed advisable to dedicate the correct location of all streets on the plat in the public records of El Paso by approving and filing this plat and/or instruments of dedication. Therefore, it is recommended that the Chairman be authorized to execute said plat and/or instruments of dedication upon approval by President Holcomb, the Land and Trust Attorney, and the Endowment Officer, in appropriate form for filing, and that the plat then be filed in appropriate public offices in El Paso.

HOGG FOUNDATION - W. C. HOGG MEMORIAL FUND - RECOMMENDATION
RE AUTHORIZATION FOR RETAINING WALL WORK ON BECKER-MEYER
PROPERTY, SMITH STREET AND TEXAS AVENUE, HOUSTON, TEXAS. --

This vacant property was built up for parking lot purposes around 1937 with several feet of fill. Necessary retaining walls on two sides of the property constructed of timber and lumber are giving way and must be repaired to protect the University's property as well as adjoining property. Ours is leased to Classified Parking System to February 1, 1959, and brings rental, including excess above guaranteed rental, of approximately \$500 monthly.

It is recommended that the Endowment Officer be authorized to contract for repairs and/or replacement of sections of the retaining wall with J. W. Lander Construction Company of Houston, subject to approval of terms by the Vice President for Fiscal Affairs, total expenditure not to exceed \$5,000.

HOGG FOUNDATION - VARNER PROPERTIES - RECOMMENDATION RE
AUTHORIZATION FOR ROOFING WORK ON MITCHELL PROPERTY See Page 891.
(BETTES BUILDING), HOUSTON, TEXAS. -- The roof on the Bettes

Building in Houston is in need of extensive repairs. After appropriate investigation by the Endowment Officer of the work required and estimates of cost, it appears most economical to replace only part of the roof and repair the remaining portion. The extent of some of the repairs cannot be determined until work is in progress and competitive bids of advantage to the University will be difficult to obtain.

It is recommended that the Endowment Officer be authorized to contract for such roof repairs, subject to approval of terms by the Vice President for Fiscal Affairs, with A. M. Bowles Company of Houston, maximum expenditures to be \$4,000.

HOGG FOUNDATION - VARNER PROPERTIES - REPORT AND RECOM-
MENDATION RE DELINQUENT TAXES ON VARNER BUILDING SOLD
TO PAPPAS COMPANY, INC. UNDER VENDOR'S LIEN AND DEED OF
TRUST NOTE. --On January 11, 1958, a report was made to the Board
of Regents on accumulated delinquent taxes on the Varner Building property
sold to Pappas Company, Inc., in July, 1954; and the Endowment Officer
was authorized to notify Pappas Company, Inc., that the Board expected
to direct at its next meeting immediate foreclosure proceedings unless
all delinquent taxes had been paid in full by that time, or a plan of retire-
ment satisfactory to the Board presented at that meeting.

The Company has gone into the problem with the University and has given assurance in writing that all taxes, including 1958 taxes but with the possible exception of 1954 assessments, will be paid in full by January 31, 1959. They expect to pursue further the possibilities for removing the 1954 assessments, since the property was tax exempt in the hands of the University on January 1, 1954; and, therefore, they do not wish to commit themselves to payment of the 1954 assessment, made for that portion of the year during which the property was owned by them. Taxes assessed for 1954 amount to \$7,641.88, including penalties and interest to February 28, 1958. Unpaid balances on 1955 taxes amount to \$11,441.74 and on 1957 taxes, \$11,399.56, both including penalties and interest to February 28, 1957. Thus the unpaid total for the three years, including 1954, is \$30,483.18.

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The Company is now on an installment plan with both tax collectors for payment of these taxes but not in sufficient payments to pay all of them by January 31, 1959, as proposed to the University. However, additional funds are expected to be available in 1958.

The Company has given as one reason for the accumulation of taxes the urgent need to renovate and remodel parts of the building in order to make it rentable. They report that expenditures for this work since 1954 amount to \$150,000 to \$200,000, and an inspection of the property gives reasonable support to the estimate.

It is recommended that the Board withhold action under its lien regarding taxes until after January 31, 1959, with notice by the Endowment Officer to Pappas Company, Inc., that the taxes are to be handled as proposed, or the Board's rights under assignment of lease on part of the building, between Pappas Company, Inc., as Lessor and Pappas Refrigeration Company as Lessee will be exercised. The assignment of this lease, which is for five years from January 15, 1955, at rental of \$40,000 annually, was given as additional security for the Vendor's Lien Note held by the Board of Regents.

HOGG FOUNDATION - VARNER PROPERTIES - CANCELLATION OF SENS LEASEHOLD AND PURCHASE OF PROPERTY, CONGRESS AND MILAM, HOUSTON, TEXAS. -- One of the properties acquired by the Board of Regents as Trustee of the Hogg Foundation in the Varner Company acquisition in 1952 was a leasehold on Lots 1 and 2, Block 18, S. S. B. B., City of Houston, fronting 100 feet on Milam Street and 100 feet on Congress Avenue. The improvements consisted of 2 buildings, one built in 1903 and one in 1877. The lease for 99 years beginning January 1, 1920, was between Otto Sens, Lessor, and W. C. Hogg and Earl Wharton, Lessees, the University having succeeded to the interests of Hogg and Wharton. Otto Sens died after acquisition by the University, and Miss Elma Schneider and Lynette S. Autrey have succeeded to his interest. The lease provides for net rental of \$700 monthly and provides certain obligations to improve the property. Ad valorem taxes paid by the University amount to about \$825, annually, bringing total annual cost to the University of carrying the lease to approximately \$9,225. Income to the University under parking lot lease to Classified Parking System is \$2,100 annually to October 1, 1958, and \$2,400 for the year beginning October 1, 1958, the last year of the lease. In addition, approximately \$350 annually can be expected under excess rental provisions of the lease. Thus, net loss to the University is running at approximately \$6,725 annually.

See Page 891.

The leasehold interest was given a value of \$2,000 in the Varner acquisition, based on appraisals, and was carried on the University's books at this figure until 1956 when the buildings were sold and demolished with gross proceeds to the University of \$3,251 resulting in reduction of book value of the leasehold to the nominal figure of \$1.00.

Shortly after acquisition of the property in 1952, a liability of \$100,000 to cover improvements and other obligations under the lease was set up on the books of Hogg Foundation - Varner Properties and carried to date.

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General deterioration in this older downtown business area of Houston has brought marked decreases in property values, a great part of such decreases occurring since 1952. In September, 1957, Mr. Neville Allison, M. I. A., of Houston appraised the ground at a value of \$30,000, free of lease, and gave as a fair settlement to the Lessors for a release of the lease, they to retain the property, a figure of \$85,000 and \$115,000 as fair settlement with the University to acquire the property.

After consultation with the Land and Investment Committee, the Endowment Office, subject to approval by the Board of Regents, proposed to the Lessors payment by the University of \$100,000 for release of the lease, including release to the University of \$56,000 Government bonds placed in escrow in 1956 to secure the improvement obligations under the lease, and conveyance of the property to the University. If so acquired, the property will be exempt from ad valorem taxes after 1958, and net income to the University while the property is held should run approximately \$2,500 annually. Payment of the \$100,000 would be allocated \$30,000 for release of the lease and \$70,000 for acquisition of the property. The total amount would be charged against the liability account and thus remove it from the books.

The Lessors have accepted the proposal set out above, and it is recommended that the Board of Regents authorize proceeding with the transaction, and that the Chairman be authorized to execute any instruments required of the University when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer. The transaction will be subject to approval of title by the Land and Trust Attorney.

HOGG FOUNDATION - VARNER PROPERTIES - RENEWAL OF LEASE WITH FRANK PITARRA ON FRANK'S BOOT SHOP, MITCHELL PROPERTY (BETTES BUILDING), HOUSTON, TEXAS. --Mr. Frank Pitarra, operating as Frank's Boot Shop, rents the space at 610 Fannin Street, Houston, in the Bettes Building, at \$550 monthly under a lease expiring August 31, 1958, and has proposed that he be given another lease for 2 years from that date at the same rental with option to renew for another 3 years at no increase in rental. The space, which is air conditioned, comprises approximately 885 square feet.

It is recommended that the Board of Regents authorize a new lease with Mr. Pitarra at the same rental, with no option to renew, to run either to August 31, 1960, or a lease at the same rental to December 31, 1962, date of expiration of lease to W. T. Grant Company on major portion of Mitchell (Bettes Building) Property, as Mr. Pitarra may choose, and that the Chairman be authorized to execute the instrument when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

HOGG FOUNDATION: VARNER PROPERTIES - RECOMMENDATION FOR RENEWAL OF LEASES WITH WALTER PYE ON HOLLYWOOD MAN'S SHOP AND HOLLYWOOD SHOP FOR WOMEN, MITCHELL PROPERTY, (BETTES BUILDING), HOUSTON, TEXAS. --Mr. H. Walter Pye has separate leases on two spaces in the Bettes Building in Houston, both expiring September 30, 1958, and has proposed new leases for five years at reduced rental. Hollywood Man's Shop is at 1023 Capitol Avenue with side entrance off Fannin Street and occupies approximately 1,010 square feet of ground floor space and 1,500 square feet of second floor space at rental of \$950.00

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monthly (\$11,400 annually) guaranteed and additional annual rental in the amount by which the following percentages of sales exceed the guaranteed annual rental: 6% of the first \$100,000, 5% of the next \$50,000, and 4% of any excess over \$150,000. Total rental received in 1956 was \$13,244.97 and \$12,277.88 in 1957.

Hollywood Shop for Women occupies 1,070 square feet of ground floor space at 1017-A Capitol Avenue at guaranteed rental \$500.00 monthly and the same additional rental as in the Man's Shop lease. Total rental paid in 1956 was \$7,186.47 and \$7,833.14 in 1957. Air conditioning is furnished both stores by the University.

It is recommended that the Board of Regents authorize new separate leases with Mr. Pye for the period October 1, 1958, to December 31, 1962, the date of expiration of lease to W. T. Grant Company on major portion of Mitchell (Bettes Building) Property, under the same rental terms as the present leases. The leases are to be executed by the Chairman when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

HOGG FOUNDATION: W. C. HOGG FUND - REPORT ON AND RECOMMENDATION FOR RATIFICATION OF PURCHASE FROM MISS IMA HOGG OF ROYALTIES IN WEST COLUMBIA FIELD, BRAZORIA COUNTY, TEXAS. --On October 11, 1957 the Board of Regents accepted a proposal from Miss Ima Hogg for sale of her royalty interests, with certain reservations, in the West Columbia Field, Brazoria County, Texas to the Board of Regents as Trustee of the Hogg Foundation: W. C. Hogg Memorial Fund and authorized Mr. Jeffers to accept the assignment of such interests, make the cash payment, execute and deliver promissory notes and mortgages or deeds of trust, and to do such other things as might be necessary and proper to complete such purchase from Miss Hogg.

By deed dated February 26, 1958, effective February 1, 1958, Miss Hogg has conveyed to the Board as Trustee interests under thirteen tracts in the Martin Varner, J. H. Bell, and George Tenille Leagues in Brazoria County, retaining a vendor's lien and deed of trust lien to secure the payment of promissory note from the Board of Regents as Trustee in the amount of \$550,000. On the same date, Mr. Jeffers executed on behalf of the Board of Regents as Trustee the promissory note, deed of trust to Leon Jaworski, Trustee for the benefit of Miss Hogg, to further secure payment of the note, and agreement also executed by Miss Hogg covering certain aspects of the oil payment reserved by Miss Hogg. The deed from Miss Hogg, as well as the deed of trust, is effective February 1, 1958. Papers were exchanged, together with payment of \$50,000 to Miss Hogg on February 28, 1958.

Miss Hogg has reserved under these various tracts all of her rights to oil, gas and other minerals that may be produced from below the bases of the deepest subsurface strata producing oil, gas or other minerals on February 1, 1958, and in addition she has reserved oil payment of \$500,000 payable out of 50% of royalty produced from the thirteen tracts, such payment to commence after the Board of Regents as Trustee has received \$1,200,000 gross from such royalties. The

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pay-out of the reserved \$500,000 oil payment will be based on prices for oil and gas as of February 1, 1958 and not on prices actually received for the oil and gas at the time of payments against the \$500,000. The separate agreement referred to above pertaining to this oil payment sets out that whenever the reservations under any one tract have been reduced to 3% of its reserves on February 1, 1958, such tract will no longer be subject to the oil payment, though removal of any one or more of the tracts from under the oil payment will not reduce the total amount due under the payment until the last tract may be removed under the provisions of the agreement.

The note is payable in semiannual installments of \$50,000 each beginning August 1, 1958 and bears no interest. The note provides that prepayments shall be permitted and made only under the terms and conditions set forth in the Deed of Trust. The Deed of Trust provides that additional payments, above the \$50,000 semiannual installments, will be made semiannually in the amount of 50% of receipts by the University from the royalties during the preceding six months in excess of the \$50,000 installment required to be made. Such additional payments shall be applied on the installments of the note in inverse order of maturity.

The interests acquired by the Board of Regents as Trustee are listed as follows:

<u>Tract No.</u> <u>in Deed</u>	<u>No. of</u> <u>Acres</u>	<u>Lease Designation</u>	<u>Interest Acquired</u>
1	20	Humble-Hogg-Japhet	7/96 of 8/8 Royalty
2	90.8	Hogg-Hamman	.064137 Royalty Interest (1)
3	80	Mike Hogg et al	7/32 of 8/8 Royalty
4	292.56	Mike Hogg et al D-2	7/72 of 8/8 Royalty
5	1-1/2	Pipkin-Carroll	10.417% Overriding Royalty
6	3	Bullock-Nash	1/32 Overriding Royalty
7	5	Hogg-Hamman "A"	7/96 of 8/8 Royalty
8	In excess of 400	W. C. Hogg (Gulf Coast)	7/96 of 8/8 Royalty
9	20	Hogg-Hamman "B"	7/96 of 8/8 Royalty
10	320	Mike Hogg et al "C"	7/72 of 8/8 Royalty
11	5	(2)	21/96 of 8/8 Royalty
12	1/2	(2)	Exact interest unavailable
13	5	(2)	7/144 Royalty

(1) Plus 7/12 of oil payment with unpaid balance of \$29,048.45 payable out of 1/8 of 8/8.

(2) Apparently covered by leases but not producing.

Though these interests will be exempt from ad valorem taxes after 1958 in the hands of the Board of Regents as Trustee, it is expected that ad valorem taxes for the entire year 1958 will be assessed since owned by Miss Hogg until February. It is therefore recommended that the staff be authorized to prorate with Miss Hogg ad valorem taxes for 1958 when final figures are available, with the Hogg Foundation thus bearing 11/12 of 1958 taxes.

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It is recommended that the Board confirm and ratify the actions of its Chairman and of the staff in completing this transaction, and that it adopt the following resolution:

WHEREAS, on October 11, 1957, the Board of Regents of The University of Texas, as Trustee of the Hogg Foundation: W. C. Hogg Memorial Fund, authorized its Chairman, Leroy Jeffers, to make cash payments on the purchase price of the royalty interests in the West Columbia Oil Field to be acquired from Miss Ima Hogg and to execute and deliver promissory notes or other evidence of indebtedness, mortgages and deeds of trust to secure the unpaid balance of the purchase price and to do such other acts necessary and proper to complete the transaction;

NOW THEREFORE BE IT RESOLVED, that payment of \$50,000 by the Board of Regents as Trustee of the Hogg Foundation: W. C. Hogg Memorial Fund as cash payment for royalty interests conveyed to it by Miss Ima Hogg, and acceptance of conveyance dated February 26, 1958 effective February 1, 1958 be in all things confirmed, ratified, and approved; and

BE IT FURTHER RESOLVED, that the Board of Regents of The University of Texas as Trustee of the Hogg Foundation: W. C. Hogg Memorial Fund does hereby approve, confirm and ratify the execution by its Chairman, Leroy Jeffers, of (1) promissory note dated February 26, 1958 payable to Miss Ima Hogg in the amount of \$550,000, payable in semiannual installments of \$50,000 each beginning August 1, 1958; (2) Deed of Trust dated February 26, 1958 effective February 1, 1958 to Leon Jaworski, Trustee for the benefit of Ima Hogg, as further security for the payment of the promissory note in the amount of \$550,000; and (3) agreement between the Board of Regents as Trustee of the Hogg Foundation: W. C. Hogg Memorial Fund and Miss Ima Hogg pertaining to oil payment reserved under tracts covered by the above-described Deed from Miss Ima Hogg; and

BE IT FURTHER RESOLVED, that Leroy Jeffers, Chairman of the Board of Regents, Trustee of the Hogg Foundation: W. C. Hogg Memorial Fund, be authorized to execute transfer orders and/or division orders covering the interests acquired under Deed from Miss Ima Hogg and to do any and all other acts necessary to give complete effect to the instruments and interests described above.

J. W. McLAUGHLIN FELLOWSHIP FUND - RECOMMENDATION RE AUTHORITY TO SIGN PAPERS RELATING TO RANGELY UNIT OPERATIONS. -- On June 29, 1957, the Board of Regents authorized joinder, under certain conditions, in the unitization of the Rangely Field (Weber Sand) in Rio Blanco County, Colorado, and on October 11, 1957, ratified such joinder. The interest owned by the Board of Regents as Trustee in the entire Unit is .187719 per cent, the major part of which interest is represented by overriding royalties but with a small portion represented by working interests. The operation of the Unit brings to the University many matters for written approval, such as budgets for the Unit, cost estimates, cost allocations, operating changes, and, infrequently, division orders. It is recommended

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that the Endowment Officer be authorized to sign on behalf of the Board of Regents as Trustee all such papers of a routine nature, after appropriate consultation with other members of the staff and with Mr. Stuart McLaughlin as may be indicated under the particular circumstances.

E. D. FARMER INTERNATIONAL SCHOLARSHIP FUND - OFFER FROM JOHN R. DIAL FOR PURCHASE OF PART OF JENNINGS AVENUE PROPERTY, FORT WORTH, TEXAS. --The Board of Regents as Trustee of the E. D. Farmer International Scholarship Fund acquired in 1938 certain real estate through the Estate of E. D. Farmer, and the only piece not sold is the East 60 feet of Lots 1 to 8, inclusive, Block 3, Jennings East Addition on Jennings Avenue, City of Fort Worth. The portion in Lots 3 to 8, inclusive, is improved with a one-story brick building under lease to Motor Parts Depot, Inc., to May 31, 1960, at \$400 per month. The adjoining portion in Lots 1 and 2 is improved with a two-story brick building not in good condition rented to John R. Dial (office furniture and supplies) at \$175.00 monthly, this being on a month-to-month basis since May 31, 1955.

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Mr. Dial has offered \$22,500 cash for the property which he occupies fronting approximately 50 feet on Jennings Avenue and extending back approximately 60 feet. This entire property was appraised in December, 1957, on behalf of the University by Mr. H. H. Morse of Fort Worth at a total value of \$60,000, allocated \$42,000 to the portion occupied by Motor Parts and \$18,000 to that occupied by Mr. Dial. Proposed East-West Expressway to run one block south of the property, with feeder street adjacent to the property, has been taken into account in the appraisal; and it is believed that this development will not affect the University's property significantly, except for probable interference with use during construction.

It is not believed that sale of the portion to Mr. Dial will affect adversely either rental or sales possibilities for the portion occupied by Motor Parts and may be of advantage as to this remaining portion. This remaining portion will have a frontage of 165 feet on Jennings Avenue and an average depth of about 60 feet.

It is recommended that Mr. Dial's offer of \$22,500 cash be accepted, and that the Board of Regents adopt the following resolution:

WHEREAS, by deed dated December 30, 1938, recorded in Volume 1392, Page 281 of the Deed Records of Tarrant County, Texas, George Beggs, Executor and Trustee under the Will of Edward Disney Farmer, deceased, conveyed to the State of Texas for the use and benefit of The University of Texas certain properties in Fort Worth, Tarrant County, Texas, for the establishment of the E. D. Farmer International Scholarship Fund, to which deed and the record thereof reference is made; and

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WHEREAS, among these properties is a tract described as follows:

"Being the East Sixty (60) feet of Lots One and Two, in Block Three (3), of Jennings East Addition to the City of Fort Worth, Tarrant County, Texas, upon which is situated the two story brick building numbered 1113 & 1115 Jennings Avenue, said building facing West on Jennings Avenue about Fifty (50) feet and South about Sixty (60) feet on 15th Street;

and

WHEREAS, the Board of Regents of The University of Texas as Trustee for the E. D. Farmer International Scholarship Fund received an offer from John R. Dial of Fort Worth, Texas, to purchase the above described property for the sum of \$22,500, accompanied by earnest money deposit in the amount of \$1,000; and

WHEREAS, this offer is duly accepted by the Board of Regents of The University of Texas as Trustee of the E. D. Farmer International Scholarship Fund, such sale being advantageous to the University;

NOW THEREFORE, BE IT RESOLVED, that the Chairman of the Board of Regents of the University be and he is hereby authorized and directed to enter into a contract of sale covering the above property and that upon the performance of the contract and upon receipt of the remainder of the consideration the Chairman, Leroy Jeffers, for and on behalf of the Board of Regents of The University of Texas as Trustee of the E. D. Farmer International Scholarship Fund is further authorized and directed to execute, acknowledge and deliver a proper deed conveying the above described property to John R. Dial of Fort Worth, Tarrant County, Texas.

TRUST AND SPECIAL FUNDS - REVENUE BOND FINANCING MATTERS. --

MAIN UNIVERSITY - RATIFICATION OF AGREEMENT WITH McCALL, PARKHURST & CROWE FOR PROPOSED TEXAS UNION BUILDING See Page 894.
BOND ISSUE. --At the June 1, 1956 meeting of the Board of Regents, authorization was given for filing the Preliminary Application with Housing and Home Finance Agency for Loan Commitment to finance expansion of the Texas Union Building. Approval was also given at that time for the employment of the firm of McCall, Parkhurst & Crowe to handle the legal proceedings in connection with the issuance of any bonds to finance the expansion program. Mr. Tom Sealy, then Chairman of the Board, was authorized to execute an agreement with the firm for their services, after approval by the Endowment Officer as to content and the University Land and Trust Attorney as to form. No agreement had been worked out with the firm prior to approval of the Preliminary Application and at the time of the filing of the full Application with the Housing and Home Finance Agency, which was done in January, 1958.

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The agreement has been worked out for a fee of \$3,125 for services in connection with the proposed \$1,900,000 bond issue, plus actual out-of-pocket expenses such as telephone and telegraph tolls and travel expenses if necessary. The agreement was signed by Mr. Leroy Jeffers, Chairman of the Board of Regents, on February 12, 1958 under the terms outlined and your ratification of this action is recommended. Executed copies have been furnished the Secretary of the Board of Regents and McCall, Parkhurst & Crowe.

HOGG FOUNDATION: W. C. HOGG MEMORIAL FUND--PROPOSAL FROM ALLRIGHT, INC. AND D. M. CAROTHERS FOR RENEWAL OF LEASE ON MASSEY PROPERTY, 1108 RUSK AVENUE, HOUSTON, TEXAS.--

The Board of Regents as Trustee of the Hogg Foundation entered into a lease agreement dated July 15, 1950 for a period of ten years ending June 30, 1960 with Allright, Inc. and with D. M. Carothers, Individually (Mr. Carothers is President of Allright, Inc.), covering the 50 x 100 feet of ground at 1108 Rusk Avenue, Houston, at monthly rental of \$1,150.00 throughout the term of the lease. This tenant had been on the property under shorter leases for several years prior to 1950, and its performance under these leases has been entirely satisfactory to the University.

Approximately 14 x 50 feet of this property is occupied by a cafe building, title to which with right to remove was acquired from another tenant by Allright, and the current lease gives Allright the privilege of subleasing this building to Steve G. Caloudas who paid Allright \$400.00 per month until he vacated the building early this year.

Allright now proposes entering into another lease with the Board of Regents for either five or ten years beginning July 1, 1960, expiration of the current lease, at the same rental of \$1,150.00 monthly so that they will be better able to secure a satisfactory subtenant for the cafe building.

This property was acquired by the University in 1939 under the Deed from the Executors of the W. C. Hogg Estate and is carried at a book value of \$115,000.00. No independent appraisal has been made in recent years, but it is believed that the current market value of the property is approximately \$150,000.00. Thus return on estimated market value with rental of \$1,150.00 monthly, or \$13,800.00 annually, amounts to approximately 9.2% net to the University.

Taking into account parking lot returns in this area of Houston with general prospects for the next few years, value of the property, and the University's right to cancel under the current lease and under the proposed new lease on 30 days' notice in the event of sale or improvement with permanent building, it is recommended that the Board of Regents authorize another five-year lease with the tenants beginning July 1, 1960 and expiring June 30, 1965 at rental of \$1,150.00 per month. The new lease will continue the tenants' privilege of subletting the cafe building, with any subtenant to be approved by the Board of Regents. It is further recommended that the Chairman be authorized to execute the proposed instrument when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

Adoption of Report. -- Vice-Chairman Sorrell moved the adoption of the foregoing report. Mr. Thompson seconded the motion which carried unanimously.

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REPORT OF BUILDINGS AND GROUNDS COMMITTEE (See Page 55 for adoption). --At the request of Chairman Jeffers, Mr. Lockwood presented the report of the Buildings and Grounds Committee. 625

Referring to the formal recommendations of the Comptroller that had been furnished each member of the Board in the Material Supporting the Agenda and the Supplement to the Material Supporting the Agenda, he called attention to the following changes that had been approved by the committee upon the recommendation of Comptroller Sparenberg:

I. Bid Opening Scheduled for

A. New Engineering Building, Main University (Page 48) 618

B. Addition to Power Plant Building, Main University (Page 48) 618

II. Additional Furniture and Equipment for Bookstore, Additions and Alterations to Student Union Building, Texas Western College (Page 51) 621

MAIN UNIVERSITY--APPROVAL OF FINAL PLANS AND SPECIFICATIONS FOR NEW ENGINEERING BUILDING. --The final plans and specifications for the New Engineering Building at the Main University, as prepared by the Associate Architect, Jessen, Jessen, Millhouse, and Greeven, under the general supervision of Page, Southerland, and Page, Consulting Architect, have been submitted for consideration and have been approved by the Main University Faculty Building Committee, the Dean of the College of Engineering, Vice-President Ransom, Comptroller Sparenberg, and President Wilson. It is recommended that the Board of Regents approve these plans and specifications and authorize Comptroller Sparenberg to advertise for bids to be received between the April and June meetings of the Regents, probably May 1, 1958, and that the Executive Committee of the Board be authorized to award contracts on the project within the funds appropriated. It is being recommended that this bid opening be scheduled at a date subsequent to the week of the Regents' Meeting now scheduled for April 19, 1958, in order to avoid the obvious disadvantages of competing with the bid opening for a new \$2,600,000.00 Office Building for the Texas Employment Commission, now planned for April 16, 1958. 619 and 858

MAIN UNIVERSITY--APPROVAL OF FINAL PLANS AND SPECIFICATIONS FOR ADDITION TO POWER PLANT BUILDING. --In accordance with authorization by the Board of Regents at the meeting held October 11, 1957, the final plans and specifications for the Addition to the Power Plant Building at the Main University have been prepared by the Associate Architect, Fehr and Granger, under the general supervision of Page, Southerland, and Page, Consulting Architect, and submitted for consideration. They have now been approved by the Main University Faculty Building Committee, Mr. Eckhardt, Director of Physical Plant of Main University, Vice-President Ransom, Comptroller Sparenberg, and President Wilson; and it is recommended that the Board of Regents approve these plans and specifications and authorize Comptroller Sparenberg to advertise for bids to be received between the April and the June meetings of the Regents, probably April 24, 1958, and that the Executive Committee of the Board be authorized 775

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to award a contract on the project within the funds appropriated. It is being recommended that this bid opening be scheduled at a date subsequent to the week of the Regents' Meeting now scheduled for April 19, 1958, in order to avoid the obvious disadvantages of competing with the bid opening for a new \$2,600,000.00 Office Building for the Texas Employment Commission, now planned for April 16, 1958.

MAIN UNIVERSITY--FINAL ACCEPTANCE AND FINAL PAYMENT ON KINSOLVING DORMITORY.--Reports from the Associate Architect and members of the Comptroller's staff indicate that the construction of Kinsolving Dormitory is nearing completion, and that the building will be ready for final inspection and acceptance in the near future. It is, therefore, recommended that the Board appoint a Committee, consisting of President Wilson, Vice-President Doiley, Vice-President Ransom, and Comptroller Sparenberg, to approve final acceptance of this building and final payment therefor. See Page 903. and 663.

MAIN UNIVERSITY--TRANSFER OF PORTION OF APPROPRIATION FOR NEW ENGINEERING BUILDING FROM AVAILABLE UNIVERSITY FUND TO PROCEEDS OF PERMANENT UNIVERSITY FUND BONDS.--In the Texas National Bank of Houston there still remains a balance in the Construction Funds bank account, which was set up at the time the Permanent University Fund Bonds were sold in 1949. This balance is too small to cover the cost of a major building by itself, and it is felt that it would be desirable to use it as quickly as possible so that this bank account may be closed out, if possible, particularly since it is probable that a new bond issue may be approved in the near future. All of the appropriation for the New Engineering Building, final plans and specifications for which are being presented for approval at this meeting of the Board, came from the Available University Fund. It is, therefore, recommended by Comptroller Sparenberg, with the concurrence of Vice-President Dolley and President Wilson, that appropriations be made from accounts as set out below for the New Engineering Building, the total of these amounts to be returned to the Unappropriated Balance of the Available University Fund.

Account No. 92070 - Interest on Construction Funds Time Deposits	\$ 9,948.52
Account No. 92090 - Reserve for Lapsed Balances - New Construction	68,894.51
Account No. 94340 - English Classroom Building	<u>1,795.88</u>
Total	<u>\$80,638.91</u>

These amounts represent all of the balances in these accounts which are on deposit in the Texas National Bank of Houston.

MAIN UNIVERSITY--RATIFICATION AND APPROVAL OF REQUISITIONS FOR CERTAIN MATERIALS AND EQUIPMENT IN CONNECTION WITH PHYSICAL PLANT CONSTRUCTION PROJECTS.--In connection with several of the Physical Plant construction projects at the Main University purchases of certain materials and equipment have been made through purchase order rather than through contracts, all, of course, within the appropriation made by the Board for the particular project. Some of the purchases are for small items of equipment, etc., while others are for

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large pieces of equipment, machinery, etc., involving purchase orders of \$5,000.00 or more. Several of these larger purchase orders have been issued recently on the basis of requisitions signed by Comptroller Sparenberg, and it is recommended that the Board ratify the Comptroller's action in signing requisitions on the basis of which the following purchase orders were issued:

Purchase Order to Westinghouse Electric Supply Company, San Antonio, Texas, in the amount of \$25,211.92, payable out of the appropriation for Replacement of Deficient Lighting and Waste Lines in Chemistry Building.

Purchase Order to Fisher Meek Company, Inc., Houston, Texas, in the amount of \$8,450.12, payable out of the appropriation for Three Expansion Chambers to Replace Expansion Devices in Underground Steam System.

Purchase Order to Milstead Company, Austin, Texas, in the amount of \$8,384.88, payable out of the appropriation for Expansion of Power Plant.

MAIN UNIVERSITY--APPROPRIATION FOR UTILITY TUNNEL ON TWENTY-FOURTH STREET AND APPOINTMENT OF JESSEN, JESSEN, MILLHOUSE, AND GREEVEN AS ASSOCIATE ARCHITECT FOR THE PROJECT.--In order to provide utility services for the proposed New Engineering Building on the north side of Twenty-fourth Street and for future buildings to be erected in this same general area, particularly north of Twenty-fourth Street and east of Speedway, it is necessary to build a new utilities tunnel at the present time, extending from the east end of the Experimental Science Building to the east end of the New Engineering Building, as a minimum, and preferably all the way to the northeast corner of the Main Power Plant. If the new tunnel is extended all the way to the north side of the Main Power Plant, it would not only furnish future service to the areas indicated, but would also help a great deal to insure uninterrupted and more economical operation of steam for heating and steam energy for air conditioning equipment between the Power Plant and the main distribution tunnel adjacent to Speedway. It is urgent that the proposed utilities tunnel, most of which will be on the north side of Twenty-fourth Street, be constructed at the earliest possible date, not only because of the construction of the proposed New Engineering Building and future construction in the same general area, but also in view of mechanical and distribution problems which will be arising when the new central water chilling station, already authorized, is constructed. It would be possible to build a new utilities tunnel at this time only from the east end of the Experimental Science Building to the east end of the New Engineering Building, but a more efficient and more economical job will be done, in the long run, if it is extended at the same time all the way to the northeast corner of the Main Power Plant.

It is recommended by Mr. Eckhardt and the Physical Plant Staff of the Main University and the Comptroller's Office, with Vice-President Dolley concurring, that the amount of \$130,000.00 be appropriated to this project from the Unappropriated Balance of the Available University Fund. It is further recommended that Jessen, Jessen, Millhouse, and Greeven, the Associate Architect on the New Engineering Building, be

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appointed as Associate Architect for this project. It is hoped that the plans and specifications for both projects can be drawn up in such a way that bids can be taken on both projects at the same time, and that, for obvious reasons, we may get the same General Contractor and the same Mechanical Contractor on both projects, even though each will be appropriated for and accounted for entirely separately. It is further recommended that the plans and specifications on this project be approved by the Board at this meeting, and that Comptroller Sparenberg be authorized to advertise for bids on this project, simultaneously with the advertising for bids on the New Engineering Building. In view of the way in which it is recommended that this project be handled, it is understood that the total appropriation recommended includes the usual fees on new construction for both the Associate Architect and the Consulting Architect.

The appropriation recommended covers an estimated 850 linear feet of concrete tunnel, with steel vertical supports and racks for all estimated future requirements for piping for both steam and chilled water lines and return lines. The estimated total of 850 linear feet includes approximately 500 feet from the east end of the Experimental Science Building to the east end of the Engineering Building and 350 feet from that point on to the northeast corner of the Main Power Plant. The appropriation recommended includes approximately 440 feet of twelve-inch steam line, approximately 440 feet of six-inch return lines, and four expansion chambers, but no chilled water lines.

M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE--FINAL ACCEPTANCE AND FINAL PAYMENT ON ADDITIONS AND ALTERATIONS TO M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE BUILDING. --Reports from the Architect, representatives of M. D. Anderson Hospital and Tumor Institute, and members of the Comptroller's staff indicate that the Additions and Alterations to the M. D. Anderson Hospital and Tumor Institute Building are nearing completion, and that the work will be ready for final inspection and acceptance in the near future. It is, therefore, recommended that the Board appoint a Committee, consisting of President Wilson, Vice-President Dolley, Doctor Clark, and Comptroller Sparenberg, to approve final acceptance of this work and final payment therefor. See Page 1117

SOUTHWESTERN MEDICAL SCHOOL--FINAL ACCEPTANCE AND FINAL PAYMENT ON CLINICAL SCIENCE BUILDING. --It now appears that construction of the Clinical Science Building at Southwestern Medical School probably is nearing completion, and that the building may be ready for final inspection and acceptance in the near future. It is, therefore, recommended that the Board appoint a Committee, consisting of President Wilson, Vice-President Dolley, Doctor Gill, and Comptroller Sparenberg, to approve final acceptance of this building and final payment therefor. It is understood that any final payments made will take into account the liquidated damages to be enforced against the General Contractor as reported to the Board at an earlier meeting. See Page 769.

TEXAS WESTERN COLLEGE--SPECIFICATIONS FOR MOVABLE FURNITURE AND EQUIPMENT FOR ADDITION AND ALTERATIONS TO STUDENT UNION BUILDING. --In order that furniture and equipment may be purchased for the Addition and Alterations to the Student Union Building at Texas Western College, it is necessary that specifications

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and some drawings be prepared for this furniture and equipment. It is estimated that the cost of the movable furniture and equipment will be approximately \$44,234.00. Part of this movable furniture and equipment, estimated to cost \$10,000.00, is to be installed in the Bookstore in the remodeled part of the building and is of such a specialized nature that it will require considerable time of "on the site" conferences in order to prepare the necessary drawings. Since it is very important to the College that furniture and equipment be installed as soon as the work is completed in the remodeled part of the building, it is desirable to employ the services of an Architectural firm in El Paso to prepare the necessary drawings and specifications on this special furniture and equipment for the Bookstore and to advertise for bids in between meetings of the Board. Additional furniture and equipment which is not of a specialized nature, in the estimated amount of \$5,000.00, will also be needed in the Bookstore, but these specifications can be prepared in the usual manner by the Comptroller's Office.

It is, therefore, recommended that the firm of Davis, Foster, Thorpe, and Associates, Architects and Engineers, El Paso, Texas, be authorized to prepare the drawings and specifications for the specialized furniture and equipment for the Bookstore at a fee of 5% of the cost of the equipment, estimated at \$10,000.00; that a Committee, consisting of President Holcomb and Comptroller Sparenberg be appointed to approve these drawings and specifications and also the specifications prepared by the Comptroller's Office for the additional \$5,000.00 of furniture and equipment for the Bookstore; that after this approval Comptroller Sparenberg be authorized to advertise for bids; and that this Committee be authorized to award contracts thereon.

As previously decided by the Regents' Buildings and Grounds Committee, the Comptroller's Office is authorized to prepare the specifications for the balance of the Movable Furniture and Equipment for the Addition and Alterations to the Student Union Building at Texas Western College, to be presented to the Board for approval at a later meeting.

See Page 905.

TEXAS WESTERN COLLEGE--TRANSFER OF CONSTITUTIONAL TAX FUNDS FROM STATE TREASURY TO CONSTRUCTION FUNDS BANK ACCOUNT IN EL PASO.--In accordance with Section 17 of Article VII of the Constitution of the State of Texas, originally adopted in 1947, the Board of Regents issued \$820,000.00 par value "Texas Western College of The University of Texas Constitutional Tax Bonds, Series 1949", dated as at June 15, 1949. These bonds were payable from the 5 cents tax levied by the constitutional amendment indicated. Funds to cover the final payment of principal, interest, and service charges on this bond issue, due December 15, 1957, were transferred to the Fort Worth National Bank in October, 1957. Section 17 of Article VII was completely amended by H. J. R. No. 15, 54th Legislature, Regular Session, adopted at the general election November 6, 1956, and does not apply to Texas Western College, effective January 1, 1958, except for taxes levied under the 1947 amendment during the ten-year period ended December 31, 1957.

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to the records of the State Comptroller, the amounts listed on deposit in the State Treasury, at the close of business 28, 1958, to the credit of the funds indicated:

Fund No. 198:	Texas Western College	
	Building Fund	\$153,179.73
Fund No. 216:	Texas Western College	
	Interest and Sinking Fund	-0-

General's Opinion No. WW-311, dated December 13, 1957, The Comptroller of Public Accounts may authorize remit- the colleges named in the 1947 Amendment to the Constitu- xas Article VII, Section 17, in accordance with the alloca- in made, of money received by the State after December 31, m taxes theretofore levied by said 1947 Amendment, although ittances are not to be applied on notes or bonds issued pur- uch amendment." In accordance with this opinion, the State ler has agreed to make present and future transfers of such onger needed to make payments on bonds or notes on vouchers the President of The University of Texas, which vouchers ain a certificate that the funds will be expended in accordance rms of the constitutional amendment.

mmended by Business Manager A. A. Smith and President of Texas Western College, Comptroller Sparenberg, Vice- t Dolley, and President Wilson that the present balance of umulated under Section 17 of Article VII in Fund No. 198, estern College Building Fund, be transferred to The El Paso Bank for deposit in a new account to be entitled: "Texas College of The University of Texas--Constitutional Tax tion Funds", and that future accumulations in the same fund erred in like manner.

er recommended by the same University officials that the thorize the investment of these funds, until such time as they ed for new construction, in such securities as may be approved rment Officer Stewart and Vice-President Dolley, with the covering such investments to be signed by Comptroller Sparen- ccordance with the usual practice on construction funds.

UNIVERSITY--AWARD OF CONTRACTS FOR ADDITION TO BUILDING.--In accordance with authorization given by the the meeting held January 11, 1958, bids for the Addition to ics Building at the Main University were called for and were nd tabulated on March 6, 1958, as shown on Page 61 . ds have been considered by the Physics Department, Mark , Consulting Architect, Fehr and Granger, Associate Architect, ller Sparenberg, Vice-President Dolley, and President Wilson,

See Page 905

See Page 631

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and it is the recommendation of all concerned that contract awards be made to the low bidders as listed below:

General Contract:

J. M. Odom, Austin, Texas		
Base Bid	\$487,781.00	
Add Alternate No. 1	34,000.00	
Add Alternate No. 10	<u>1,700.00</u>	\$523,481.00

Plumbing Contract:

C. G. Puryear, Austin, Texas		
Base Bid		86,700.00

Heating, Ventilating, and Cooling
Water System Contract:

Way Engineering Company Houston, Texas		
Base Bid	\$113,400.00	
Add Alternate No. 1	1,100.00	
Add Alternate No. 3	<u>1,500.00</u>	116,000.00

Electrical Contract:

O. H. Cummins Electric Co. Austin, Texas		
Base Bid	\$ 83,371.00	
Add Alternate No. 3	4,600.00	
Add Alternate No. 4	<u>3,900.00</u>	91,871.00

Laboratory Equipment Contract:

American Desk Manufacturing Co. Temple, Texas		
Base Bid		<u>99,609.00</u>

Total Recommended Contract Awards		<u>\$917,661.00</u>
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The total amount appropriated for this addition was \$1,050,000.00 and will be sufficient to cover the award of these contracts plus Architects' Fees and the estimated cost of Movable Furniture and Equipment.

MAIN UNIVERSITY--INCREASE IN APPROPRIATION FOR BUSINESS ADMINISTRATION--ECONOMICS BUILDING.--At the Regents' Meeting held June 29, 1957, an appropriation of \$1,500,000.00 was made out of the 1957-58 Unappropriated Balance of the Available University Fund for the Business Administration--Economics Building at the Main University. This recommendation was made with the expectation and further recommendation that the additional \$2,500,000.00 required to make up the \$4,000,000.00 for the main portion of this building, included in the Faculty Building Committee report of May 2, 1957, would be appropriated in the fiscal year 1958-59, either from the Unappropriated Balance of the Available University Fund or from the proceeds of the sale of Permanent University Fund Bonds.

See Page 855

After numerous conferences in recent months, including those with President Wilson, it is believed that it will be of advantage to the University in the use and operation of this building if an additional

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appropriation is made to this project. It is, therefore, recommended by the Consulting Architect, Main University Faculty Building Committee, the Special Building Committee of the College of Business Administration, the Comptroller's Office, and the President that an additional amount of \$795,500.00 be appropriated for the Business Administration--Economics Building. It is further recommended that the additional amount needed of \$3,295,500.00 over and above the amount of \$1,500,000.00 previously appropriated from the Available University Fund Unappropriated Balance for 1957-58, be appropriated as follows:

\$2,295,500.00 from the Available University Fund
Unappropriated Balance for 1958-59

1,000,000.00 from the proceeds of the new Permanent
University Fund Bonds, to be issued
on or about September 1, 1959.

This recommendation is being made on the basis of preliminary drawings prepared by the Consulting Architect and is to cover the following additions to the facilities contemplated by the original estimate: an additional Classroom floor, making a total of five, a four hundred seat auditorium, and "up" escalator service from the first to the fourth floor (with one elevator in the Office Wing and one elevator in the Classroom Wing).

It is understood that approval of this additional appropriation will authorize the Consulting Architect to proceed with the completion of the final version of the preliminary plans.

Adoption of Report. --Mr. Lockwood moved the adoption of the Buildings and Grounds Committee report with the amendments and additions as outlined. Vice-Chairman Sorrell seconded the motion which carried.

REPORT OF EXECUTIVE COMMITTEE: INTERIM ACTIONS. --Mr. Johnson, at the request of Chairman Jeffers, presented the following report of the Executive Committee and moved its adoption:

I. Executive Committee--Interim Actions

During the period December 20, 1957 - February 27, 1958, the Executive Committee of the Board of Regents by individual vote, upon the recommendation of President Wilson, unanimously approved by mail ballot the following:

Budgetary Items. --One each for the Main University and the Southwestern Medical School, and six for the Medical Branch. (These are reported in the docket as approved by the Executive Committee.)

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Visitation Trips, High Schools of Texas; Appropriation from Annual Giving Fund, The Ex-Students' Association. --At the suggestion of Jack Maguire, Executive Secretary of The Ex-Students' Association, the Executive Committee approved by mail ballot the recommendation of Dean of Student Services McCown and Vice-President Ransom, concurred in by President Wilson, that \$1,000 of the Annual Giving Fund from The Ex-Students' Association be set aside for University officials to visit high schools in Texas for the purpose of explaining to interested students admission requirements, program of study, housing and other matters relating to the University and that the fund be administered through The Ex-Students' Association under the supervision of the University Administration.

II. Executive Committee and Lands and Investment Committee--Interim Actions

See Page 886.

In accordance with a letter, dated February 19, 1958, from President Wilson, the Executive Committee and the Land and Investment Committee approved by mail ballot the recommendations as listed below.

Effective February 1, 1958, the responsibility for Accounting for Oil and Gas Production on University Lands was transferred from the office of Auditing Oil and Gas Production of the University to the General Land Office. This means that the General Land Office will handle the pre-audit and accounting work on oil and gas produced January 1, 1958, and thereafter. The Auditing Office of the University will complete the pre-audit and accounting work for oil and gas produced during the year 1957. After the year 1957, the University Audit Office will become a post-audit agency.

Recommendations

1. In accordance with the transfer of the responsibility for accounting for oil and gas production on University Lands from the Auditing Oil and Gas Production Division of the University to the General Land Office, it is recommended that the administrative responsibility for the Auditing Oil and Gas Production be transferred from the Endowment Office to the Comptroller's Office, effective immediately.

2. Budgetary item for Central Administration authorized with the approval of the transfer of the foregoing administrative responsibility. (Reported in docket)

These recommendations were approved by mail ballot and are presented to the full Board for ratification.

Adoption of Report. -- Vice-Chairman Sorrell seconded the motion which carried.

CENTRAL ADMINISTRATION

MEMORIAL RESOLUTION, DAVID M. WARREN. -- Upon invitation of Chairman Jeffers for a memorial resolution upon the recent death of a former colleague, David M. Warren, and upon motion of Mr. Lockwood, duly seconded, the Board adopted the following resolution:

WHEREAS, The University of Texas has lost one of its truest friends and staunchest supporters in the death of David M. Warren on January 23, 1958; and

WHEREAS, David M. Warren served as a member of the Board of Regents from November, 1944 to January, 1955, during which time he gave unstintingly of his time and his energy as a member of the Board, as a member of several of its important committees, and as Vice-Chairman from 1953 to the end of his term; and

WHEREAS, David M. Warren continued to serve the University after leaving the Board of Regents by accepting an appointment on the Committee of 75 and helping to chart the future of this institution for the next 25 years; and

WHEREAS, David M. Warren has generously provided funds for scholarships to Journalism students; and

WHEREAS, In his loyal and effective service to The University of Texas, David M. Warren, by his integrity, by his judgment and perspective, and by his dedication to the interests of this institution, commanded the respect of his colleagues on the Board of Regents, the administrative officers of the University with whom he worked, and the faculty and students who knew him, and by his quiet service and devotion so enshrined himself in the hearts and memories of all those with whom he was associated that his influence long will be felt and his dedicated service never forgotten; now therefore be it

RESOLVED, That the Board of Regents of The University of Texas extend to Mrs. Warren, David M. Warren, Jr., and Randolph J. Warren on behalf of the Board and of

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The University of Texas this expression of heartfelt sympathy in the loss of David M. Warren, devoted husband and father, and dedicated citizen and public servant; and be it further

RESOLVED, That this Resolution of sympathy and appreciation be spread upon the official Minutes of the Board of Regents of The University of Texas as official recognition of the many contributions of David M. Warren to the University and as an expression of the great esteem in which he was held by the Regents and Administration of the University; and be it further

RESOLVED, That official copies of this Resolution, signed by the Chairman of the Board of Regents and attested by the Secretary of the Board, be sent to Mrs. Warren, David M. Warren, Jr., and Randolph J. Warren.

APPROVAL OF MINUTES, JANUARY 10-11, 1958, AS CORRECTED.-- Under date of February 21, 1958, all individuals concerned were notified that "5673 rods" on line 1, page 26, January 1958 minutes, (a typographical error in the Report of the Land and Investment Committee) had been changed to "5,673.3 rods."

See Page 462.

With this change noted, the Board, upon a motion duly made and seconded, approved the minutes of the meeting held in Austin January 10-11, 1958, in the form as distributed by the Secretary to each member with the following addition:

Approval of Lapse of Dental Branch Appropriations to the State General Revenue Fund. --The Board of Regents, on a motion duly made and seconded, ratified the lapsing of the following State Appropriations for the Dental Branch to the State General Revenue Fund:

W-1031	\$ 8,229.92	
W-1032	120,370.38	
W-1033	120,983.17	
W-1034	276,962.45	
U-1786	21,896.55	
U-1787	182,839.10	
U-1788	121,593.43	\$852,875.00

AMENDMENTS TO THE RULES AND REGULATIONS (FINAL APPROVAL). --In accordance with Page 13, Section 2, Chapter V, Part I of the Rules and Regulations of the Board of Regents for the Government of The University of Texas, Sixth Edition, August 1, 1943, the following amendments to the Rules and Regulations were held over from the January meeting until the March meeting of the Board for final consideration:

Reports of Outside Employment (Permanent Minutes, Volume V, Page 482--Page 46 of the January, 1958, Minutes). --Rescind that portion (underlined) of the following policy relating to reports of

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outside employment (Page 17, Section 13, Chapter 1, Part II of the Rules and Regulations):

"That all faculty members and other employees who have any contract or other arrangement with third parties for outside employment for which they receive compensation be required to file an annual report on forms furnished by the University showing the following facts, to wit:

1. The name of his or her employer.
2. The nature of such employment and a detailed statement of the exact character of the services rendered by such faculty member or other employee.
3. The full amount of compensation received during the year from such service.
4. The amount of time, measured by hours per day and days per month, which such faculty member or employee devotes to such outside employment.
5. The amount of time measured by hours per day and days per month that such faculty member devotes to his work for the University and giving the exact nature of the services performed for the University.

and that it be further ordered by the Board of Regents that all such outside employment by faculty members and employees be terminated at the end of each calendar year unless the Board of Regents on the recommendation of the President shall grant permission for such outside employment, which in no event shall be extended for more than one year at a time."

Selection of Deans. Main University (Permanent Minutes, Volume V, Page 518--Page M-15 and Appendix A of the Docket for the January 1958 Meeting). --Approve the following recommendation of the Faculty Council of the Main University:

"Deans of Schools or Colleges shall be appointed by the Board of Regents upon the nomination of the President.

Prior to the appointment of each Dean, (1) the Vice-President of the Main University shall request signed, confidential nominations of one or more names from each member of the faculty concerned who is a voting member of the General Faculty and from such other voting members of the General Faculty as he may select; (2) the Vice-President of the Main University shall appoint an advisory committee, a majority of whom shall be members of the faculty concerned, to make nominations to him, and (3) the Vice-President of the Main University shall in turn make his nomination to the President."

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The foregoing amendments to the Rules and Regulations were finally adopted upon motion by Doctor Minter, seconded by Mr. Lockwood.


APPROVAL OF DOCKET (INCLUDING TRAVEL SUPPLEMENT). --
Upon motion by Mr. Johnson, seconded by Mr. Thompson, the Board approved the docket in the form as attached. To the Central Administration docket, President Wilson had attached and incorporated, in addition to a travel supplement, the dockets of the component institutions of The University of Texas; namely:

	<u>See Pages</u>
Main University and Extramural Divisions-- submitted by Vice-President and Provost Harry H. Ransom	637
Texas Western College -- submitted by President Dysart E. Holcomb	675
Medical Branch-- submitted by Executive Director John B. Truslow	688
Dental Branch-- submitted by Dean John V. Olson	701
M. D. Anderson Hospital and Tumor Institute-- submitted by Director R. Lee Clark, Jr.	707
Southwestern Medical School-- submitted by Dean A. J. Gill	744
Postgraduate School of Medicine-- submitted by Dean Grant Taylor	757

AMENDMENT TO AUTHORIZATION FOR APPROVAL OF TRAVEL REIMBURSEMENTS FOR 1957-59. -- Upon recommendation of President Wilson and upon motion of Mr. Johnson, seconded by Vice-Chairman Sorrell, the Board approved the following amendment to the authorization re travel reimbursements as adopted at the October, 1957, meeting (Permanent Minutes, Volume V, Page 74):

"Pursuant to the provision of Section 33, Article VI, H. B. 133, Fifty-fifth Legislature, Regular Session, the Board of Regents hereby delegates to Doctor Logan Wilson, President, the authority to approve official travel reimbursements for all in-state travel during the period September 1, 1957 - August 31, 1959, for all component parts of The University of Texas system, if the executive head of the component branch is not available to approve such reimbursements."

ADJOURNMENT. -- The Board adjourned at 12.05 p.m.


Betty Anne Thedford
Secretary

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TABULATION OF BIDS
 ADDITION AND ALTERATIONS
 TO
 THE EXISTING PHYSICS BUILDING
 MAIN UNIVERSITY, AUSTIN, TEXAS

March 6, 1958

<u>General Contractor</u>	<u>Base Proposal</u>	<u>Alternate Bid # 1</u>	<u>Alternate Bid # 2</u>	<u>Alternate Bid # 3</u>	<u>Alternate Bid # 4</u>
Collins, M. Z., Const. Co. Austin, Texas	516,300.00	+35,000.00	+450.00	+ 90.00	-750.00
Eitze-Kitchens Const. Co. Austin, Texas	564,000.00	+33,500.00	+100.00	+ 40.00	-460.00
Evans, J. C. Const. Co., Inc. Austin, Texas	511,000.00	+37,000.00	+650.00	+250.00	-640.00
Falbo, Gilbert, Company San Antonio, Texas	558,000.00	+34,170.00	+400.00	+ 45.00	-730.00
Kitchens, Rex D., Const. Co. Austin, Texas	604,431.00	No Change	+358.00	+ 53.00	-790.00
McGee, B. L., Const. Co. Austin, Texas	533,000.00	+34,000.00	+295.00	+ 50.00	-775.00
Odom, J. M., Const. Co. Austin, Texas	487,781.00	+34,000.00	+250.00	+ 50.00	-540.00
Wohlfeld Const. Co. Dallas, Texas	589,000.00	+35,404.00	+503.00	+101.00	-750.00
S. O. & C. D. Yarbrough Construction Company Austin, Texas	494,495.00	+35,500.00	+500.00	+150.00	-750.00

<u>General Contractor</u>	<u>Alternate Bid # 5</u>	<u>Alternate Bid # 6</u>	<u>Alternate Bid # 7</u>	<u>Alternate Bid # 8</u>	<u>Alternate Bid # 9</u>	<u>Alternate Bid # 10</u>
	-1,550.00	-520.00	-2,400.00	-6,950.00	-5,300.00	+1,700.00
	-1,500.00	-530.00	-1,090.00	-2,000.00	-4,700.00	+1,560.00
	- 920.00	-450.00	-1,350.00	- 960.00	-1,980.00	+2,170.00
	-2,894.00	-750.00	-2,490.00	-1,850.00	-10,400.00	+1,870.00
	-3,188.00	-532.00	-2,400.00	-1,800.00	-8,212.00	+1,604.00
	-3,250.00	-500.00	-2,500.00	-1,950.00	-8,740.00	+1,700.00
	-1,900.00	-450.00	- 900.00	-2,000.00	-6,500.00	+1,700.00
	-2,911.00	-750.00	-2,500.00	-1,960.00	-9,550.00	+1,522.00
	-1,000.00	-500.00	-1,500.00	-1,100.00	-2,250.00	+2,000.00

Bidder's Bond: All 5%

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<u>Mechanical Contractor</u>	<u>Base* Proposal</u>	<u>Base** Proposal</u>	<u>Alternate Bid # 1</u>	<u>Alternate Bid # 2</u>	<u>Alternate Bid # 2</u>
Arnold, H. L. Co., Inc. Austin, Texas		134,073.00	1,250.00	11,000.00	1,750.00
Deyer, J. M., Mechanical Contractor Austin, Texas	89,082.00				
Fox-Schmidt Austin, Texas					
Monier, A. J. Co., Inc. San Antonio, Texas	102,500.00	138,000.00	1,200.00	11,000.00	1,600.00
Natkin & Co. Houston, Texas					
Porter Plumbing & Heating Company Austin, Texas	86,700.00				
Paryear, C. G. Austin, Texas		138,367.00	1,346.00	10,622.00	1,492.00
Grandtmann Air Cond. Co. Austin, Texas					
Way Engineering Co. Houston, Texas		113,400.00	1,100.00	11,000.00	1,500.00
Young & Pratt		130,457.00	1,100.00	9,600.00	1,550.00

<u>Combined Proposal</u>	<u>Alternate Bid # 1</u>	<u>Alternate Bid # 2</u>	<u>Alternate Bid # 3</u>
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219,529.00 / 1,077.00 / 9,700.00 / 1,650.00

212,000.00 / 1,100.00 / 10,100.00 / 1,650.00
 233,900.00 / 1,200.00 / 11,000.00 / 1,600.00
 215,000.00 / 1,200.00 / 10,000.00 / 1,700.00

214,400.00 / 1,100.00 / 11,000.00 / 1,500.00
 216,957.00 / 1,100.00 / 9,600.00 / 1,550.00

Mer's Bond: All 5%

Plumbing
 Heating, Ventilating and Cooling Water System

3-14-58

<u>Electrical Contractor</u>	<u>Base Proposal</u>	<u>Alternate Bid # 1</u>	<u>Alternate Bid # 2</u>	<u>Alternate Bid # 3</u>	<u>Alternate Bid # 4</u>
1. Cummins, O. H., Electric Company** # Austin, Texas	83,371.00	+ 85.00	+2,900.00	+4,600.00	+3,900.00
2. Grimes Electric Co.** of Austin Austin, Texas	99,076.00	-125.00	-3,300.00	+5,000.00	+4,500.00
3. Jennings, W. K.** Electrical Co., Inc. Austin, Texas	89,877.00	+100.00	-2,800.00	+4,943.00	+4,230.00
4. Johnston, Dear** Austin, Texas	115,223.00	+153.00	-2,747.00	+4,728.00	+4,046.00
5. Seco Smith Electric Co.** Austin, Texas	84,427.00	+ 45.00	-3,400.00	+4,727.00	+4,045.00
6. Tew, Walter A. Electric** Austin, Texas	90,719.00	+ 75.00	+3,324.00	+4,728.00	+4,046.00
7. Nozick Electrical Co.** Austin, Texas	107,000.00	+ 56.75	-2,747.00	+4,728.00	+4,046.00
8. Fox-Schmidt** Austin, Texas	106,016.00	+121.00	-2,747.00	+4,298.00	+3,678.00

<u>Laboratory Equipment Contractor</u>	<u>Base Proposal</u>	<u>Alternate Bid # 1</u>	<u>Alternate Bid # 2</u>	<u>Bidder's Bond</u>
1. Duralab Equipment Corp. Brooklyn, New York	No Bid	98,900.00	- 3,500.00	10,000.00
2. Hamilton Mfg. Company Two Rivers, Wisconsin	106,555.00	+2,985.00	- 3,820.00	5,500.00
3. Hixson, W. C. Company Dallas, Texas	103,938.00	+ 518.00	- 3,975.00	5%
4. Laboratory Furniture Company, Inc. Mineola, New York	113,312.00	95,888.00	- 2,343.00	***10,000.00
5. Reliance Eng. & Mfg. Corp. San Antonio	No Bid	98,987.00	- 4,000.00	**** 5%
6. Sheldon, E. H., Equipment Company Houston, Texas	108,921.00	+ 3,110.00	No Bid	6,000.00
7. American Desk Mfg. Co. Temple, Texas	99,609.00	No Bid	- 9,380.00	***** 5,000.00

This bidder deleted the word "Omit" on his proposal for Alternate No. 2.

Bidder's Bond: 5%

From Base Bid

Based on Colorlith

If allowed to use Serpentine Stone