

Meeting No. 863

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

Pages 1 - 106

August 13, 1992

Austin, Texas

TABLE OF CONTENTS
 THE MINUTES OF THE BOARD OF REGENTS
 OF
 THE UNIVERSITY OF TEXAS SYSTEM
 AUGUST 13, 1992
 AUSTIN, TEXAS

MEETING NO. 863

	<u>Page No.</u>
I. Attendance	1
II. U. T. Board of Regents: Approval of Minutes of Regular Meeting Held on June 11, 1992	1
III. SPECIAL ITEM	2
U. T. BOARD OF REGENTS	
Regents' <u>Rules and Regulations</u> , Part One: Approval of Amendments to Chapter III	2
IV. REPORTS AND RECOMMENDATIONS OF STANDING COMMITTEES	4
A. REPORT OF EXECUTIVE COMMITTEE	4
U. T. SYSTEM	
1. Approval of Financial Disclosure Statements Submitted by the Chancel- lor and the Institutional Chief Administrative Officers (Exec. Com. Letter 92-17)	4
U. T. AUSTIN	
2. Parking Garage No. 2 (Project No. 102-711): Award of Construction Contract to Dal-Mac Construction Com- pany, Richardson, Texas (Exec. Com. Letter 92-16)	4
U. T. HEALTH SCIENCE CENTER - SAN ANTONIO	
3. Asbestos Abatement for Building Roofs - Exhaust and Intake Air Flow System (Project No. 402-675): Accep- tance of Findings and Recommendations of Hearing Officer on Claim by Olmos Abatement, Inc. (OAI), Austin, Texas (Exec. Com. Letter 92-16)	5
B. REPORT AND RECOMMENDATIONS OF THE BUSINESS AFFAIRS AND AUDIT COMMITTEE	6
U. T. SYSTEM	
1. Approval of <u>Chancellor's Docket No. 65</u> (Catalog Change)	6
U. T. BOARD OF REGENTS	
2. Regents' <u>Rules and Regulations</u> , Part One: Amendments to Chapter II, Sec- tion 6, Subdivision 6.312 (Business Operations Duties and Responsibili- ties) and Subsection 6.36 (West Texas Lands Management)	6

U. T. SYSTEM	
3.	Adoption of a Standard Bank Depository Agreement-Fully FDIC Insured Accounts Only 9
4.	Adoption of Equipment Lease Financing Resolution to Authorize Financing of Equipment Purchases by the Texas Public Finance Authority, Approval for Execution of Master Lease Agreement and Lease Supplement, and Authorization for Officers of U. T. System to Complete Transactions 12
5.	Approval of Policies for Preparing Legislative Appropriations Request for the 1994-1995 Biennium 15
C.	REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE - DEFERRED - SEE ITEM VIII, TABLE OF CONTENTS, PAGE XIV
D.	REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE 18
U. T. BOARD OF REGENTS	
1.	Regents' <u>Rules and Regulations</u> , Part One: Amendments to Chapter I, Section 7 (Committee Structure) and Chapter II, Section 5 (Executive Vice Chancellor for Health Affairs) and Section 13 (Chief Administrative Officers of Component Institutions) 18
U. T. MEDICAL BRANCH - GALVESTON	
2.	Approval of Changes in Parking Rates Effective September 1, 1992 (Catalog Change) 20
3.	Permission Granted for Courtney M. Townsend, Jr., M.D., to Serve on the Texas Cancer Council [<u>Regents' Rules and Regulations</u> , Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)] 20
U. T. M.D. ANDERSON CANCER CENTER	
4.	Permission for (a) Mrs. Elizabeth Feltz to Accept an Appointment from the Texas Commission on Alcohol and Drug Abuse to Serve on the Institutional Review Board for the Houston Recovery Campus and (b) Charles A. LeMaistre, M.D., to Serve as a Member of the NASA Advisory Council and as Chairman of the Scientific Advisory Committee for Biomedical Research in Space [<u>Regents' Rules and Regulations</u> , Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)] 20
5.	Appointment of Initial Holders to Endowed Academic Positions - (a) Dr. Walter N. Hittleman to the

	Sophie Caroline Steves Professorship in Cancer Research and (b) Raphael E. Pollock, M.D., to the Doctor R. Lee Clark Professorship Effective Septem- ber 1, 1992	21
E.	REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE	22
	U. T. ARLINGTON	
	1. Science Building Phase I Expansion (Project No. 301-706): Approval of Final Plans and Authorization to Advertise for Bids and for the Execu- tive Committee to Award Contracts	22
	U. T. DALLAS	
	2. Engineering and Computer Science Building (Project No. 302-570): Approval of Plaque Inscription	22
	3. Cecil H. Green Center (Project No. 302-151) - Approval to Rename Building the Cecil H. Green Hall and Cecil and Ida Green Center for the Study of Science and Society (Project No. 302-717) - Authorization to Rename Building Cecil and Ida Green Center and Approval of Plaque Inscription	23
	U. T. SYSTEM	
	4. Commendation to the Office of Facili- ties Planning and Construction Regarding the Review of Firms Who Bid on University Projects	24
F.	REPORT AND RECOMMENDATIONS OF THE ASSET MANAGEMENT COMMITTEE	25
	1. Permanent University Fund	
	<u>Investment Matters</u>	
	1. Report on Clearance of Monies to the Permanent University Fund for May and June 1992 and Report on Oil and Gas Development as of June 30, 1992	26
	U. T. BOARD OF REGENTS	
	2. Adoption of Resolution Authorizing the Issuance of Replacement Bonds in the Aggregate Amount of \$50,000 of the Board of Regents of The Univer- sity of Texas System Permanent Uni- versity Fund Bonds, New Series 1981 and Coupon Numbers 23 Through 32 in the Aggregate Amount of \$22,500 to Southwest Securities, Inc., Dallas, Texas, and Authorization for Appro- priate Officials to Execute Docu- ments Relating Thereto	27

2. Trust and Special Funds

Gifts, Bequests, and Estates

U. T. SYSTEM AND U. T. AUSTIN

1. Acceptance of Gifts and Pledges from Mr. and Mrs. Joseph D. Jamail, Houston, Texas; Establishment of Various Endowments; and Eligibility for Matching Funds Under The Regents' Endowment Program 41

U. T. AUSTIN

2. Establishment of the Scott and Nancy Atlas Endowed Presidential Scholarship in Law in the School of Law 42

3. Acceptance of Gifts from the BASF Corporation, Parsippany, New Jersey; Establishment of the BASF Endowed Scholarship and Fellowship in the College of Natural Sciences; and Eligibility for Matching Funds Under The Regents' Endowment Program 43

4. Acceptance of Gifts from Trusts for the Benefit of Edward S. Bromberg, Alan R. Bromberg, and Henri L. Bromberg, Jr. and Various Donors for Addition to the Bromberg Memorial Fund for the Harry Ransom Humanities Research Center and Eligibility for Matching Funds Under The Regents' Endowment Program 43

U. T. AUSTIN

5. Approval to Establish the Class of 1942 Endowed Presidential Scholarship in Law in the School of Law 43

6. Acceptance of Remainder Interest in The Bartlett Cocke Charitable Remainder Trust and Gifts from Various Donors and Pledge from Mr. Bartlett Cocke, Jr., San Antonio, Texas; Establishment of the Bartlett Cocke Scholarships in the School of Architecture; and Eligibility for Matching Funds Under The Regents' Endowment Program 43

7. Acceptance of Bequest from the Estate of Mary Sue Hibbs, Wichita Falls, Texas; Establishment of the Dr. Bailey R. Collins/Ellene Collins Ward/Mary Sue Collins Hibbs

	Scholarship Fund in the College of Liberal Arts; and Eligibility for Matching Funds Under The Regents' Endowment Program	44
8.	Acceptance of Gift from Mrs. Sam G. Cook, Austin, Texas; Establishment of the Samuel George Cook Memorial Endowed Presidential Scholarship in the College of Business Administration; and Eligibility for Matching Funds Under The Regents' Endowment Program	44
9.	Authorization to Accept Bequest from the Estate of Frances G. Creech, Elgin, Texas, and Beneficiary Designation in the Gillum Fund, Williamson County, Texas	45
10.	Acceptance of Pledge from The Cullen Trust for Higher Education, Houston, Texas; Establishment of the Cullen Trust for Higher Education Endowment Fund; and Eligibility for Matching Funds Under The Regents' Endowment Program	45
11.	James T. Doluisio Chair in Pharmacy in the College of Pharmacy: Approval to Designate Endowment Exclusively for Dean of the College of Pharmacy	45
U. T. AUSTIN		
12.	Approval to Accept Gift and Pledge from The Dow Chemical Company Foundation, Midland, Michigan; Establishment of the Dow Chemical Company Faculty Fellowship in Technical Communication in the College of Engineering; Eligibility for Matching Funds Under The Regents' Endowment Program; and Establishment of the Dow Chemical Company Endowed Professorship in Chemistry in the College of Natural Sciences	46
13.	Acceptance of Gifts and Real Property (Lot 12, Block E, Lago Vista, Section One, Travis County, Texas) from Mrs. Anne Eastland, Houston, Texas, Members of Her Family and Various Donors and Establishment of the Seaborn Eastland Endowed Scholarship in the Department of Intercollegiate Athletics for Men	46

14.	Acceptance of Transfer of Funds and Establishment of the Exhibitions and Conferences Endowment for the Harry Ransom Humanities Research Center	46
15.	Acceptance of Bequest from the Estate of Bill Edward Fritts, Walnut Creek, California, for Addition to Collections of Harry Ransom Humanities Research Center	47
16.	Authorization to Accept Gifts from Various Donors and to Establish the GSD&M Endowed Scholarship in Advertising in the College of Communication	47
17.	Establishment of the Harry and Mar Siu Gee Endowed Presidential Scholarship in Immigration Law in the School of Law	47
18.	Approval to Establish the Lisa Atlas Genecov and Dr. Jeffrey S. Genecov Endowed Presidential Scholarship in Law in the School of Law	47
19.	Acceptance of Transfer of Funds and Establishment of the "Gift" Publications Endowment for the Harry Ransom Humanities Research Center	48
U. T. AUSTIN		
20.	Acceptance of Gifts from Friends and Colleagues of Professor Emeritus Norman Hackerman, Austin, Texas; Establishment of the Norman Hackerman Endowed Presidential Scholarship in Chemistry and Biochemistry in the College of Natural Sciences; and Eligibility for Matching Funds Under The Regents' Endowment Program	48
21.	Acceptance of Bequest from the Estate of A. D. Hutchison, Greenville, Texas, and Establishment of the A. D. Hutchison Student Endowment Fund	48
22.	Approval to Accept Gift from Houston Endowment Inc., Houston, Texas, and to Establish the Mary Gibbs Jones Endowed Presidential Scholarship in Nursing in the School of Nursing	48
23.	Acceptance of Gift from Mr. Charles C. Keeble, Houston, Texas, a Corporate Matching Funds Pledge from the Exxon Education Foundation, Irving, Texas, and a Pledge from The	

	University of Texas Law School Foundation and Establishment of the Charles C. Keeble and Charles C. Keeble, Jr. Endowed Presidential Scholarship in Oil and Gas/Energy Law in the School of Law	49
24.	Acceptance of Gift from Ms. Carolyn Frost Keenan, Houston, Texas, and Transfer of Funds and Establishment of the Carolyn Frost Keenan Endowed Presidential Scholarship in the Department of Intercollegiate Athletics for Women	49
25.	Authorization to Accept Pledge from Alfred A. Knopf Incorporated, New York, New York; Establishment of the Knopf Fellowship Program for the Harry Ransom Humanities Research Center; and Eligibility for Matching Funds Under The Regents' Endowment Program	49
26.	Acceptance of Gift from Mr. John Roman Vacek, Dickinson, Texas, and Transfer of Funds and Establishment of the Peter John Layden and Professor Willet T. Conklin Endowed Presidential Scholarship in Pharmacy in the College of Pharmacy	50
U. T. AUSTIN		
27.	Acceptance of Bequest from the Estate of George W. Lowther, Fort Bend County, Texas, and Establishment of the George W. Lowther Friend of Alec Excellence Fund in the College of Engineering	50
28.	Marion and Mark Martin Endowed Law Library Fund in the School of Law - Eligibility for Matching Funds Under The Regents' Endowment Program	50
29.	Acceptance of Gift from Mr. and Mrs. James A. Michener, Austin, Texas, and Transfer of Funds and Establishment of the Michener Fellowship Program and The Texas Center for Writers Director's Fund for the Texas Center for Writers	51
30.	Acceptance of Gift from the College of Natural Sciences Foundation Advisory Council, Austin, Texas, and Transfer of Funds; Establishment of the Natural Sciences 21st Century Endowed Presidential Scholarship in the College of Natural Sciences; and Eligibility for Matching Funds	

	Under The Regents' Endowment Program	51
31.	Authorization to Accept Gift from PCA Health Plans of Texas, Inc., Austin, Texas, and to Establish the PCA Health Plans Endowed Presidential Scholarship in the School of Nursing	52
32.	Acceptance of Grant from The Effie and Wofford Cain Foundation, Austin, Texas; Establishment of the J. J. "Jake" Pickle Regents Chair in Public Affairs in the Lyndon B. Johnson School of Public Affairs; Eligibility for Matching Funds Under The Regents' Endowment Program; and Establishment of the J. J. "Jake" Pickle Regents Chair in Congressional Studies in the College of Liberal Arts	52
33.	Acceptance of Bequests from the Estate of Cyrus Rowlett Smith, Washington, D. C., and Allocation of Funds to the J. J. "Jake" Pickle Scholarship Program in the Lyndon B. Johnson School of Public Affairs	52
U. T. AUSTIN		
34.	Acceptance of Gift and Pledge from The Bernard and Audre Rapoport Foundation, Waco, Texas; Establishment of the Audre and Bernard Rapoport Liberal Arts Honors Scholarship Fund in the College of Liberal Arts; and Eligibility for Matching Funds Under The Regents' Endowment Program	53
35.	Acceptance of Gifts from Various Donors and Establishment of the School of Nursing Faculty-Staff Endowed Presidential Scholarship in the School of Nursing	53
36.	Acceptance of Remainder Interest in The William H. and Margaret G. Seay Charitable Remainder Annuity Trust Funded by Mr. and Mrs. William H. Seay, Dallas, Texas	54
37.	Acceptance of Bequest from the Estate of Cecil Bernard Smith, Sr., Austin, Texas, for Addition to Six Previously Established Chairs in the College of Liberal Arts and Eligibility for Matching Funds Under The Regents' Endowment Program	54
38.	Acceptance of Bequest from the Estate of Frieda H. Soutter, Dallas, Texas; Establishment of	

- the George and Frieda Soutter Scholarship Fund in the College of Business Administration; and Eligibility for Matching Funds Under The Regents' Endowment Program 55
39. Acceptance of Gift and Pledge from the Amon G. Carter Foundation, Fort Worth, Texas; Establishment of the Ruth Carter Stevenson Regents Chair in the Art of Architecture; and Eligibility for Matching Funds Under The Regents' Endowment Program 55
40. Acceptance of Gift from Tanabe Research Laboratories, USA, Inc., San Diego, California; Establishment of the Tanabe Research Laboratories, USA, Inc. Regents Endowed Faculty Fellowship in Pharmaceuticals in the College of Pharmacy; and Eligibility for Matching Funds Under The Regents' Endowment Program 55
- U. T. AUSTIN
41. Acceptance of Gift from The TIPRO Foundation, Inc., Austin, Texas; Establishment of the TIPRO Endowment for the History of the Texas Oil Industry for the Center for American History of the General Libraries; and Eligibility for Matching Funds Under The Regents' Endowment Program 56
42. Approval to Accept Gifts and Pledges from Various Donors; Establishment of the Martha S. Williams Endowed Presidential Scholarship in the School of Social Work; and Eligibility for Matching Funds Under The Regents' Endowment Program 56
43. Acceptance of Gifts from Members of the Willoughby-Blake Family and Various Donors for Addition to the Clara Pope Willoughby Centennial Fund for Humanities Research Center Development for the Harry Ransom Humanities Research Center and Eligibility for Matching Funds Under The Regents' Endowment Program 56
44. Authorization to Redesignate Titles of Five Previously Established Endowments in the College of Business Administration and the Graduate School of Business 57
- U. T. EL PASO
45. Acceptance of Gift from the El Paso Symphony Orchestra

	Association, El Paso, Texas, and Transfer of Funds and Establishment of The Abraham Chavez, Jr., Professorship Fund in Music	57
46.	Acceptance of Gift from Mr. and Mrs. J. Ernest Sipes, El Paso, Texas, and Establishment of the J. Ernest and Elizabeth Rouse Sipes Endowed Scholarship	57
47.	Authorization to Redesignate the J. Edward and Helen M. C. Stern Fund as the J. Edward and Helen M. C. Stern Endowed Professorship	58
U. T. SAN ANTONIO		
48.	Acceptance of Gift and Pledge from the Anheuser-Busch Foundation, St. Louis, Missouri, and Establishment of the Anheuser-Busch Foundation Endowment for Tourism Management	58
U. T. SAN ANTONIO		
49.	Acceptance of Gift from Dr. and Mrs. Roland K. Blumberg, Seguin, Texas, and Establishment of the Roland K. and Jane W. Blumberg Professorship in Bioscience	58
50.	Acceptance of Gifts from Various Donors and Accumulated Earnings and Establishment of The Tomas Rivera Scholarship Fund	58
U. T. TYLER		
51.	Approval to Accept Gift from the Family of Mr. and Mrs. J. W. Rumbelow, Tyler, Texas, and Various Donors and to Establish The J. W. and Josephine Rumbelow Memorial Endowed Presidential Scholarship	58
U. T. SOUTHWESTERN MEDICAL CENTER - DALLAS		
52.	Acceptance of Gifts from Mr. and Mrs. James E. Shoemaker, Dallas, Texas, and Various Donors and Accumulated Income for Addition to the John Lawrence and Patsy Louise Goforth Fund in Pathology; Redesignation of the Fund as the John Lawrence and Patsy Louise Goforth Professorship in Pathology; and Eligibility for Matching Funds Under the Texas Eminent Scholars Program	59
53.	Establishment of the Dr. W. Maxwell Thomas Professorship in Ophthalmology	59

U. T. MEDICAL BRANCH - GALVESTON

54. Authorization to Accept Gift from Mr. Joseph B. Collerain, Sr., Missouri City, Texas, and to Establish The Mary Alice Beaver Collerain '38 Scholarship Fund 59
55. Acceptance of Bequest from the Estate of Haskell B. Smith, Paris, Texas 59
56. Acceptance of Gift from the Texas Society Daughters of the American Revolution, San Antonio, Texas, and Establishment of The Texas Society DAR Endowed Occupational Therapy Scholarship, School of Allied Health Sciences, UTMB 60

U. T. HEALTH SCIENCE CENTER - HOUSTON

57. Establishment of (a) The John S. Dunn Distinguished Chair in Ophthalmology, (b) The Bernice Weingarten Distinguished Professorship in Ophthalmology, and (c) The Fayez Sarofim Professorship in Ophthalmology 60
58. Acceptance of Gift from Mr. and Mrs. T. R. Reckling III, Houston, Texas, and Establishment of the Ronald V. Glausen, D.D.S. Endowed Scholarship 60
59. Authorization to Accept Gift from Members of the Southeast Section of the Texas Water Pollution Control Association, Houston, Texas, and to Establish the Southeast Section of the T.W.P.C.A. Endowed Scholarship 60
60. Acceptance of Gift from Mr. and Mrs. Neil Strauss, Houston, Texas, and Establishment of the Lauren and Adam Strauss Endowed Scholarship 61
61. Approval to Accept Gift of Real Property Located at 7350 Kirby, Unit #24, The Bradford Townhomes, Houston, Harris County, Texas, from Richard J. Langenstein and Stephanie S. Langenstein, Houston, Texas 61

U. T. HEALTH SCIENCE CENTER - SAN ANTONIO

62. Acceptance of Grant from the William Randolph Hearst Foundation, New York, New York, and Establishment of the William Randolph Hearst Medical Student Scholarship Fund 61

	U. T. M.D. ANDERSON CANCER CENTER	
	63. Acceptance of Pledge from The Texas Neurofibromatosis Foundation, Dallas, Texas, and Establishment of the Carolyn Farb Endowment Fund in Neurofibromatosis	61
	64. Acceptance of Remainder Interest in the Wilburn M. Smith Testamentary Trust, Monroe, Louisiana	62
3.	Intellectual Property Matters	
	U. T. DALLAS AND U. T. SOUTHWESTERN MEDICAL CENTER - DALLAS	
	1. Approval of Patent License Agreement with Epikon, Inc., New York, New York; Acceptance of Securities and Approval for Inventors to Acquire Equity Ownership; and Authorization for Chancellor to Appoint an Individual to Serve on Board of Directors	62
	U. T. SOUTHWESTERN MEDICAL CENTER - DALLAS	
	2. Approval for Drs. Roger H. Unger, Christopher B. Newgard, and John H. Johnson to Acquire Equity Interest in Betagene, Inc., Dallas, Texas	80
	U. T. M.D. ANDERSON CANCER CENTER	
	3. Report by President Charles A. LeMaistre on Intellectual Property Matters	80
4.	Other Matters	
	U. T. SYSTEM	
	Appointment of Mr. Monroe M. Luther, Houston, Texas, and Mr. Robert E. Wise, Dallas, Texas, to the Investment Advisory Committee for Three-Year Terms from September 1, 1992 to August 31, 1995	81
V.	ITEMS FOR THE RECORD	82
	U. T. AUSTIN	
	1. Brackenridge Tract: Report on Sale of Sections II and III, Stratford Hills Subdivision, Austin, Travis County, Texas, to Quentin Corp., a Florida Corporation	82
	U. T. SOUTHWESTERN MEDICAL CENTER - DALLAS	
	2. Intercampus Connector for Research Building - Phase II North Campus Expansion (Project No. 303-755): Report on Deductions in the Contract Cost and the Composition of the Total Project Cost	82

VI.	REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS	83
VII.	OTHER MATTERS	83
	U. T. BOARD OF REGENTS	
	Presentation of Certificate of Appreciation to Chancellor Hans Mark	83
VIII.	REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE	86
	U. T. BOARD OF REGENTS AND U. T. AUSTIN	
	1. Appointment of (a) Mr. Baker Montgomery, Dallas, Texas, as Regental Representative to Intercollegiate Athletics Council for Men and (b) Mr. George O. Nokes, Jr., Austin, Texas, as Regental Representative to Intercollegiate Athletics Council for Women Effective September 1, 1992	86
	U. T. AUSTIN	
	2. Appointment of Initial Holders to Endowed Academic Positions - (a) Dr. John C. Higley to the Jack S. Blanton, Sr. Chair in Australian Studies in the College of Liberal Arts and (b) Dr. Stephen P. Magee to the Charles E. and Sarah M. Seay Regents Chair in Finance in the College of Business Administration Effective Septem- ber 1, 1992	86
	3. Permission for (a) Dr. Arthur E. Maxwell to Serve as a Member of the Gulf of Mexico Regional Marine Research Board, (b) Dr. William L. Fisher to Continue to Serve as a Member of the Secretary of Energy Advisory Board (SEAB) of the U. S. Department of Energy, and (c) Dr. Beryl B. Simpson to Serve as a Member of the Board of Governors of the United States-Mexico Foundation for Science [<u>Regents' Rules and Regulations</u> , Part One, Chapter III, Sec- tion 13, Subsections 13.(10) and 13.(11)]	87
	4. Authorization to Designate Certain Areas in Jesse Jones Hall in the School of Law as the Joseph D. Jamail Center for Legal Research (<u>Regents' Rules and Regulations</u> , Part One, Chapter VIII, Section 1, Subsec- tion 1.2, Naming of Facilities Other Than Buildings)	87
	5. Approval to Name the Dean's Conference Room (Room 2.117D) in Townes Hall as the Alla R. Goodwin Conference Room (<u>Regents' Rules and Regulations</u> , Part One, Chap- ter VIII, Section 1, Subsection 1.2, Nam- ing of Facilities Other Than Buildings)	88
	6. Amendment of Resolution for the Longhorn Foundation of the Department of Intercol- legiate Athletics for Men and Acceptance of Gift from the Texas Longhorn Education Foundation, a Texas Nonprofit Corporation, Austin, Texas	88

7.	Approval of Academic Exchange Agreements with (a) University College, Galway, Ireland, and (b) University of Montpellier III, Montpellier, France, and Authorization for the Executive Vice Chancellor for Academic Affairs to Execute Agreements	89
U. T. DALLAS		
8.	Permission for Dr. Priscilla Beadle to Serve as Chair of the Citizens Planning and Advisory Committee of the Texas Mental Health and Mental Retardation Board [<u>Regents' Rules and Regulations</u> , Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)]	96
U. T. EL PASO		
9.	Establishment of a Ph.D. Degree in Materials Science and Engineering and Authorization to Submit the Proposal to the Coordinating Board for Approval (Catalog Change)	96
U. T. PAN AMERICAN		
10.	Establishment of (a) the School of Business Administration Advisory Council and (b) the School of Business Administration/Center for Entrepreneurship and Economic Development Advisory Council	97
U. T. SAN ANTONIO		
11.	Permission for Mr. M. Dan Williams to Serve on the Interim Board of Directors of the Northwest San Antonio Transportation Development Corporation [<u>Regents' Rules and Regulations</u> , Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)]	97
12.	Approval of Changes in Parking Permit Fees Effective with the Fall Semester 1992 (Catalog Change)	98
U. T. AUSTIN		
13.	Approval of Amendments to the Undergraduate Admissions Policy Effective June 1993 (Catalog Change)	98
IX.	EXECUTIVE SESSION OF THE BOARD OF REGENTS	105
U. T. HEALTH SCIENCE CENTER - HOUSTON		
1.	Settlement of Medical Liability Litigation - Gerald E. Hord	105
U. T. HEALTH SCIENCE CENTER - SAN ANTONIO		
2.	Settlement of Medical Liability Litigation - Lori Lynn Betts, et al.	105

U. T. SOUTHWESTERN MEDICAL CENTER - DALLAS

3.	Approval of Findings and Recommendations of the Faculty Hearing Tribunal Regarding Termination of Dr. M. Dayle Hilley, a Non- tenured Faculty Member	105
X.	SCHEDULED MEETINGS	106

MEETING NO. 863

THURSDAY, AUGUST 13, 1992.--The members of the Board of Regents of The University of Texas System convened in regular session at 9:00 a.m. on Thursday, August 13, 1992, in the Regents' Meeting Room on the ninth floor of Ashbel Smith Hall in Austin, Texas, with the following in attendance:

ATTENDANCE.--

<u>Present</u>	<u>Absent</u>
Chairman Beecherl, presiding	
Vice-Chairman Ramirez	
Vice-Chairman Cruikshank	
Regent Barshop	
Regent Holmes	
Regent Loeffler	
Regent Moncrief	
Regent Rapoport	
Regent Temple	

Executive Secretary Dilly

Chancellor Mark
Executive Vice Chancellor Burck
Executive Vice Chancellor Duncan
Executive Vice Chancellor Mullins

Chairman Beecherl announced a quorum present and called the meeting to order.

U. T. BOARD OF REGENTS: APPROVAL OF MINUTES OF REGULAR MEETING HELD ON JUNE 11, 1992.--Upon motion of Regent Rapoport, seconded by Vice-Chairman Ramirez and Regent Moncrief, the Minutes of the regular meeting of the Board of Regents of The University of Texas System held on June 11, 1992, in Austin, Texas, were approved as distributed by the Executive Secretary. The official copy of these Minutes is recorded in the Permanent Minutes, Volume XXXIX, Pages 2568 - 3175.

SPECIAL ITEM

U. T. Board of Regents - Regents' Rules and Regulations, Part One: Approval of Amendments to Chapter III.--For clarification purposes and to comply with state statutes, the Board, without objection, approved amendments to the Regents' Rules and Regulations, Part One, Chapter III as set forth below:

- a. Subdivision 1.84 of Subsection 1.8 of Section 1 regarding academic titles was amended to read as follows:

1.84 Prefixes to academic and staff positions in which tenure cannot be acquired:

- (d) Chair Emeritus, Professor Emeritus and Associate Professor Emeritus. One of these titles may be given to a retired faculty member or in anticipation of the retirement of a faculty member, effective upon retirement. The conferring of one of these titles is not automatic upon retirement and may be conferred only upon approval by the chief administrative officer of the component institution in accordance with procedures included in the institutional Handbook of Operating Procedures and final approval by the Board of Regents.

- b. A new Section 18 was added to read as follows:

Sec. 18. Parental Leave.--Parental leave for all employees shall be as provided by state law.

- c. Present Sections 18 through 29 were renumbered as appropriate.

- d. Present Section 23 was amended and renumbered as Section 24 to read as follows:

Sec. 24. Compensation for Correspondence and Extension Teaching.--Full-time employees on twelve (12) month appointments may receive additional compensation for correspondence course and/or extension center teaching, but may not receive additional compensation for summer school teaching. Full-time employees on nine (9) month appointments may receive additional compensation for correspondence course and/or extension center teaching during the nine (9) month period and also may be paid for summer school teaching. Compensation rates for correspondence course and extension center teaching shall be paid at rates set from year to year by the chief administrative officer with the approval of the appropriate Executive Vice Chancellor and the Chancellor.

e. A new Section 30 was added to read as follows:

Sec. 30. Institutional Control and Administration of Contracts and Grants.--Facilities, equipment, or other resources of a component institution may not be utilized in the performance of a contract or grant that is not administered and controlled by the component institution. An employee who utilizes the facilities, equipment, or resources of a component institution for any purpose related to a contract or grant that is not subject to the administration and control of the component institution may not be paid a salary by the component institution until the contract or grant becomes subject to administration by the component institution or such activities are discontinued.

f. Present Sections 30 through 33 were renumbered as appropriate.

The amendment to Subdivision 1.84(d) of Subsection 1.8, Section 1 makes an additional title classification of Chair Emeritus for those faculty members retiring from appointments to those endowed academic positions and makes clear that award of the Emeritus title is to be made pursuant to approved procedures included in the institutional Handbook of Operating Procedures.

The new language at Section 18 regarding parental leave is in line with a new provision in the current General Appropriations Act that employees are entitled to a parental leave of absence of up to six weeks in the event of the birth or adoption of a child under the age of three. The employee may elect to use any combination of available vacation leave, compensatory time or leave without pay for the parental leave.

The amendment to Section 23 is necessary because of deletion of language from the current General Appropriations Act concerning salary rate maximums for correspondence and extension center teaching or other services.

The new language at Section 30 embodies the policy expressed by the Texas Legislature in a rider that was included in the General Appropriations Act for many years.

RECESS FOR COMMITTEE MEETINGS AND COMMITTEE REPORTS TO THE BOARD.--At 9:03 a.m., the Board recessed for the meetings of the Standing Committees and Chairman Beecherl announced that, at the conclusion of each committee meeting, the Board would reconvene to approve the report and recommendations of that committee.

The meetings of the Standing Committees were conducted in open session and the reports and recommendations thereof are set forth on the following pages.

REPORTS AND RECOMMENDATIONS OF STANDING COMMITTEES

REPORT OF EXECUTIVE COMMITTEE (Pages 4 - 5).--In compliance with Section 7.14 of Chapter I of Part One of the Regents' Rules and Regulations, Chairman Beecherl reported to the Board for ratification and approval all actions taken by the Executive Committee since the last meeting. Unless otherwise indicated, the recommendations of the Executive Committee were in all things approved as set forth below:

1. U. T. System: Approval of Financial Disclosure Statements Submitted by the Chancellor and the Institutional Chief Administrative Officers (Exec. Com. Letter 92-17).--Article 6252-9b of Texas Revised Civil Statutes Annotated requires the filing of financial disclosure statements by certain state officials with the Texas Ethics Commission by April 30 of each year. In addition, the current Appropriations Act requires certain state agency officers and employees to file financial disclosure statements for review and approval by the governing body of the employing agency. The Attorney General has interpreted the provisions of the Appropriations Act and Article 6252-9b to require the Chancellor and the institutional chief administrative officers of The University of Texas System to file financial disclosure statements with the U. T. Board of Regents.

Pursuant to these requirements and the U. T. Board of Regents' policy adopted in June 1990, the Board approved the sworn financial disclosure statements of the Chancellor and the institutional chief administrative officers of the U. T. System and found that these statements had been reviewed by the appropriate Executive Vice Chancellor, were in the form prescribed by the Texas Ethics Commission, and met the filing requirements of Texas law.

These statements are on file in the Office of the Board of Regents.

2. U. T. Austin - Parking Garage No. 2 (Project No. 102-711): Award of Construction Contract to Dal-Mac Construction Company, Richardson, Texas (Exec. Com. Letter 92-16).--The Executive Committee recommended and the Board awarded a construction contract for Parking Garage No. 2 at The University of Texas at Austin to the lowest responsible bidder, Dal-Mac Construction Company, Richardson, Texas, for the Base Bid in the amount of \$3,790,000.

Parking Garage No. 2 will be five levels and will accommodate approximately 721 parking spaces. The garage is designed to accommodate two additional levels and is intended to be used primarily for faculty and staff parking to ease the shortage on the west side of the campus.

Funding for the project is \$1,733,606 from Auxiliary Enterprise Balances and \$3,000,000 from Revenue Financing System Bond Proceeds. This project is included in the current Capital Improvement Plan and Capital Budget and was approved by the Texas Higher Education Coordinating Board in October 1991.

3. U. T. Health Science Center - San Antonio - Asbestos Abatement for Building Roofs - Exhaust and Intake Air Flow System (Project No. 402-675): Acceptance of Findings and Recommendations of Hearing Officer on Claim by Olmos Abatement, Inc. (OAI), Austin, Texas (Exec. Com. Letter 92-16).--The Board, upon recommendation of the Executive Committee, accepted the findings and recommendations of Judge James R. Meyers (Retired), Hearing Officer, with regard to the claim by Olmos Abatement, Inc. (OAI), Austin, Texas (the "Contractor"), for additional compensation associated with asbestos removal on roofs of The University of Texas Health Science Center at San Antonio, which work was a necessary prerequisite to construction of an Exhaust and Intake Air Flow System which was to be built by another contractor.

Judge Meyers found that the extra work and resulting compensation claimed by OAI was included in the scope of work required by the original contract and recommended that Chancellor Mark's decision against additional payment by The University of Texas System, which had been appealed, should be upheld in its entirety.

A copy of Judge Meyers' [report](#) dated May 20, 1992, is on file in the Office of the Board of Regents.

REPORT AND RECOMMENDATIONS OF THE BUSINESS AFFAIRS AND AUDIT COMMITTEE (Pages 6 - 17).--Committee Chairman Loeffler reported that the Business Affairs and Audit Committee had met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Business Affairs and Audit Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. System: Approval of Chancellor's Docket No. 65 (Catalog Change).--Upon recommendation of the Business Affairs and Audit Committee, the Board approved Chancellor's Docket No. 65 in the form distributed by the Executive Secretary. It is attached following Page 106 in the official copies of the Minutes and is made a part of the record of this meeting.

It was expressly authorized that any contracts or other documents or instruments approved therein had been or shall be executed by the appropriate officials of the respective institution involved.

It was ordered that any item included in the Docket that normally is published in the institutional catalog be reflected in the next appropriate catalog published by the respective institution.

2. U. T. Board of Regents - Regents' Rules and Regulations, Part One: Amendments to Chapter II, Section 6, Subdivision 6.312 (Business Operations Duties and Responsibilities) and Subsection 6.36 (West Texas Lands Management).--Based on the results of a study initiated in mid-1991 to review the interrelated functions and operations of the University Lands Accounting Office and the two West Texas Lands Offices, it was determined that the effectiveness and efficiency of the three offices would be enhanced by realigning the direct reporting relationship of the three offices to the same individual.

In accordance therewith, the Board amended the Regents' Rules and Regulations, Part One, Chapter II, Section 6, Subdivision 6.312 and Subsection 6.36 as set forth below to document that the University Lands Accounting Office, the University Lands - Oil, Gas, and Mineral Interests, and the University Lands - Surface Interests Offices report directly to the Director of West Texas Operations, who, in turn, reports to the Executive Vice Chancellor for Business Affairs:

- a. Subdivision 6.312 of Section 6 was amended to read as follows:

- | | |
|--------|--|
| 6.312 | <u>Business Operations Duties and Responsibilities.</u> |
| 6.3121 | Accounting, reporting, and expenditure control. |
| 6.3122 | Data processing systems - including prior approval of equipment acquisitions by purchase or lease. |
| 6.3123 | Accounting and business system development. |

- 6.3124 Accounting records, forms, procedures, and financial reports, including format for such reports.
- 6.3125 Lease contracts for building space.
- 6.3126 Approval of the business aspects and overhead rates in research and other contracts with outside agencies.
- 6.3127 Investment Accounting Office.

b. Subsection 6.36 of Section 6 was amended to read as follows:

6.36 West Texas Lands Management.

The Executive Vice Chancellor for Business Affairs provides direction and management for all transactions relative to Permanent University Fund Lands (hereinafter sometimes referred to as "University Lands"). In the exercise of those responsibilities, the Executive Vice Chancellor for Business Affairs:

6.361 Works closely with the Board for Lease of University Lands in the discharge of its duties and responsibilities.

6.362 Develops procedures to ensure the involvement of the Vice Chancellor for Asset Management in the development of recommendations which impact upon the asset management aspects of the Permanent University Fund Lands.

6.363 Directs and manages the operation of the following budgeted activities which are part of the Office of West Texas Lands:

University Lands - Oil, Gas, and Mineral Interests;

University Lands - Surface Interests (Oil Field Supervision); and

University Lands - Surface Interests (Leasing and Agricultural Projects).

6.364 Director of West Texas Operations. Subject to delegation by the Executive Vice Chancellor for Business Affairs, the Director of West Texas Operations is responsible for providing field supervision of System operations, activities and transactions involving oil, gas, and mineral development and production on the University Lands, supervision of System operations, activities, and interests, water rights and oil and gas field operations in or on University Lands. Within limits of authority set by the Executive Vice Chancellor for Business Affairs, the Director's regular duties include:

6.3641 Making recommendations to the Board for Lease of University Lands, and the Board of Regents, as appropriate, for periodic oil

- and gas lease sales of University Lands, and for unitization, pooling and other transactions involving oil and gas leasehold and royalty interests and other mineral interests in University Lands.
- 6.3642 Organizing, directing, guiding, setting objectives and standards for, and assigning and evaluating the work of all personnel reporting to him or her.
- 6.3643 Reviewing periodically the terms and conditions of forms and transactions involving oil and gas interests and surface interests in University Lands, and making recommendations with respect thereto to the Executive Vice Chancellor for Business Affairs and the Board for Lease of University Lands as appropriate.
- 6.3644 Reporting regularly to the Executive Vice Chancellor for Business Affairs and the Board for Lease of University Lands as appropriate all activities, developments and problems which could significantly affect System interests and University Lands, together with his or her recommendations with respect thereto.
- 6.3645 Working closely with the Board for Lease of University Lands in the discharge of its duties and responsibilities.
- 6.3646 Making recommendations to the Board with respect to all transactions involving surface interests in University Lands, including research projects, right-of-way easements, agricultural, grazing and other surface use leases, and geophysical permits.
- 6.3647 Working closely with federal and state agencies in connection with research and development projects and activities, involving utilization and husbandry of University Lands, of mutual interest to the System and such agencies.
- 6.3648 Supervising the University Lands Accounting Office.

3. U. T. System: Adoption of a Standard Bank Depository Agreement-Fully FDIC Insured Accounts Only.--The Board, upon recommendation of the Business Affairs and Audit Committee, adopted the standard Bank Depository Agreement-Fully FDIC Insured Accounts Only as set out on Pages 10 - 11 for The University of Texas System in accordance with the Regents' Rules and Regulations, Part Two, Chapter III, Section 4.11 (Local Institutional Funds), to be used only for small bank accounts which, in the aggregate, do not exceed the FDIC insurance limit at individual banks.

Component institutions maintain small accounts for petty cash and clearance purposes in towns away from their primary location where operations are conducted. State auditors have confirmed that FDIC coverage will be considered in measuring adequate security for deposits as required by law. These accounts generally average \$5,000 to \$10,000. Excess balances are swept weekly to concentration accounts with the component's primary bank.

THE STATE OF TEXAS

BANK DEPOSITORY AGREEMENT-FULLY FDIC INSURED ACCOUNTS ONLY

COUNTY OF TRAVIS

This Agreement is made and entered into on the date **last herein** written by and **between** the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, herein called "BOARD", and

a national banking association, organized under the laws of the United States of America, or
 a state banking association, organized under the laws of a state within the United States of America and which is a member of the Federal Reserve System and the Federal Deposit Insurance Corporation and is authorized by law to conduct banking business in the State of Texas and now carrying on such business in said State, hereinafter called "BANK", and is as follows:

I. AUTHORIZATION

BOARD hereby designates BANK as a depository for the period beginning _____ and continuing until this Agreement has been canceled in accordance with its provisions, for certain accounts in the name of THE UNIVERSITY OF TEXAS SYSTEM (including accounts in the name of any component institution which is now or may hereafter become a part of The University of Texas System). Such accounts shall be opened by the BOARD or its component by designating the accounts and making deposits therein and by the BANK accepting said deposits. It is the intent of Board and Bank that all such account deposit balances with BANK may not exceed, in the aggregate, the maximum insured limit under deposit insurance provided by the Federal Deposit Insurance Corporation.

BOARD may open or close accounts, as needed, under this Agreement. As evidence to BANK that such new account has been properly authorized by BOARD, each such account shall be identified and the authorized signers designated by the Vice Chancellor for Business Affairs of the U.T. System or, in the case of component institutions of the U.T. System, the chief administrative officer and the chief business officer as authorized under the Rules and Regulations of the U.T. Board of Regents such rules having been adopted by an official resolution of the BOARD. Under such Rules said representatives may remove, substitute or add signers to the account as may be deemed necessary.

II. DEPOSIT OF FUNDS

BOARD shall deposit such of its funds as it may choose and BANK shall accept such deposits in the form of "Demand Deposits" and shall hold said deposits subject to payment in accordance with the terms of the deposit.

III. PAYMENT OF DEPOSITS

BANK shall pay on demand to the order of BOARD upon the proper presentation of wire transfer instructions, checks, drafts, or vouchers properly issued, all or any portion of the funds now on deposit or to be deposited with BANK. BANK shall make no deductions for its own account from BOARD'S account except as authorized in writing by BOARD or to correct operational errors in the normal course of business. The obligations of BANK under this Section shall survive the termination of this Agreement.

IV. EVENTS OF DEFAULT

The following events shall be considered Events of Default by BANK:

- A. BANK fails at any time to pay immediately and satisfy upon presentation an order for payment lawfully issued against any deposit and BOARD has determined, in its sole discretion, that such failure has not occurred due to operational errors of BANK and such failure has not been corrected after one additional business day from the date the failure first occurred, or
- B. BANK is declared insolvent by a State or Federal bank regulatory agency, or
- C. Other than the events listed above, BANK shall breach its contract with BOARD and such failure has not been corrected to the satisfaction of BOARD after BANK has been sent (by facsimile transmission or other immediately available method) three days written notice by BOARD.

V. REMEDIES

If an Event of Default shall occur, BOARD may immediately withdraw any or all of its funds on deposit including accrued interest, if any, with BANK without penalty regardless of the form of the deposit instrument.

VI. TERMINATION

BOARD or BANK shall have the right to terminate this Agreement by advance written notice to the other of its election so to do, and this Agreement shall be void from and after the expiration of ninety (90) days after the receipt of such notice, provided all provisions of this Agreement have been fulfilled. BOARD may immediately terminate this Agreement upon an Event of Default as listed in Section IV.

VII. MISCELLANEOUS

A. No failure or delay by BOARD in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

B. Any provision of this Agreement may be amended or modified if, and only if, such amendment or modification is in writing and is signed by the BOARD and BANK.

C. Any provision of this Agreement which is prohibited, unenforceable or not authorized shall be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions thereof.

D. This Agreement shall be deemed to be a contract made under and shall be construed in accordance with and governed by the laws of the State of Texas and all applicable laws of the United States of America. The venue for any legal action to enforce or interpret this Agreement shall be in Travis County, Texas.

E. This Agreement may not be assigned by BANK without the prior written consent of BOARD. Any successor to BANK whether by sale, merger or operation of law shall be bound by the terms of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers or representatives as of the ____ day of ____ 19__.

Address:
210 West Sixth Street
Austin, Texas 78701

BOARD OF REGENTS OF THE UNIVERSITY
OF TEXAS SYSTEM

By: _____

Its: _____

ATTEST:

Executive Secretary

Address:

BANK

By: _____

Its: _____

ATTEST:

Its: _____

4. U. T. System: Adoption of Equipment Lease Financing Resolution to Authorize Financing of Equipment Purchases by the Texas Public Finance Authority, Approval for Execution of Master Lease Agreement and Lease Supplement, and Authorization for Officers of U. T. System to Complete Transactions.--Article V, Section 144 of the current General Appropriations Act requires all state agencies financed in whole or in part by the General Revenue Fund to use master lease financing for the acquisition of information resource technologies and capital equipment when the source of payment is from general revenue appropriations.

In accordance therewith and upon recommendation of the Business Affairs and Audit Committee, the Board:

- a. Adopted the Equipment Lease Financing Resolution substantially in the form set out on Pages 13 - 14 thereby:
- (1) Authorizing The University of Texas System to finance equipment purchases through the Texas Public Finance Authority when the source of funds for such purchases is State general revenue appropriations
 - (2) Authorizing the Executive Vice Chancellor for Business Affairs or his or her designee at each component institution of the U. T. System who shall be the chief business officer of such component to submit requests to the Texas Public Finance Authority for equipment financing or refinancing provided that such financing is not in conflict with the Master Resolution or any supplemental resolution of The University of Texas System Revenue Financing System and the source of funds to pay debt service for such financing is State general revenue appropriations
- b. Appointed the Executive Vice Chancellor for Business Affairs and the chief business officer for each component institution of the U. T. System or his or her designee as Authorized Representatives of the U. T. System to execute, on behalf of each component, the Master Lease Agreement and each Lease Supplement of the Texas Public Finance Authority
- c. Authorized certain officers and employees of the U. T. System to take any and all steps necessary to carry out the intentions of the U. T. Board of Regents to complete the transactions.

The state mandated program will be administered by the Texas Public Finance Authority for all state agencies. Component institutions may continue to use vendor financing and the Revenue Financing System debt program for equipment provided that the source of funds for payment of lease payments or debt service is other than general revenue appropriations.

DRAFT

Equipment Lease Financing Resolution

WHEREAS, the Texas Public Finance Authority (the "Authority") is authorized to issue revenue bonds or other obligations for the purpose of financing of a lease or other agreement with respect to equipment purchased, leased or intended to be purchased or leased by a state agency pursuant to Tex. Rev. Civ. Stat., art. 601d, as amended and Tex. Rev. Civ. Stat., art. 717q, as amended ("717q") (jointly the "Authorizing Law");

WHEREAS, The U. T. System intends to request the Authority from time to time to issue bonds or other obligations of the Authority to finance or refinance Equipment when the source of funds would otherwise be the general revenue appropriations of the State of Texas in an aggregate amount not exceeding \$20,000,000 during the 1991-93 biennium (the "Biennium"); and

WHEREAS, The U. T. System now desires to approve and authorize the financing or refinancing of the equipment and to authorize the Executive Vice Chancellor for Business Affairs or designee to submit requests for financing to the Authority from time to time to issue its bonds or other obligations to finance or refinance equipment and take such other actions related thereto.

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

1. The purchase or lease of equipment has been duly authorized by law and is required or suitable for the public purposes mandated by law and the financing or refinancing thereof is appropriate.

2. The Executive Vice Chancellor for Business Affairs of The U. T. System, or his designee, is hereby authorized and directed to submit requests from time to time to the Authority to issue its bonds or other obligations, in an aggregate amount not exceeding \$20,000,000 during the Biennium, for and on behalf of The U. T. System for the purpose of financing or refinancing the purchase or lease of equipment when the source of funds for such equipment would otherwise be the general revenue appropriations of the State of Texas in accordance with the Authorizing Law.

3. The Executive Vice Chancellor for Business Affairs and the chief business officer of a component institution of The U. T. System are each hereby further authorized to approve, execute and deliver the Master Lease Agreement Requests for Financing, and such other instruments, including but not limited to the financing documents required by the Authority's rules, and to take such other actions as are necessary and appropriate in connection with the issuance, sale or delivery of the bonds or other obligations of the Authority.

4. Due notice of this meeting and the subject matter of this Resolution was given as required by law; and that a quorum of the Board was present at the meeting at which this Resolution was considered.

Adopted and effective as of _____, 199__.

chairman
Board of Regents of
The University of Texas System

Secretary

5. U. T. System: Approval of Policies for Preparing Legislative Appropriations Request for the 1994-1995 Biennium.--Upon recommendation of the Business Affairs and Audit Committee, the Board approved the following policies for use in preparing the Legislative Appropriations Request for the 1994-1995 Biennium for The University of Texas System. In accordance with Section 61.059 of the Texas Education Code, the formulas approved by the Texas Higher Education Coordinating Board will serve as the basis for these policies for requesting legislative appropriations.

Policies for Preparing Legislative Appropriations
Request for the 1994-1995 Biennium

In preparing the Legislative Appropriations Request for the biennium beginning September 1, 1993, the instructions issued by the Texas Higher Education Coordinating Board, the Legislative Budget Board, and the Governor's Budget and Planning Office are to be used as specific guidelines. These instructions will implement the State Strategic Planning and Budgeting System and in some cases will require new types of information. In the interest of uniformity and similar treatment, the following additional policies and limitations shall be observed relating to areas not funded by formula or not otherwise covered by the above-mentioned instructions.

a. Faculty Salaries

Funds for nonformula faculty salaries may be increased up to 8% for 1994 over budgeted 1993 and up to 8% for 1995 over 1994 requested.

b. Departmental Operating Expense

Increases for Departmental Operating Expenses covered under the Resident Instruction Element of Cost may be increased up to 11.6% for each year of the biennium.

c. Library

Funding may be requested to provide up to a 25% increase for each year of the biennium.

d. Utilities

Requests for Utilities are to be based on projected needs using the best available rate estimates, carefully documented.

e. All Other Elements of Costs

In keeping with the general guidelines for formula funding, all other nonformula elements of cost may be increased up to 12.5% for 1994 over 1993 budgeted and 7.9% for 1995 over 1994 requested.

f. New Positions

All requests for new positions must be based on new or expanded programs or on improvements in existing programs and be fully justified.

g. Employee Insurance Premiums

FY 1993 rates should be used to request funds for payment of the State's contribution toward the cost of insurance premiums. Eligible employees are those covered under the provisions of the Texas State College and University Employees Uniform Insurance Benefits Act.

h. Special Items

Funds may be requested to support items which are peculiar to the particular institution and which are not otherwise included in other specific "Elements of Institutional Costs." Support for these Special Items must be fully justified.

i. Across-the-Board Salary Increases

No across-the-board salary increases should be included in this request. Across-the-board increases will be established as part of a state-wide policy. Merit increases and competitive market adjustments may be requested.

1994-1995 LEGISLATIVE APPROPRIATIONS REQUEST CALENDAR

July 17, 1992 - August 10, 1992	Individual component legislative appropriations request preliminary review and critique by appropriate Executive Vice Chancellor
August 13, 1992	U. T. Board of Regents' Approval of Policies
August 17, 1992	Ten draft copies of Legislative Appropriations Request (bound) due to System Administration
August 20-31, 1992	Individual Budget Hearings with System Administration on a need basis
September 8, 1992	Fifty-five copies of Legislative Appropriations Request (unbound) due to System Administration for binding
September 18, 1992	Filing Date for Legislative Appropriations Request

Items not covered by formula for the academic institutions, for which comparable requests for appropriations are made, include utilities, staff benefits, and special items such as research projects and special institutes operated by the universities. The health institutions are nonformula funded, and by these policies are directed to utilize the general Coordinating Board approved formula increases to request funding for comparable elements of cost.

The Request for Legislative Appropriations include only Educational and General elements of cost, i.e., they do not include auxiliary enterprises, contracts and grants, or restricted funds.

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE.--At the conclusion of the meeting of the Business Affairs and Audit Committee, Chairman Beecherl announced that the Board would delay consideration of the Academic Affairs Committee agenda until later in the meeting.

The report and recommendations of the Academic Affairs Committee is set forth on Pages 86 - 104.

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE (Pages 18 - 21).--Committee Chairman Ramirez reported that the Health Affairs Committee had met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Health Affairs Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. Board of Regents - Regents' Rules and Regulations, Part One: Amendments to Chapter I, Section 7 (Committee Structure) and Chapter II, Section 5 (Executive Vice Chancellor for Health Affairs) and Section 13 (Chief Administrative Officers of Component Institutions).--For clarification purposes and to meet the requirements of the Joint Commission on Accreditation of Healthcare Organizations regarding the specific role and responsibilities of the U. T. Board of Regents in the governance/management of The University of Texas System health-care facilities, the Board, upon recommendation of the Health Affairs Committee, amended the Regents' Rules and Regulations, Part One, Chapter I, Section 7 (Committee Structure) and Chapter II, Section 5 (Executive Vice Chancellor for Health Affairs) and Section 13 (Chief Administrative Officers of Component Institutions) as follows:
 - a. Chapter I, Section 7, Subsection 7.1 was amended by deleting Subdivisions 7.17(11)1, 7.17(11)2, and 7.17(11)5 and renumbering and amending present Subdivisions 7.17(11)3 and 7.17(11)4 to read as set forth below:

7.17(11)	With respect to each Hospital, clinic and patient-care facility owned by The University of Texas System:
7.17(11)1	Review and make recommendations to the Board concerning the bylaws, and rules and regulations of the medical staff;
7.17(11)2	Review and make recommendations to the Board concerning mechanisms and controls for the achievement and maintenance of high standards of professional practices in and at the Hospital, clinic or patient-care facility.
 - b. Chapter II, Section 5, Subsection 5.2 was amended to read as follows:
 - 5.2 Duties and Responsibilities.
The Executive Vice Chancellor for Health Affairs shall have as a prime responsibility the maintenance of high academic quality in the health-related teaching institutions and high quality health services in the health-care delivery institutions of the System. The Board

through its policies, procedures, and Rules and Regulations maintains its governance responsibilities, and acknowledges the importance of maintaining accreditation for hospital, clinic and other patient-care facilities. Because of the complexity and diversity of the System, the Executive Vice Chancellor for Health Affairs is delegated the responsibility for ensuring the governance requirements for accreditation not specifically covered elsewhere in these policies, procedures, and Rules and Regulations are met. The Executive Vice Chancellor for Health Affairs will report the accreditation status to the Board on a periodic basis. Through the chief administrative officers of the component institutions, he or she shall have responsibility for the budgets, academic planning and programs, facilities planning and construction, and personnel (both academic and nonacademic) of those components. In consultation with the Chancellor, the Executive Vice Chancellor for Health Affairs shall prepare recommendations and supporting information on such matters for consideration by the appropriate standing committees of the Board and the Board of Regents.

- c. Chapter II, Section 13, Subsection 13.3 was amended by adding a new Subdivision 13.31(12) to read as follows:

13.31(12) Develop and implement plans and policies to ensure that hospitals, clinics, and patient-care facilities of the health components remain in compliance with any accreditation requirements appropriate to the component or its programs.

Committee Chairman Ramirez noted that, during recent accreditation surveys at The University of Texas Medical Branch at Galveston and The University of Texas M.D. Anderson Cancer Center, the Joint Commission on Accreditation of Healthcare Organizations pointed out the need for specific roles and responsibilities pertaining to the governance and management of hospitals, clinics, and patient-care facilities. Dr. Ramirez reported that he was present at the recent U. T. M.D. Anderson Cancer Center accreditation review when the survey team addressed this issue and noted that the Commission was very insistent that the governing board establish, in writing, its governance and management role and delegated responsibilities for ensuring compliance with the accreditation requirements.

Dr. Ramirez then called on Chancellor Mark who stated that this was an expedient change, and it was very important to recognize that the chief administrative officers of the U. T. System academic institutions also have responsibilities in the accreditation process and that ultimately the Board will need to ensure that all chief administrative officers have the same job responsibilities.

2. U. T. Medical Branch - Galveston: Approval of Changes in Parking Rates Effective September 1, 1992 (Catalog Change).--The Board, upon recommendation of the Health Affairs Committee, approved changes in the parking rates at The University of Texas Medical Branch at Galveston effective September 1, 1992, as set out below:

	MONTHLY RATES		
	FY 1993 and 1994	FY 1995 and 1996	FY 1997 and 1998
Garage	\$25.00	\$35.00	\$40.00
Surface Lots	15.00	20.00	25.00
Shuttle Parking	10.00	10.00	15.00

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

The next appropriate catalog published by the U. T. Medical Branch - Galveston will be amended to conform to this action.

3. U. T. Medical Branch - Galveston: Permission Granted for Courtney M. Townsend, Jr., M.D., to Serve on the Texas Cancer Council [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--Permission was granted for Courtney M. Townsend, Jr., M.D., Robertson-Poth Professor in the Department of Surgery at The University of Texas Medical Branch at Galveston, to serve on the Texas Cancer Council for a term effective immediately and extending through February 1, 1998. Dr. Townsend's service in this capacity is without remuneration.

Lieutenant Governor Bullock's appointment of Dr. Townsend to this Council is of benefit to the State of Texas, creates no conflict with his regular duties at the U. T. Medical Branch - Galveston, and is in accordance with approval requirements for positions of honor, trust, or profit provided in Article 6252-9a of Vernon's Texas Civil Statutes and Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11) of the Regents' Rules and Regulations.

4. U. T. M.D. Anderson Cancer Center: Permission for (a) Mrs. Elizabeth Feltz to Accept an Appointment from the Texas Commission on Alcohol and Drug Abuse to Serve on the Institutional Review Board for the Houston Recovery Campus and (b) Charles A. LeMaistre, M.D., to Serve as a Member of the NASA Advisory Council and as Chairman of the Scientific Advisory Committee for Biomedical Research in Space [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--Permission was granted for the following staff members at The University of Texas M.D. Anderson Cancer Center to serve as indicated:

- a. Mrs. Elizabeth Feltz, a medical technologist in the Molecular Diagnostics Laboratory in the Division of Laboratory Medicine, to accept an appointment from the Texas Commission on Alcohol and Drug Abuse to serve on the Institutional Review Board for the Houston Recovery Campus

- b. Charles A. LeMaistre, M.D., President of the U. T. M.D. Anderson Cancer Center, to serve as a member-at-large on the NASA Advisory Council which meets four to five times a year and as Chairman of the Scientific Advisory Committee for Biomedical Research in Space.

It was noted that these individuals will serve in these capacities without compensation.

These appointments are of benefit to the State of Texas, create no conflict with their regular duties at the U. T. M.D. Anderson Cancer Center, and are in accordance with approval requirements for positions of honor, trust, or profit provided in Article 6252-9a of Vernon's Texas Civil Statutes and Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11) of the Regents' Rules and Regulations.

5. U. T. M.D. Anderson Cancer Center: Appointment of Initial Holders to Endowed Academic Positions - (a) Dr. Walter N. Hittleman to the Sophie Caroline Steves Professorship in Cancer Research and (b) Raphael E. Pollock, M.D., to the Doctor R. Lee Clark Professorship Effective September 1, 1992.--Upon recommendation of the Health Affairs Committee, the Board approved the following initial appointments to endowed academic positions at The University of Texas M.D. Anderson Cancer Center effective September 1, 1992:
 - a. Dr. Walter N. Hittleman, Professor of Cell Biology, to the Sophie Caroline Steves Professorship in Cancer Research
 - b. Raphael E. Pollock, M.D., Associate Professor of Surgery, to the Doctor R. Lee Clark Professorship.

REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 22 - 24).--Committee Chairman Moncrief reported that the Facilities Planning and Construction Committee had met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, all actions set forth in the Minute Orders which follow were recommended by the Facilities Planning and Construction Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. Arlington - Science Building Phase I Expansion (Project No. 301-706): Approval of Final Plans and Authorization to Advertise for Bids and for the Executive Committee to Award Contracts.--Upon recommendation of the Facilities Planning and Construction Committee, the Board:
 - a. Approved the final plans and specifications for the Science Building Phase I Expansion at The University of Texas at Arlington at an estimated total project cost of \$12,500,000
 - b. Authorized the Office of Facilities Planning and Construction to advertise for bids upon completion of final review and the Executive Committee to award all contracts associated with this project within the authorized total project cost.

The new construction in Phase I will contain approximately 58,000 gross square feet for teaching and research laboratories and faculty offices primarily for the Department of Chemistry. This project will also renovate approximately 5,600 square feet in the existing Science Building to correct major deficiencies in mechanical and fume hood systems and provide renovated laboratory space for the Department of Physics.

The Phase I project is included in the Capital Improvement Plan and the FY 1993 Capital Budget. Funding for the \$12,500,000 total project cost will be \$10,000,000 from Permanent University Fund Bond Proceeds, \$2,000,000 from Gifts and Grants, and \$500,000 from FY 1988 PUF Reserves.

This project was approved by the Texas Higher Education Coordinating Board in October 1991.

2. U. T. Dallas - Engineering and Computer Science Building (Project No. 302-570): Approval of Plaque Inscription.--The Facilities Planning and Construction Committee recommended and the Board approved the inscription set out on Page 23 for a plaque to be placed on the Engineering and Computer Science Building at The University of Texas at Dallas. The inscription follows the standard pattern approved by the U. T. Board of Regents in June 1979.

ENGINEERING AND COMPUTER SCIENCE BUILDING
1990

BOARD OF REGENTS

Louis A. Beecherl, Jr., Chairman	Hans Mark
Sam Barshop, Vice-Chairman	Chancellor, The University of Texas System
Bill Roden, Vice-Chairman	Robert H. Rutford
Jack S. Blanton	President, The University of Texas at Dallas
Robert J. Cruikshank	
Tom Loeffler	
W. A. "Tex" Moncrief, Jr.	
Mario E. Ramirez, M.D.	Omniplan Architects, Inc.
Shannon H. Ratliff	Project Architect
	The Cadence Group, Inc.
	Contractor

3. U. T. Dallas: Cecil H. Green Center (Project No. 302-151) - Approval to Rename Building the Cecil H. Green Hall and Cecil and Ida Green Center for the Study of Science and Society (Project No. 302-717) - Authorization to Rename Building Cecil and Ida Green Center and Approval of Plaque Inscription.--In January 1973, the U. T. Board of Regents approved the name of Cecil H. Green Center for the Social and Behavioral Sciences Building at The University of Texas at Dallas. At the June 1991 meeting, the U. T. Board of Regents awarded a construction contract for a building to house the Cecil and Ida Green Center for the Study of Science and Society at U. T. Dallas. As the Cecil and Ida Green Center for the Study of Science and Society nears completion, it is clear that common usage will make that building the "Green Center." To minimize confusion with the existing (1973) building (Cecil H. Green Center) and the newly created Center for the Study of Science and Society, the Board, upon recommendation of the Facilities Planning and Construction Committee:
- a. Approved a building name change from Cecil H. Green Center to Cecil H. Green Hall
 - b. Authorized a building name change from Cecil and Ida Green Center for the Study of Science and Society to Cecil and Ida Green Center and approved the inscription set out below for a plaque to be placed on the building in accordance with the standard pattern approved by the U. T. Board of Regents in June 1979.

CECIL AND IDA GREEN CENTER
1991

BOARD OF REGENTS

Louis A. Beecherl, Jr., Chairman	Hans Mark
Mario E. Ramirez, M.D., Vice-Chairman	Chancellor, The University of Texas System
Robert J. Cruikshank, Vice-Chairman	Robert H. Rutford
Sam Barshop	President, The University of Texas at Dallas
Zan W. Holmes, Jr.	
Tom Loeffler	
W. A. "Tex" Moncrief, Jr.	
Bernard Rapoport	F&S Partners, Incorporated
Ellen C. Temple	Project Architect
	Ward-Lisle Constructors, Inc.
	Contractor

The original naming, and thereby the redesignation, of both these buildings involve an exception to the Regents' Rules and Regulations requirement that persons in whose honor a building is to be named "shall have been deceased at least five years."

4. U. T. System: Commendation to the Office of Facilities Planning and Construction Regarding the Review of Firms Who Bid on University Projects.--At the conclusion of the meeting of the Facilities Planning and Construction Committee, Committee Chairman Moncrief commended Mr. R. S. Kristoferson, Director of Facilities Planning and Construction for The University of Texas System, and his staff for the very comprehensive and diligent way in which the Office of Facilities Planning and Construction reviews the qualifications and reputations of firms who bid on U. T. System projects.

Mr. Moncrief recalled that at the February 1990 meeting the Board did not award a major renovation project at The University of Texas M.D. Anderson Cancer Center to the lowest bidder because Mr. Kristoferson and his staff advised the Board that their investigation and review raised serious questions about the responsibility and reliability of this particular contractor.

Regent Moncrief pointed out that in July 1992 the Houston Chronicle ran a series of articles detailing how that same contractor was in serious dispute on nine of eleven public projects in Texas involving such owners as the City of Garland, City of Austin, Texas Department of Criminal Justice, Federal Bureau of Prisons, and The Texas A&M University System. Many of these disputes are expected to go to litigation or involve extensive negotiations over large settlements.

On behalf of the Board, Committee Chairman Moncrief expressed appreciation to Mr. Kristoferson for his diligent and effective review of the bidders and for his courage in bringing to the Board potentially controversial recommendations. Mr. Moncrief noted that, in this particular case, Mr. Kristoferson and his staff possibly saved the U. T. M.D. Anderson Cancer Center and the Board a lot of difficulty and probably litigation.

REPORT AND RECOMMENDATIONS OF THE ASSET MANAGEMENT COMMITTEE (Pages **25 - 81**).--Committee Chairman Cruikshank reported that the Asset Management Committee had met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, all actions set forth in the Minute Orders which follow were recommended by the Asset Management Committee and approved in open session and without objection by the U. T. Board of Regents.

Prior to considering the items before the Asset Management Committee, Committee Chairman Cruikshank announced that Mr. Thomas G. Ricks had recently been appointed Vice Chancellor for Asset Management for The University of Texas System after serving as Acting Vice Chancellor for Asset Management since December 1991. On behalf of the Board, Mr. Cruikshank thanked Mr. Ricks for a job well done and expressed his congratulations on the new appointment.

AUG 13 1992

I. PERMANENT UNIVERSITY FUND

INVESTMENT MATTERS

1. Report on Clearance of Monies to the Permanent University Fund for May and June 1992 and Report on Oil and Gas Development as of June 30, 1992. The following reports with respect to (a) certain monies cleared to the Permanent University Fund for May and June 1992 and (b) Oil and Gas Development as of June 30, 1992, were submitted by the Executive Vice Chancellor for Business Affairs:

Permanent University Fund	May 1992	June 1992	Cumulative Through June of this Fiscal Year (-1991-1992)	Cumulative Through June of Preceding Fiscal Year (-1990-1991)	Per Cent Change
<u>Royalty</u>					
Oil	\$ 3,105,002.42	\$4,095,104.58	\$39,958,945.38	\$57,462,736.70	-30.46%
Gas	949,759.72	853,684.73	10,954,880.61	16,708,734.85	-34.44%
Sulphur	0.00	0.00	(10,598.69)	0.00	--
Water	34,496.64	66,812.63	504,803.82	723,925.41	-30.27%
Brine	4,229.93	7,007.92	44,817.00	50,255.66	-10.82%
Trace Minerals	0.00	0.00	00.00	00.00	--
<u>Rental</u>					
Oil and Gas Lease	83,958.40	94,916.66	558,316.33	661,204.66	-15.56%
Other	6,012.30	5,103.00	17,067.00	14,808.65	15.25%
<u>Sale of Sand, Gravel, Etc.</u>	0.00	00.00	8,310.00	23,802.75	-65.09%
<u>Total University Lands Receipts Before Bonuses</u>	<u>4,183,459.41</u>	<u>5,122,629.52</u>	<u>52,036,541.45</u>	<u>75,645,468.68</u>	<u>-31.21%</u>
<u>Bonuses</u>					
Oil and Gas Lease Sales	1,932,665.52	0.00	1,932,665.52	2,383,007.90	-18.90%
Amendments and Extensions to Mineral Leases	329.85	166.53	2,506.03	91,413.64	-97.26%
<u>Total University Lands Receipts</u>	<u>6,116,454.78</u>	<u>5,122,796.05</u>	<u>53,971,713.00</u>	<u>78,119,890.22</u>	<u>-30.91%</u>
<u>Gain or (Loss) on Sale of Securities</u>	<u>5,701,299.33</u>	<u>3,947,780.22</u>	<u>44,130,725.68</u>	<u>(38,785,233.69)</u>	<u>213.78%</u>
<u>TOTAL CLEARANCES</u>	<u>\$11,817,754.11</u>	<u>\$9,070,576.27</u>	<u>\$98,102,438.68</u>	<u>\$39,334,656.53</u>	<u>149.40%</u>

Oil and Gas Development - June 30, 1992
 Acreage Under Lease - 662,763

Number of Producing Acres - 535,339

Number of Producing Leases - 2,560

- 26 -

2. U. T. Board of Regents: Adoption of Resolution Authorizing the Issuance of Replacement Bonds in the Aggregate Amount of \$50,000 of the Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1981 and Coupon Numbers 23 Through 32 in the Aggregate Amount of \$22,500 to Southwest Securities, Inc., Dallas, Texas, and Authorization for Appropriate Officials to Execute Documents Relating Thereto.--On April 8, 1992, Southwest Securities, Inc., Dallas, Texas, mailed ten Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1981 bearer bonds, \$5,000 each, with coupons attached to The University of Texas System for reregistration. On April 16, 1992, the bonds and coupons were inadvertently destroyed by U. T. System personnel. After an inquiry by Southwest Securities, Inc., it was discovered on June 5, 1992, that the bonds had been destroyed and the following were notified of the destruction:

Southwest Securities, Inc., the Bondholder

NationsBank, the Paying Agent

Vinson & Elkins, Bond Counsel.

In accordance with Article 715a of Vernon's Annotated Texas Civil Statutes, the Board:

- a. Adopted the Resolution substantially in the form set out on Pages 28 - 40 to authorize the issuance of Replacement Bonds R7535, R7554, R7555, R7556, R7557, R7558, R7560, R7562, R7564, and R7566, \$5,000 each, in the aggregate amount of \$50,000, of the Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1981 and Coupon Numbers 23 through 32, \$225 each, for each of the bonds in the aggregate amount of \$22,500, to Southwest Securities, Inc., Dallas, Texas
- b. Authorized the appropriate officials to execute documents relating thereto.

The process related to the issuance of replacement bonds for lost bonds requires that after Regental approval, the bonds be reprinted, approved by the Attorney General, registered by the Comptroller of Public Accounts, and several documents relating to the bonds be executed.

DRAFT

RESOLUTION AUTHORIZING THE ISSUANCE AND DELIVERY OF REPLACEMENT BONDS FOR CERTAIN OF THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1981, AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

WHEREAS, the Board of Regents of The University of Texas System (the "Board") , pursuant to a resolution adopted on June 11, 1981 (the "Original Bond Resolution"), has heretofore issued and delivered its "Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1981" (the "Bonds") in the aggregate principal amount of \$43,000,000; and

WHEREAS, on April 8, 1992, Bonds No. 7535, 7554, 7555, 7556, 7557, 7558, 7560, 7562, 7564 and 7566, together with the outstanding interest coupons attached thereto (the "Original Bonds"), were mailed by Southwest Securities, Inc., Dallas, Texas ("Southwest Securities"), the owner of the Original Bonds, to The University of Texas System Office of Finance (the "Office of Finance") for registration as to principal amount; and

WHEREAS, on April 16, 1992, the Original Bonds were inadvertently destroyed by Office of Finance personnel; and

WHEREAS, Office of Finance personnel, acting on behalf of the Board, have executed the Affidavit of Loss and the Disposal Certificate attached hereto as *Exhibit A and *mbit B, respectively; and

WHEREAS, Article 715a, Vernon's Annotated Texas Civil Statutes, authorizes the Board to issue replacement bonds of like

*Exhibits A and B are not on file in the Office of the Board of Regents.

tenor and effect for any lawfully issued and outstanding Bonds that have been destroyed: and

WHEREAS, due to **the** circumstances surrounding the destruction of the **Original Bonds**, **the** Board has determined that no affidavit of destruction or indemnity is required **from** Southwest Securities in connection with **the issuance** of replacement bonds for the **Original Bonds**: and

WHEREAS, **the** Board has determined that replacement bonds and replacement coupons should be issued and delivered to replace the **Original Bonds**: and

WHEREAS, capitalized terms used herein and not otherwise defined shall **have** the meanings given to such terms in **the** **Original Bond Resolution**;

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

I.

The **replacement** bonds of the Board to **be** known and designated as "Board of **Regents** of **The** University of Texas System Permanent University Fund Bonds, **New Series 1981**" (**the** "**Replacement Bonds**"), shall **be** issued in the aggregate principal amount of Fifty Thousand Dollars (**\$50,000**) to **replace** the **Original Bonds**.

II.

The **Replacement Bonds** shall **be** in coupon form, shall be dated July 1, 1981, shall **be** numbered Bonds No. R-7535, R-7554, R-7555, R-7556, R-7557, R-7558, R-7560, R-7562, R-7564 and R-7566 with the

words "DUPLICATE **BOND**" printed under **the** numbers, shall **be** in the denomination of \$5,000 each, shall mature on July 1, 1999, and shall bear interest at the rate of 9.001 **per** annum.

III.

The principal of, **premium**, if any, and interest on the Replacement Bonds shall be payable at the times and in the manner described in the **FORM** OF BOND set **forth** herein. **The** interest on the Replacement Bonds shall **be** evidenced by interest coupons numbered 23 through 32 for each Replacement Bond, with the words "DUPLICATE **COUPON**" printed **thereon** (**the** "Replacement Coupons").

The Replacement Bonds shall **be** signed by **the** Chairman of **the** Board and attested by the **Executive Secretary** of the Board holding office as of **the** date of adoption of this Resolution, by their lithographed or printed facsimile signatures, and the official seal of The University of Texas System (the "**System**") shall be impressed or placed in **facsimile thereon**. **The Replacement** Coupons attached to the Replacement Bonds shall also **be** executed by the lithographed or printed facsimile signatures of the Chairman of the Board and the **Executive** Secretary of the Board. The facsimile signatures on the **Replacement** Bonds and Replacement Coupons shall have the same effect as if the Replacement Bonds and Replacement Coupons had been signed manually and in person by each of said **officers**, and the facsimile seal on **the** Replacement Bonds shall have the same effect as if the official seal of **the system** had been manually impressed upon the Replacement Bonds. The registration certificate of the

comptroller of Public Accounts of the State of Texas (the "Comptroller of Public Accounts"), which is to be printed upon the Replacement Bonds, shall be manually subscribed, the official seal of the Comptroller of Public Accounts shall be impressed or placed in facsimile upon the Replacement Bonds.

IV.

The form of the Replacement Bond, including the form of Registration Certificate of the Comptroller of Public Accounts to be printed and endorsed on each Replacement Bond, the form of the Replacement Coupons, which shall appertain and be attached initially to each Replacement Bond, and the form of endorsement for registration to principal, shall be, respectively, substantially as follows:

FORM OF BOND:

No. R- _____
DUPLICATE BOND

\$5,000

UNITED STATES OF AMERICA
STATE OF TEXAS

**BOARD OF REGENTS OF
THE UNIVERSITY OF TEXAS SYSTEM
PERMANENT UNIVERSITY FUND BOND
NEW SERIES 1981**

ON JULY 1, 1999, the BOARD OF REGENTS OF **THE UNIVERSITY OF TEXAS SYSTEM promises to** pay to **bearer**, or if this bond be registered as to principal, then to the registered owner hereof, the principal amount of

FIVE THOUSAND DOLLARS

and to pay interest thereon, from **the** date hereof, at the rate of 9.001 per annum, evidenced by interest coupons payable JANUARY 1, 1982, and semiannually thereafter on each JULY 1 and JANUARY 1 while **this** bond is outstanding. The principal of this bond and the interest coupons appertaining hereto shall be payable to bearer, **in** lawful money of the United States of America, without exchange or collection **charges** to the bearer, upon presentation and surrender of this bond or proper **interest** coupon, at **NationsBank** of Texas, N.A., **Dallas, Texas (as successor** paying agent to The Austin National **Bank, Austin, Texas), or, at** the option of the bearer, at Bankers **Trust** Company, **. New York, . New York,** or at First National Bank, Chicago, Illinois, which places shall be the paying agents for this **Series** of bonds.

THIS BOND is **one** of a **Series** of negotiable coupon bonds dated JULY 1, 1982, **issued** 'in **the principal** amount of **\$43,000,000** FOR THE PURPOSE OF CONSTRUCTING, EQUIPPING, OR ACQUIRING BUILDINGS OR OTHER PERMANENT **IMPROVEMENTS** FOR THE UNIVERSITY OF **TEXAS** SYSTEM, to the extent and in **the** manner provided by law, in accordance **with** the provision⁸ **of the** Amendments to Section 18, Article VII of the Texas Constitution, adopted by a vote of the people of Texas on November 6, 1956, and on November 8, 1966.

ON JULY 1, 1991, OR ON ANY INTEREST PAYMENT DATE THEREAFTER, any outstanding bonds of this Series may be redeemed prior to their scheduled maturities, at the option of said Board, IN WHOLE, OR FROM TIME TO TIME IN PART, **for the** following redemption prices

(expressed **as percentages** of the principal **amount**) **plus unpaid accrued** interest on the bonds called for redemption to the date fixed for redemption:

<u>Redemption Date</u>	<u>Redemption Price</u>
July 1, 1991, or January 1, 1992	101 $\frac{1}{2}$
July 1, 1992, or January 1, 1993	100- $\frac{3}{4}$
July 1, 1993, or January 1, 1994	100- $\frac{1}{2}$
July 1, 1994, or January 1, 1995	100- $\frac{1}{4}$
July 1, 1995, or thereafter	100 $\frac{1}{2}$

At least thirty **days** before the **date** fixed for any such redemption the Board shall cause a written notice of such redemption to be published at least once in a financial publication published in the City of New York, New York. By the date **fixed** for any such redemption, due provision shall **be** made with the paying agents for the **payment of** par and **accrued interest** to the date fixed for redemption of the bonds to **be** redeemed, plus the required premium. If the written notice of **redemption** is published, and if due **provision for such payment** is made, all as provided **above**, the bonds, which are to **be** so redeemed, thereby automatically shall be redeemed prior to maturity, and they shall not bear interest after the **date fixed for redemption, and** shall not be regarded as being outstanding **except** for the purpose of being paid by the paying agents with **the** funds so provided for such payment.

IT IS HEREBY certified; recited **and covenanted that** this bond **has been** duly and validly issued and delivered: that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the issuance and delivery of this

bond have been performed, existed and been done in accordance with law: and that the interest on and principal **of** this bond, and the Series of which it is a part, together with the other New Series Outstanding Bonds, are equally and ratably secured by and payable from a lien on and pledge of the Interest *of* The University of Texas System in the income from the Permanent University Fund, as such Interest is apportioned by Section 66.03, Texas Education Code (Chapter 42 **of** the **Acts of** the Regular Session of the 42nd Legislature **of** the **State** of Texas), subject only and subordinate to the first lien on and pledge of **said** Interest heretofore created in connection with the **Old** Series Outstanding Bonds (as such terms are defined in the Resolution authorizing this Series of bonds).

SAID BOARD has reserved the right, subject to the restrictions referred to *in* the Resolution authorizing this Series of bonds, to issue additional parity bonds and notes which also may be secured by and made payable **from** a lien on and pledge of the aforesaid Interest of The University of Texas System in the income from the Permanent University **Fund, in** the same **manner** and to the same extent as this **Series** of bonds.

THIS BOND, at the **option** of the owner **hereof**, is registrable as to principal only on the books of the Registrar. For such purpose the Comptroller Accounts of The University of Texas System shall be the Registrar. If registered, the fact **of** registration shall be noted on the back hereof and thereafter no transfer of this bond shall be valid unless **made** on the books of the Registrar

at the instance of the **registered** owner and **similarly** noted hereon. Registration as to principal may be discharged by transfer to bearer, after which **this** bond again may be **registered** as before. The registration of this bond as to principal shall not affect or impair the negotiability of the interest coupons appertaining hereto, which shall continue to be negotiable by delivery merely. subject to said provision for the registration of this bond as to principal only, nothing contained **herein** shall affect or impair the negotiability of **this** bond, and this bond shall constitute a **negotiable** instrument within the meaning of the law of the State of **Texas**.

IN WITNESS WHEREOF, *this bond* and the interest coupons appertaining **hereto** have **been** signed with **the** facsimile signature of **the** Chairman of *said Board* and **countersigned** with *the* facsimile **signature** of **the Secretary** of *said Board*, and the official seal of said Board has been duly **impressed**, or placed in **facsimile**, on this bond.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

Executive Secretary

Chairman

FORM OF REGISTRATION CERTIFICATE :

COMPTROLLER'S REGISTRATION CERTIFICATE § REGISTER NO. _____

I hereby certify that this bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this bond has been **registered by** the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this

(SEAL)

Comptroller of Public Accounts
of the State of Texas

FORM OF INTEREST COUPON:

No. _____ § _____
DUPLICATE COUPON

ON _____ 1, _____, **unless** the bond to which this coupon appertain8 ha8 been called for redemption and due provision made to redeeh same, **THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM promises to pay** to bearer the amount shown on this interest coupon, in **lawful** money of the United State8 of **America**, without **exchange** or **collection** charge8 to the bearer, upon presentation and surrender **of this interest** coupon, at **NationsBank of Texas, N.A., Dallas, Texas (as successor** paying agent to The **Austin National Bank, Austin, Texas**), or, at the option of the bearer, at Bankers Trust Company, New York, New York, or at **First National Bank, Chicago, Illinois**, said amount being interest due that day **on** the bond bearing the number hereinafter designated, of

that issue of BOARD OF REGENTS **OF THE** UNIVERSITY OF TEXAS SYSTEM
PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1981, DATED JULY 1,
1981.

BOND NO. _____

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTM

Executive **Secretary**

Chairman

FORM OF ENDORSEMENT FOR REGISTRATION AS **TO** PRINCIPAL:

ENDORSEMENT FOR REGISTRATION AS **TO** PRINCIPAL

(NO WRITING TO **BE** MADE HEREON EXCEPT BY **THE** REGISTRAR
DESIGNATED **FOR THIS** ISSUE OF BONDS)

It is hereby certified that, at **the request of the** owner of
the within bond, I have **this** day **registered** it as to principal in
the name of such owner, as indicated in **the registration** blank
below, on **the books** kept by **me** for **such purpose**. The principal of
this bond shall **be** payable only to **the** registered owner hereof
named in **the** registration blank **below**, or his legal **representative**,
and this bond shall **be transferable** only on **the** books **of** the
Registrar and **by** an **appropriate** notation in such registration
blank. If the last transfer recorded on **the** books **of the** Registrar
and in **the** registration blank below shall **be** to bearer, the
principal of this bond shall **be** payable to **bearer** and it shall be
in all respects negotiable. In no **case** shall negotiability of the

interest coupons appertaining hereto be affected or impaired by any registration as to principal.

<u>NAME OF REGISTERED OWNER</u>	<u>DATE OF REGISTRATION</u>	<u>SIGNATURE OF REGISTRAR</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

V.

The original approving legal opinion of **Vinson & Elkins** (now, **Vinson & Elkins L.L.P.**), Houston, **Texas**, may be printed on the back of the Replacement Bond8 over the certification of the Executive Secretary of the Board holding office a8 of the date of adoption of **this Resolution**, which may be executed in facsimile.

VI.

Except a8 **otherwise** provided in **this** Resolution, the Replacement Bond8 and Replacement Coupons shall be **issued**, held and paid subject to and upon the term8 and condition8 contained in the Original Bond Resolution, and the provision8 thereof shall apply with ● gual force to the Replacement Bond8 and Replacement Coupons a8 if **those provisions** were fully set forth herein; provided, however, that where the term8 and provisions of the Original Bond **Resolution** are inconsistent or in conflict with the terms and

provisions of this Resolution, the terms and provisions of this Resolution shall govern.

VII.

The Chairman of the Board, or the Chairman's authorized representative, and the **System's** bond counsel, are hereby authorized to have control of the Replacement Bonds and the Replacement Coupons and all necessary records and proceedings pertaining thereto pending their investigation, examination and approval by the Attorney General of the State of Texas, their registration by the Comptroller of Public Accounts and their delivery to Southwest **Securities**.

VIII.

Upon approval and registration of the Replacement Bonds and the Replacement Coupons by the Attorney General of the State of Texas and the **Comptroller of Public Accounts**, the Replacement Bonds and Replacement Coupons shall be **delivered to** Southwest Securities.

IX.

The Chairman of **the Board**, the Executive Secretary of the Board, the Vice Chancellor and General **Counsel** of the System, the Executive Vice Chancellor for **Business Affairs** of the System, the Manager-Finance of **the** System and all other officers, employees and agents of the Board are hereby **expressly** authorized, empowered and directed from time to time and at any **time** to do and perform **all** such acts and things and to execute, acknowledge, and deliver in the name and under the seal and on behalf of the Board all such

instruments, whether or not **mentioned herein** as may **be** necessary and/or desirable to carry out **the** provisions of this Resolution.

x.

This Resolution shall **become effective** and be in full **force** upon and after its adoption.

ADOPTED AND APPROVED this _____ day of _____,
1992.

Chairman
Board of Regents of The
University of Texas System

Attest:

Executive Secretary
Board of Regents of The
University of Texas System

(SEAL)

\uni918\58004\replbnd.res(rs)

II. TRUST AND SPECIAL FUNDS

Prior to consideration of the trust and special funds items, Committee Chairman Cruikshank noted that approximately \$32.2 million in gifts, pledges, and bequests to The University of Texas at Austin were being presented for acceptance at this meeting and extended special appreciation to President Cunningham and his staff for their extraordinary fund raising efforts. Mr. Cruikshank then pointed out that items 1, 21, 29, 32, 33, and 34 on the agenda were for acceptance of gifts, pledges, and bequests that are each in the amount of \$1,000,000 or more.

Gifts, Bequests and Estates

1. U. T. System and U. T. Austin: Acceptance of Gifts and Pledges from Mr. and Mrs. Joseph D. Jamail, Houston, Texas; Establishment of Various Endowments; and Eligibility for Matching Funds Under The Regents' Endowment Program.--Upon recommendation of the Asset Management Committee, the Board accepted \$7,000,000 of total gifts and pledges of \$10,000,000 (comprised of \$2,000,000 in gifts and \$8,000,000 in pledges, payable by August 31, 1995) from Mr. and Mrs. Joseph D. Jamail (Lee Hage Jamail), Houston, Texas, and established the following endowments for The University of Texas System and The University of Texas at Austin:

The University of Texas System

One million dollars (\$1,000,000) of the pledges, as received, will be used to establish the Lee Hage and Joseph D. Jamail Regents Chair in Higher Education Leadership at the U. T. System.

Further, \$500,000 in matching funds will be allocated under The Regents' Endowment Program and will be used to increase the endowment to a total of \$1,500,000.

Income earned from the endowment will be designated exclusively for the use of the Chancellor of the U. T. System.

The University of Texas at Austin

- a. Two million dollars (\$2,000,000) of the gifts and pledges, as received, will be used to establish four chairs of \$500,000 each in the School of Law at U. T. Austin as follows:
 - (1) Dahr Jamail, Randall Hage Jamail, and Robert Lee Jamail Regents Chair in Law
 - (2) Harry M. Reasoner Regents Chair in Law
 - (3) "The Friends of Joe Jamail" Regents Chair in Law
 - (4) An untitled chair in Law, for which a title will be requested at a later date.

Further, \$1,000,000 in matching funds will be allocated under The Regents' Endowment Program and will be used to establish the Lee Hage Jamail Regents Chair in Education in the College of Education at U. T. Austin.

Income earned from these endowments will be used to support the Chairs, respectively.

- b. Three million dollars (\$3,000,000) of the pledges, as received, will be used for the benefit of U. T. Austin, with a request for designation of the funds to be submitted at a later date.
- c. One million dollars (\$1,000,000) of the gifts will be accepted for use for a proposed student swimming facility at U. T. Austin.

Additionally, the Board established the following endowments in the School of Law at U. T. Austin with \$3,000,000 of the gifts and pledges to be held and administered by The University of Texas Law School Foundation (an external foundation) in accordance with the Regents' Rules and Regulations:

- a. Joseph D. Jamail Library Excellence & Research Fund (\$2,000,000)

Income earned from the endowment will be used for books and materials, equipment, salary supplements for distinguished law librarians, student research assistants, faculty research grants, and such other items that, in the discretion of the Dean of the School of Law, will enhance the research mission of the School of Law.

- b. Joseph D. Jamail Endowed Dean's Discretionary Fund (\$1,000,000)

Income earned from the endowment will be used to support the activities of the office of the Dean of the School of Law and to advance the educational mission of the School of Law.

See Page 87 related to the designation of several research facilities in the School of Law at U. T. Austin as the "Joseph D. Jamail Center for Legal Research."

- 2. U. T. Austin: Establishment of the Scott and Nancy Atlas Endowed Presidential Scholarship in Law in the School of Law.--At the request of The University of Texas Law School Foundation (an external foundation), the Board established the Scott and Nancy Atlas Endowed Presidential Scholarship in Law in the School of Law at The University of Texas at Austin. The funding for this Scholarship (\$25,000) will be held and administered by the Law School Foundation in accordance with the Regents' Rules and Regulations. When matching funds become available under The Regents' Endowment Program, the Law School Foundation will transfer funds held for the endowment to the U. T. Board of Regents.

Income earned from the endowment will be used to award scholarships to law students selected at the discretion of the Dean of the School of Law or the Dean's designee, based on merit or need, with preference given to members of the Texas Law Review editorial Board.

3. U. T. Austin: Acceptance of Gifts from the BASF Corporation, Parsippany, New Jersey; Establishment of the BASF Endowed Scholarship and Fellowship in the College of Natural Sciences; and Eligibility for Matching Funds Under The Regents' Endowment Program.--The Asset Management Committee recommended and the Board accepted gifts totalling \$25,000 from the BASF Corporation, Parsippany, New Jersey, and established the BASF Endowed Scholarship and Fellowship in the Department of Chemistry and Biochemistry, College of Natural Sciences, at The University of Texas at Austin.

Further, \$12,500 in matching funds will be allocated under The Regents' Endowment Program and will be used to increase the endowment to a total of \$37,500.

Income earned from the endowment will be used to award undergraduate scholarships and graduate fellowships in the Department of Chemistry and Biochemistry.

4. U. T. Austin: Acceptance of Gifts from Trusts for the Benefit of Edward S. Bromberg, Alan R. Bromberg, and Henri L. Bromberg, Jr. and Various Donors for Addition to the Bromberg Memorial Fund for the Harry Ransom Humanities Research Center and Eligibility for Matching Funds Under The Regents' Endowment Program.--The Board accepted a \$5,000 gift given jointly from Trusts for the benefit of Edward S. Bromberg, Alan R. Bromberg, and Henri L. Bromberg, Jr., and \$5,000 in gifts from various donors for a total of \$10,000 for addition to the Bromberg Memorial Fund for the Harry Ransom Humanities Research Center at The University of Texas at Austin.

Further, \$5,000 in matching funds will be allocated under The Regents' Endowment Program and will be used to increase the endowment to a total of \$67,856.19.

5. U. T. Austin: Approval to Establish the Class of 1942 Endowed Presidential Scholarship in Law in the School of Law.--Approval was given to establish the Class of 1942 Endowed Presidential Scholarship in Law in the School of Law at The University of Texas at Austin. The funds for the endowment in the amount of \$37,515 will be held and administered by The University of Texas Law School Foundation (an external foundation) in accordance with the Regents' Rules and Regulations. When matching funds become available under The Regents' Endowment Program, the Law School Foundation will transfer funds held for the endowment to the U. T. Board of Regents.

Income earned from the endowment will be used to award scholarships to second-year law students selected at the discretion of the Dean of the School of Law or the Dean's designee, based on merit or need.

6. U. T. Austin: Acceptance of Remainder Interest in The Bartlett Cocke Charitable Remainder Trust and Gifts from Various Donors and Pledge from Mr. Bartlett Cocke, Jr., San Antonio, Texas; Establishment of the Bartlett Cocke Scholarships in the School of Architecture; and Eligibility for Matching Funds Under The Regents' Endowment Program.--Upon recommendation of the Asset Management Committee, the Board accepted the remainder interest in The Bartlett Cocke Charitable Remainder Trust, valued at \$52,369.87, \$4,060 in gifts from various donors, and

an \$11,756 pledge, payable by August 31, 1995, from Mr. Bartlett Cocke, Jr., San Antonio, Texas, for a total of \$68,185.87 and established the Bartlett Cocke Scholarships in the School of Architecture at The University of Texas at Austin.

Further, \$34,092 in matching funds will be allocated under The Regents' Endowment Program and will be used to increase the endowment to a total of \$102,277.87.

Income earned from the endowment will be used to award scholarships in the School of Architecture at U. T. Austin.

7. U. T. Austin: Acceptance of Bequest from the Estate of Mary Sue Hibbs, Wichita Falls, Texas; Establishment of the Dr. Bailey R. Collins/Ellene Collins Ward/Mary Sue Collins Hibbs Scholarship Fund in the College of Liberal Arts; and Eligibility for Matching Funds Under The Regents' Endowment Program.--The Board, upon recommendation of the Asset Management Committee, accepted the residue of the Estate of Mary Sue Hibbs, Wichita Falls, Texas, comprised of cash and personal property valued at approximately \$400,063.72, for the benefit of The University of Texas at Austin.

Further, \$390,562.47, representing cash distributions and net proceeds from the sale of the personal property, will be used to establish the Dr. Bailey R. Collins/Ellene Collins Ward/Mary Sue Collins Hibbs Scholarship Fund in the College of Liberal Arts at U. T. Austin.

Additionally, \$195,281.24 in matching funds will be allocated under The Regents' Endowment Program and will be used to increase the endowment to a total of \$585,843.71.

Income earned from the endowment will be used to provide scholarship support in the College of Liberal Arts.

8. U. T. Austin: Acceptance of Gift from Mrs. Sam G. Cook, Austin, Texas; Establishment of the Samuel George Cook Memorial Endowed Presidential Scholarship in the College of Business Administration; and Eligibility for Matching Funds Under The Regents' Endowment Program.--The Asset Management Committee recommended and the Board accepted a \$30,000 gift from Mrs. Sam G. Cook (Eula Belle Maley Cook), Austin, Texas, and established the Samuel George Cook Memorial Endowed Presidential Scholarship in the College of Business Administration at The University of Texas at Austin.

Further, \$15,000 in matching funds will be allocated under The Regents' Endowment Program to increase the endowment to a total of \$45,000.

Income earned from the endowment will be used to award scholarships to first year students enrolled in the College of Business Administration.

9. U. T. Austin: Authorization to Accept Bequest from the Estate of Frances G. Creech, Elgin, Texas, and Beneficiary Designation in the Gillum Fund, Williamson County, Texas.--Authorization was granted to accept a specific bequest of various books and photographs and \$20,000 cash from the Estate of Frances G. Creech, Elgin, Texas, for the benefit of The University of Texas at Austin.

Per the terms of Mrs. Creech's Last Will and Testament, the various books and photographs are designated for addition to the collection of the Harry Ransom Humanities Research Center at U. T. Austin and the \$20,000 specific bequest is to be used to assess and support the memorabilia received from her estate.

Additionally, a designation as an eligible income beneficiary of the Gillum Fund, Williamson County, Texas (held in trust by The Texas Methodist Foundation of Williamson County, Texas), was accepted for the benefit of the Department of Human Ecology at U. T. Austin, in honor of Mrs. Frances G. Creech and her sister, Retired Lieutenant Colonel Isabelle Dubar.

10. U. T. Austin: Acceptance of Pledge from The Cullen Trust for Higher Education, Houston, Texas; Establishment of the Cullen Trust for Higher Education Endowment Fund; and Eligibility for Matching Funds Under The Regents' Endowment Program.--The Board accepted a \$500,000 pledge, payable by May 30, 1993, from The Cullen Trust for Higher Education, Houston, Texas, and established the Cullen Trust for Higher Education Endowment Fund at The University of Texas at Austin.

Further, \$250,000 in matching funds will be allocated under The Regents' Endowment Program and will be used to increase the endowment to a total of \$750,000.

Income earned from the endowment will be used to award undergraduate scholarships and graduate fellowships to highly qualified students at U. T. Austin. Students holding the awards will be known as "Cullen Scholars" or "Cullen Fellows," depending on the student's undergraduate or graduate status.

The Cullen Trust's grant provision that U. T. Austin secure additional private gifts to be used in the same manner as this endowment has been met with the creation of the A. D. Hutchison Student Endowment Fund as referenced on Page 48.

11. U. T. Austin - James T. Doluisio Chair in Pharmacy in the College of Pharmacy: Approval to Designate Endowment Exclusively for Dean of the College of Pharmacy.--In accordance with the wishes of the Pharmaceutical Foundation Advisory Council, approval was given to designate the James T. Doluisio Chair in Pharmacy in the College of Pharmacy exclusively for the Dean of the College of Pharmacy at The University of Texas at Austin.

12. U. T. Austin: Approval to Accept Gift and Pledge from The Dow Chemical Company Foundation, Midland, Michigan; Establishment of the Dow Chemical Company Faculty Fellowship in Technical Communication in the College of Engineering; Eligibility for Matching Funds Under The Regents' Endowment Program; and Establishment of the Dow Chemical Company Endowed Professorship in Chemistry in the College of Natural Sciences.--Approval was given to accept a \$100,000 gift and a \$100,000 pledge, payable by August 31, 1993, from The Dow Chemical Company Foundation, Midland, Michigan, for a total of \$200,000 and to establish the Dow Chemical Company Faculty Fellowship in Technical Communication in the Department of Chemical Engineering, College of Engineering, at The University of Texas at Austin.

Income earned from the endowment will be used to support the teaching of technical communication in the Department of Chemical Engineering.

Further, \$100,000 in matching funds will be allocated under The Regents' Endowment Program and will be used to establish the Dow Chemical Company Endowed Professorship in Chemistry in the Department of Chemistry, College of Natural Sciences, at U. T. Austin.

Income earned from the endowment will be used to support the Professorship.

13. U. T. Austin: Acceptance of Gifts and Real Property (Lot 12, Block E, Lago Vista, Section One, Travis County, Texas) from Mrs. Anne Eastland, Houston, Texas, Members of Her Family and Various Donors and Establishment of the Seaborn Eastland Endowed Scholarship in the Department of Intercollegiate Athletics for Men.--Upon recommendation of the Asset Management Committee, the Board accepted \$51,570 in gifts from Mrs. Anne Eastland, Houston, Texas, members of her family, and various donors and a gift of real property described as Lot 12, Block E, Lago Vista, Section One, Travis County, Texas, valued at \$8,000 for a total of \$59,570 and established the Seaborn Eastland Endowed Scholarship in the Department of Intercollegiate Athletics for Men at The University of Texas at Austin.

Income earned from the endowment will be used to provide scholarships in the Department of Intercollegiate Athletics for Men.

14. U. T. Austin: Acceptance of Transfer of Funds and Establishment of the Exhibitions and Conferences Endowment for the Harry Ransom Humanities Research Center.--The Asset Management Committee recommended and the Board accepted a \$25,000 transfer of institutional funds and established a quasi-endowment for the Harry Ransom Humanities Research Center at The University of Texas at Austin to be named the Exhibitions and Conferences Endowment.

Income earned from the endowment will be used to support exhibitions and conferences at the Harry Ransom Humanities Research Center.

15. U. T. Austin: Acceptance of Bequest from the Estate of Bill Edward Fritts, Walnut Creek, California, for Addition to Collections of Harry Ransom Humanities Research Center.--The Board, upon recommendation of the Asset Management Committee, accepted a specific bequest of a collection of comic books and magazines, valued at \$30,000, from the Estate of Bill Edward Fritts, Walnut Creek, California, for addition to the collections of the Harry Ransom Humanities Research Center at The University of Texas at Austin.

16. U. T. Austin: Authorization to Accept Gifts from Various Donors and to Establish the GSD&M Endowed Scholarship in Advertising in the College of Communication.--Authorization was granted to accept \$13,700 in gifts from various donors and to establish the GSD&M Endowed Scholarship in Advertising in the College of Communication at The University of Texas at Austin.

Income earned from the endowment will be used to provide one or more scholarships to full-time students in advertising, art, or marketing. The recipient shall be selected on the basis of need, scholastic achievement, and intention to pursue an advertising career.

17. U. T. Austin: Establishment of the Harry and Mar Siu Gee Endowed Presidential Scholarship in Immigration Law in the School of Law.--The Board established the Harry and Mar Siu Gee Endowed Presidential Scholarship in Immigration Law in the School of Law at The University of Texas at Austin. The funding for this endowment (\$25,000) will be retained and administered by The University of Texas Law School Foundation (an external foundation) in accordance with the Regents' Rules and Regulations. When matching funds become available under The Regents' Endowment Program, the Law School Foundation will transfer funds held for the endowment to the U. T. Board of Regents.

Income earned from the endowment will be used to award scholarships to law students selected at the discretion of the Dean of the School of Law or the Dean's designee, based on merit or need, with preference to be given to students who have studied or will study the field of immigration law.

18. U. T. Austin: Approval to Establish the Lisa Atlas Genecov and Dr. Jeffrey S. Genecov Endowed Presidential Scholarship in Law in the School of Law.--Approval was given to establish the Lisa Atlas Genecov and Dr. Jeffrey S. Genecov Endowed Presidential Scholarship in Law in the School of Law at The University of Texas at Austin. The funds for the Scholarship (\$25,000) will be held and administered by The University of Texas Law School Foundation (an external foundation) in accordance with the Regents' Rules and Regulations. When matching funds become available under The Regents' Endowment Program, the Law School Foundation will transfer funds held for the endowment to the U. T. Board of Regents.

Income earned from the endowment will be used to award scholarships to law students selected at the discretion of the Dean of the School of Law or the Dean's designee, based on merit or need.

19. U. T. Austin: Acceptance of Transfer of Funds and Establishment of the "Gift" Publications Endowment for the Harry Ransom Humanities Research Center.--Upon recommendation of the Asset Management Committee, the Board accepted a \$150,000 transfer of previously reported gifts and book sales proceeds from current restricted funds and established a quasi-endowment for the Harry Ransom Humanities Research Center at The University of Texas at Austin to be named the "Gift" Publications Endowment.

Income earned from the endowment will be used for collection development at the Harry Ransom Humanities Research Center.

20. U. T. Austin: Acceptance of Gifts from Friends and Colleagues of Professor Emeritus Norman Hackerman, Austin, Texas; Establishment of the Norman Hackerman Endowed Presidential Scholarship in Chemistry and Biochemistry in the College of Natural Sciences; and Eligibility for Matching Funds Under The Regents' Endowment Program.--The Asset Management Committee recommended and the Board accepted a \$25,000 gift from friends and colleagues of Professor Emeritus Norman Hackerman, Austin, Texas, and established the Norman Hackerman Endowed Presidential Scholarship in Chemistry and Biochemistry in the Department of Chemistry and Biochemistry, College of Natural Sciences, at The University of Texas at Austin.

Further, \$12,500 in matching funds will be allocated under The Regents' Endowment Program and will be used to increase the endowment to a total of \$37,500.

Income earned from the endowment will be used to award scholarships in the Department of Chemistry and Biochemistry, based on need or merit.

21. U. T. Austin: Acceptance of Bequest from the Estate of A. D. Hutchison, Greenville, Texas, and Establishment of the A. D. Hutchison Student Endowment Fund.--The Board, upon recommendation of the Asset Management Committee, accepted a bequest of the residue of the Estate of A. D. Hutchison, Greenville, Texas, valued at \$1,090,599.14, and established a quasi-endowment at The University of Texas at Austin to be named the A. D. Hutchison Student Endowment Fund.

Subject to compliance with the guidelines for the Brackenridge Matching Program, it is the intention of President Cunningham to use matching funds in the amount of \$545,299.57 from the Brackenridge Matching Program to increase the endowment to a total of \$1,635,898.71.

Income earned from the endowment will be used to provide undergraduate scholarships and graduate fellowships to deserving students.

22. U. T. Austin: Approval to Accept Gift from Houston Endowment Inc., Houston, Texas, and to Establish the Mary Gibbs Jones Endowed Presidential Scholarship in Nursing in the School of Nursing.--Approval was given to accept a \$25,000 gift from Houston Endowment Inc., Houston, Texas, and to establish the Mary Gibbs Jones Endowed Presidential Scholarship in Nursing in the School of Nursing at The University of Texas at Austin.

It is the intention of President Cunningham to use matching funds in the amount of \$12,500 from the Brackenridge Matching Program to increase the endowment to a total of \$37,500.

Income earned from the endowment will be used to provide scholarship support to students in the School of Nursing.

23. U. T. Austin: Acceptance of Gift from Mr. Charles C. Keeble, Houston, Texas, a Corporate Matching Funds Pledge from the Exxon Education Foundation, Irving, Texas, and a Pledge from The University of Texas Law School Foundation and Establishment of the Charles C. Keeble and Charles C. Keeble, Jr. Endowed Presidential Scholarship in Oil and Gas/Energy Law in the School of Law.--Upon recommendation of the Asset Management Committee, the Board accepted a \$3,125 gift from Mr. Charles C. Keeble, Houston, Texas, a \$9,375 corporate matching funds pledge from the Exxon Education Foundation, Irving, Texas, payable by May 31, 1993, and a \$12,500 pledge, payable by August 31, 1992, from The University of Texas Law School Foundation for a total of \$25,000 and established the Charles C. Keeble and Charles C. Keeble, Jr. Endowed Presidential Scholarship in Oil and Gas/Energy Law in the School of Law at The University of Texas at Austin.

Income earned from the endowment will be used to award scholarships to law students with an interest in oil and gas/energy law selected at the discretion of the Dean of the School of Law or the Dean's designee, based on merit or need.

24. U. T. Austin: Acceptance of Gift from Ms. Carolyn Frost Keenan, Houston, Texas, and Transfer of Funds and Establishment of the Carolyn Frost Keenan Endowed Presidential Scholarship in the Department of Intercollegiate Athletics for Women.--The Asset Management Committee recommended and the Board accepted a \$25,000 gift from Ms. Carolyn Frost Keenan, Houston, Texas, and a \$12,500 transfer of matching funds from the Second Century Fund for a total of \$37,500 and established the Carolyn Frost Keenan Endowed Presidential Scholarship in the Department of Intercollegiate Athletics for Women at The University of Texas at Austin.

Income earned from the endowment will be used annually to provide a scholarship to a volleyball player who has completed athletic eligibility but requires financial assistance to complete a baccalaureate degree or begin graduate studies. Another athlete may be selected in any year when no volleyball player meets the criteria for the award.

25. U. T. Austin: Authorization to Accept Pledge from Alfred A. Knopf Incorporated, New York, New York; Establishment of the Knopf Fellowship Program for the Harry Ransom Humanities Research Center; and Eligibility for Matching Funds Under The Regents' Endowment Program.--Authorization was granted to accept a \$50,000 pledge, payable by December 31, 1993, from Alfred A. Knopf Incorporated, New York, New York, and to establish the Knopf Fellowship Program for the Harry Ransom Humanities Research Center at The University of Texas at Austin.

Further, \$25,000 in matching funds will be allocated under The Regents' Endowment Program, as the gift is received, and will be used to increase the endowment to a total of \$75,000.

Income earned from the endowment will be used toward costs associated with the Knopf exhibition and catalogue planned for 1995 and for the fellowship program that will begin in 1993.

26. U. T. Austin: Acceptance of Gift from Mr. John Roman Vacek, Dickinson, Texas, and Transfer of Funds and Establishment of the Peter John Layden and Professor Willet T. Conklin Endowed Presidential Scholarship in Pharmacy in the College of Pharmacy.--The Board accepted a \$30,000 gift from Mr. John Roman Vacek, Dickinson, Texas, and a \$3,334 transfer of previously reported gifts from current restricted funds for a total of \$33,334 and established the Peter John Layden and Professor Willet T. Conklin Endowed Presidential Scholarship in Pharmacy in the College of Pharmacy at The University of Texas at Austin.

It is the intention of President Cunningham to use matching funds in the amount of \$16,667 from the Brackenridge Matching Program to increase the endowment to a total of \$50,001.

Income earned from the endowment will be used to award scholarships within the College of Pharmacy.

27. U. T. Austin: Acceptance of Bequest from the Estate of George W. Lowther, Fort Bend County, Texas, and Establishment of the George W. Lowther Friend of Alec Excellence Fund in the College of Engineering.--Upon recommendation of the Asset Management Committee, the Board accepted a \$10,000 specific bequest from the Estate of George W. Lowther, Fort Bend County, Texas, and established a quasi-endowment in the College of Engineering at The University of Texas at Austin to be named the George W. Lowther Friend of Alec Excellence Fund.

Income earned from the endowment will be used in accordance with policies established for the Friends of Alec Program by the College of Engineering and the Engineering Foundation Advisory Council.

28. U. T. Austin: Marion and Mark Martin Endowed Law Library Fund in the School of Law - Eligibility for Matching Funds Under The Regents' Endowment Program.--Approval was given to allocate \$50,000 in matching funds under The Regents' Endowment Program to increase the Marion and Mark Martin Endowed Law Library Fund in the School of Law at The University of Texas at Austin for a total endowment of \$150,000.

Funds for this endowment in the amount \$100,000, currently held and administered by The University of Texas Law School Foundation (an external foundation), will be transferred to the U. T. Board of Regents.

29. U. T. Austin: Acceptance of Gift from Mr. and Mrs. James A. Michener, Austin, Texas, and Transfer of Funds and Establishment of the Michener Fellowship Program and The Texas Center for Writers Director's Fund for the Texas Center for Writers.--The Asset Management Committee recommended and the Board accepted a \$15,000,000 gift from Mr. and Mrs. James A. Michener, Austin, Texas, and a \$3,000,000 transfer of matching funds from The University of Texas at Austin, the specific source of which is to be determined later, for a total of \$18,000,000 and established two endowments for the benefit of the Texas Center for Writers at U. T. Austin as follows:

- a. Eleven million dollars (\$11,000,000) of the gift and \$3,000,000 of matching funds from U. T. Austin for a total of \$14,000,000 will be used to establish the Michener Fellowship Program.

Income earned from the endowment will be used to provide scholarships, fellowships, and other grants to make it possible for young people to become professional writers. These will be awarded (1) to undergraduates and graduate students, already enrolled in or applying to U. T. Austin, who have shown exceptional promise in writing; (2) to graduate students in or applicants to the Master of Fine Arts in Writing Program at U. T. Austin; and (3) to post-graduates who have demonstrated marked ability to write and who will benefit from being an Associate within the Texas Center for Writers while preparing or completing a work for publication or performance.

- b. Four million dollars (\$4,000,000) of the gift will be used to establish The Texas Center for Writers Director's Fund.

Income earned from the endowment will be used for programmatic support of the Texas Center for Writers.

Committee Chairman Cruikshank reminded the Board that a press conference to formally announce this gift was scheduled for 2:00 p.m. (August 13) in the Second Floor Conference Room of Ashbel Smith Hall with the Micheners expected to be present.

30. U. T. Austin: Acceptance of Gift from the College of Natural Sciences Foundation Advisory Council, Austin, Texas, and Transfer of Funds; Establishment of the Natural Sciences 21st Century Endowed Presidential Scholarship in the College of Natural Sciences; and Eligibility for Matching Funds Under The Regents' Endowment Program.--The Board, upon recommendation of the Asset Management Committee, accepted a \$25,000 gift from the College of Natural Sciences Foundation Advisory Council, Austin, Texas, and a \$25,000 transfer of previously reported gifts from current restricted funds for a total of \$50,000 and established the Natural Sciences 21st Century Endowed Presidential Scholarship in the College of Natural Sciences at The University of Texas at Austin.

Further, \$12,500 in matching funds will be allocated under The Regents' Endowment Program and will be used to increase the endowment to a total of \$62,500.

Income earned from the endowment will be used to provide scholarship assistance based on merit and academic performance.

31. U. T. Austin: Authorization to Accept Gift from PCA Health Plans of Texas, Inc., Austin, Texas, and to Establish the PCA Health Plans Endowed Presidential Scholarship in the School of Nursing.--Authorization was granted to accept a \$25,000 gift from PCA Health Plans of Texas, Inc., Austin, Texas, and to establish the PCA Health Plans Endowed Presidential Scholarship in the School of Nursing at The University of Texas at Austin.

It is the intention of President Cunningham to use matching funds in the amount of \$12,500 from the Brackenridge Matching Program to increase the endowment to a total of \$37,500.

Income earned from the endowment will be used to award scholarships to incoming freshman nursing students on the basis of academic merit, with preference given first to graduates of the Austin Independent School District and then to students from the counties serviced by PCA Health Plans of Texas, Inc.

32. U. T. Austin: Acceptance of Grant from The Effie and Wofford Cain Foundation, Austin, Texas; Establishment of the J. J. "Jake" Pickle Regents Chair in Public Affairs in the Lyndon B. Johnson School of Public Affairs; Eligibility for Matching Funds Under The Regents' Endowment Program; and Establishment of the J. J. "Jake" Pickle Regents Chair in Congressional Studies in the College of Liberal Arts.--Upon recommendation of the Asset Management Committee, the Board accepted a \$1,000,000 grant, payable by December 31, 1995, from The Effie and Wofford Cain Foundation, Austin, Texas, and established the J. J. "Jake" Pickle Regents Chair in Public Affairs in the Lyndon B. Johnson School of Public Affairs at The University of Texas at Austin.

Income earned from the endowment will be used to support the Chair.

Further, \$500,000 in matching funds will be allocated as grant payments are received under The Regents' Endowment Program to establish the J. J. "Jake" Pickle Regents Chair in Congressional Studies in the Department of Government, College of Liberal Arts, at U. T. Austin.

Income earned from the endowment will be used to support the Chair.

33. U. T. Austin: Acceptance of Bequests from the Estate of Cyrus Rowlett Smith, Washington, D. C., and Allocation of Funds to the J. J. "Jake" Pickle Scholarship Program in the Lyndon B. Johnson School of Public Affairs.--Approval was given to accept a specific bequest of art objects (paintings, bronzes, watercolors, and others) valued at \$608,000 and a bequest of the residue of the Estate of Cyrus Rowlett Smith, Washington, D. C., for a value of

approximately \$1,600,000, for the benefit of The University of Texas at Austin. The art objects will benefit the College of Fine Arts at U. T. Austin.

Further, \$200,000 of the residual bequest will be allocated to the J. J. "Jake" Pickle Scholarship Program in the Lyndon B. Johnson School of Public Affairs at U. T. Austin. It is the intention of President Cunningham to use matching funds in the amount of \$100,000 from the Brackenridge Matching Program to increase the endowment to a total of \$1,158,378.38.

A specific request for designation of the remaining residual bequest will be made at a later date.

34. U. T. Austin: Acceptance of Gift and Pledge from The Bernard and Audre Rapoport Foundation, Waco, Texas; Establishment of the Audre and Bernard Rapoport Liberal Arts Honors Scholarship Fund in the College of Liberal Arts; and Eligibility for Matching Funds Under The Regents' Endowment Program.--The Asset Management Committee recommended and the Board accepted a \$250,000 gift and a \$750,000 pledge, payable by December 31, 1995, from The Bernard and Audre Rapoport Foundation, Waco, Texas, for a total of \$1,000,000 and established the Audre and Bernard Rapoport Liberal Arts Honors Scholarship Fund in the College of Liberal Arts at The University of Texas at Austin.

Further, \$500,000 in matching funds will be allocated under The Regents' Endowment Program and will be used to increase the endowment to a total of \$1,500,000.

Income earned from the endowment will be used to support scholarships to outstanding students who are accepted into the Plan I Liberal Arts Honors Program, based on merit and need.

On behalf of the Board, Committee Chairman Cruikshank expressed appreciation to Regent Rapoport for his interest in the value of the liberal arts and noted that the Board was deeply grateful to Mr. and Mrs. Rapoport for these scholarships to enhance the Plan I Liberal Arts Honors Program.

35. U. T. Austin: Acceptance of Gifts from Various Donors and Establishment of the School of Nursing Faculty-Staff Endowed Presidential Scholarship in the School of Nursing.--The Board accepted gifts of \$25,174.92 from various donors and established the School of Nursing Faculty-Staff Endowed Presidential Scholarship in the School of Nursing at The University of Texas at Austin.

It is the intention of President Cunningham to use matching funds in the amount of \$12,587.46 from the Brackenridge Matching Program to increase the endowment to a total of \$37,762.38.

Income earned from the endowment will be used to award scholarships to full-time undergraduate and graduate students in the School of Nursing, based on academic merit. Community service involvement and participation in nursing organizations will also be considered in the selection of the scholarship recipients.

36. U. T. Austin: Acceptance of Remainder Interest in The William H. and Margaret G. Seay Charitable Remainder Annuity Trust Funded by Mr. and Mrs. William H. Seay, Dallas, Texas.--Upon recommendation of the Asset Management Committee, the Board accepted a ten percent remainder interest, initially valued at approximately \$66,750, in The William H. and Margaret G. Seay Charitable Remainder Annuity Trust, funded by Mr. and Mrs. William H. Seay, Dallas, Texas (to be held in trust by Mr. William H. Seay, Jr. and Mr. Joseph G. Seay, Dallas, Texas), for the benefit of The University of Texas at Austin.

Upon termination of the Trust, five percent of the remaining principal and income of the Trust will be distributed to establish the Margie Gurley Seay Endowed Presidential Scholarship in Education in the College of Education at U. T. Austin. Two and one-half percent of the remaining principal and income of the Trust will be distributed to add to the Margie Gurley Seay Centennial Professorship in Education in the College of Education. The remaining two and one-half percent of Trust principal and income will be distributed to add to the William H. Seay Centennial Professorship in Business in the College of Business Administration and the Graduate School of Business. A request to establish the Scholarship will be made at a later date.

37. U. T. Austin: Acceptance of Bequest from the Estate of Cecil Bernard Smith, Sr., Austin, Texas, for Addition to Six Previously Established Chairs in the College of Liberal Arts and Eligibility for Matching Funds Under The Regents' Endowment Program.--Authorization was granted to accept a specific bequest of \$100,000 from the Estate of Cecil Bernard Smith, Sr., Austin, Texas, for addition in equal proportions to six previously established Chairs in the College of Liberal Arts at The University of Texas at Austin as follows:

<u>Endowment and Date of Establishment</u>	<u>Amount</u>
Walter Prescott Webb Chair in History and Ideas; established 2/11/77	\$16,666.67
C. B. Smith, Sr. Centennial Chair in United States-Mexico Relations #1 established 10/13/83	\$16,666.67
C. B. Smith, Sr. Centennial Chair in United States-Mexico Relations #2 established 10/11/84	\$16,666.67
C. B. Smith, Sr. Centennial Chair in United States-Mexico Relations #3 established 10/11/84	\$16,666.67
C. B. Smith Sr. Centennial Chair in United States-Mexico Relations #4 established 10/11/84	\$16,666.66
C. B. Smith, Sr., Nash Phillips, Clyde Copus Centennial Chair Honoring Harry Hunt Ransom; established 10/11/84	\$16,666.66

Further, \$50,000 in matching funds will be allocated under The Regents' Endowment Program in six equal proportions and will be used to increase these endowments.

38. U. T. Austin: Acceptance of Bequest from the Estate of Frieda H. Soutter, Dallas, Texas; Establishment of the George and Frieda Soutter Scholarship Fund in the College of Business Administration; and Eligibility for Matching Funds Under The Regents' Endowment Program.--The Asset Management Committee recommended and the Board accepted a \$50,000 specific bequest from the Estate of Frieda H. Soutter, Dallas, Texas, and established the George and Frieda Soutter Scholarship Fund in the Department of Accounting, College of Business Administration, at The University of Texas at Austin.

Further, \$25,000 in matching funds will be allocated under The Regents' Endowment Program and will be used to increase the endowment to a total of \$75,000.

Income earned from the endowment will be used to support annual scholarship awards for students majoring in Accounting.

39. U. T. Austin: Acceptance of Gift and Pledge from the Amon G. Carter Foundation, Fort Worth, Texas; Establishment of the Ruth Carter Stevenson Regents Chair in the Art of Architecture; and Eligibility for Matching Funds Under The Regents' Endowment Program.--The Board, upon recommendation of the Asset Management Committee, accepted a \$200,000 gift and a \$300,000 pledge, payable by January 15, 1994, from the Amon G. Carter Foundation, Fort Worth, Texas, for a total of \$500,000 and established the Ruth Carter Stevenson Regents Chair in the Art of Architecture in the School of Architecture at The University of Texas at Austin.

Further, \$250,000 in matching funds will be allocated under The Regents' Endowment Program, as pledges are received, and will be used to increase the Chair to a total of \$750,000.

Income earned from the endowment will be used to support the Chair.

40. U. T. Austin: Acceptance of Gift from Tanabe Research Laboratories, USA, Inc., San Diego, California; Establishment of the Tanabe Research Laboratories, USA, Inc. Regents Endowed Faculty Fellowship in Pharmaceutics in the College of Pharmacy; and Eligibility for Matching Funds Under The Regents' Endowment Program.--Upon recommendation of the Asset Management Committee, the Board accepted a \$50,000 gift from Tanabe Research Laboratories, USA, Inc., San Diego, California, and established the Tanabe Research Laboratories, USA, Inc. Regents Endowed Faculty Fellowship in Pharmaceutics in the College of Pharmacy at The University of Texas at Austin.

Further, \$25,000 in matching funds will be allocated under The Regents' Endowment Program and will be used to increase the endowment to a total of \$75,000.

Income earned from the endowment will be used to support the Fellowship.

41. U. T. Austin: Acceptance of Gift from The TIPRO Foundation, Inc., Austin, Texas; Establishment of the TIPRO Endowment for the History of the Texas Oil Industry for the Center for American History of the General Libraries; and Eligibility for Matching Funds Under The Regents' Endowment Program.--The Asset Management Committee recommended and the Board accepted a \$60,622 gift from The TIPRO Foundation, Inc., Austin, Texas, and established the TIPRO Endowment for the History of the Texas Oil Industry for the Center for American History of the General Libraries at The University of Texas at Austin.

Further, \$30,311 in matching funds will be allocated under The Regents' Endowment Program and will be used to increase the endowment to a total of \$90,933.

Income earned from the endowment will be used for the purpose of supporting oral histories and related efforts to document the history of the Texas oil industry, with special emphasis on the independent oil and gas producers and TIPRO.

42. U. T. Austin: Approval to Accept Gifts and Pledges from Various Donors; Establishment of the Martha S. Williams Endowed Presidential Scholarship in the School of Social Work; and Eligibility for Matching Funds Under The Regents' Endowment Program.--Approval was given to accept \$28,860 in gifts and \$4,473 in pledges, payable by August 31, 1993, from various donors for a total of \$33,333 and to establish the Martha S. Williams Endowed Presidential Scholarship in the School of Social Work at The University of Texas at Austin.

Further, \$16,667 in matching funds will be allocated under The Regents' Endowment Program and will be used to increase the endowment to a total of \$50,000.

Income earned from the endowment will be used to provide scholarship support for students in the School of Social Work, based on merit or need.

43. U. T. Austin: Acceptance of Gifts from Members of the Willoughby-Blake Family and Various Donors for Addition to the Clara Pope Willoughby Centennial Fund for Humanities Research Center Development for the Harry Ransom Humanities Research Center and Eligibility for Matching Funds Under The Regents' Endowment Program.--The Board accepted a \$5,000 gift from members of the Willoughby-Blake family and \$5,000 in gifts from various donors for a total of \$10,000 for addition to the Clara Pope Willoughby Centennial Fund for Humanities Research Center Development for the Harry Ransom Humanities Research Center at The University of Texas at Austin for a total endowment of \$109,148.87.

Further, \$5,000 in matching funds will be allocated under The Regents' Endowment Program and will be used to increase the endowment to a total of \$114,148.87.

44. U. T. Austin: Authorization to Redesignate Titles of Five Previously Established Endowments in the College of Business Administration and the Graduate School of Business.--In accordance with the donors' request to reflect the new firm name, the Board redesignated five previously established endowments in the College of Business Administration and the Graduate School of Business at The University of Texas at Austin as follows:

<u>From</u>	<u>To</u>
a. Ernst & Whinney Distinguished Centennial Professorship of Accounting established 12/6/79	Ernst & Young Distinguished Centennial Professorship of Accounting
b. Ernst & Whinney Faculty Fellowship in Accounting (No. 1) established 8/9/84	Ernst & Young Faculty Fellowship in Accounting (No. 1)
c. Ernst & Whinney Faculty Fellowship in Accounting (No. 2) established 8/9/84	Ernst & Young Faculty Fellowship in Accounting (No. 2)
d. Arthur Young Distinguished Professorship in Accounting established 7/21/72	Ernst & Young Distinguished Professorship in Accounting
e. Arthur Young Faculty Fellowship in Accounting established 8/12/83	Ernst & Young Faculty Fellowship in Accounting

45. U. T. El Paso: Acceptance of Gift from the El Paso Symphony Orchestra Association, El Paso, Texas, and Transfer of Funds and Establishment of The Abraham Chavez, Jr., Professorship Fund in Music.--The Asset Management Committee recommended and the Board accepted a \$75,000 gift from the El Paso Symphony Orchestra Association, El Paso, Texas, and a \$75,000 transfer of previously reported gifts from current restricted funds for a total of \$150,000 and established The Abraham Chavez, Jr., Professorship Fund in Music at The University of Texas at El Paso.

Income earned from the endowment will be used to support the Professorship.

46. U. T. El Paso: Acceptance of Gift from Mr. and Mrs. J. Ernest Sipes, El Paso, Texas, and Establishment of the J. Ernest and Elizabeth Rouse Sipes Endowed Scholarship.--Upon recommendation of the Asset Management Committee, the Board accepted a \$10,000 gift from Mr. and Mrs. J. Ernest Sipes, El Paso, Texas, and established the J. Ernest and Elizabeth Rouse Sipes Endowed Scholarship at The University of Texas at El Paso.

Income earned from the endowment will be used to award an annual scholarship to an undergraduate student, majoring in Business or Engineering, who does not qualify for financial aid but has an apparent financial need.

47. U. T. El Paso: Authorization to Redesignate the J. Edward and Helen M. C. Stern Fund as the J. Edward and Helen M. C. Stern Endowed Professorship.--At the request of the donors, authorization was granted to redesignate the J. Edward and Helen M. C. Stern Fund at The University of Texas at El Paso as the J. Edward and Helen M. C. Stern Endowed Professorship.

48. U. T. San Antonio: Acceptance of Gift and Pledge from the Anheuser-Busch Foundation, St. Louis, Missouri, and Establishment of the Anheuser-Busch Foundation Endowment for Tourism Management.--The Board, upon recommendation of the Asset Management Committee, accepted a \$100,000 gift and a \$400,000 pledge, payable by December 31, 1996, from the Anheuser-Busch Foundation, St. Louis, Missouri, and established the Anheuser-Busch Foundation Endowment for Tourism Management at The University of Texas at San Antonio.

Income earned from the endowment will be used to support a program to include a Bachelor's Degree in Business Administration with an emphasis on Tourism Management, a research center for tourism management, and a continuing professional education program.

49. U. T. San Antonio: Acceptance of Gift from Dr. and Mrs. Roland K. Blumberg, Seguin, Texas, and Establishment of the Roland K. and Jane W. Blumberg Professorship in Bioscience.--The Asset Management Committee recommended and the Board accepted a gift of Victoria Bankshares, Inc. common stock valued at \$3,250 which was added to previously reported gifts, comprised of Victoria Bankshares, Inc. common stock valued at \$93,875 and \$6,125 cash, all from Dr. and Mrs. Roland K. (Jane W.) Blumberg, Seguin, Texas, for a total of \$103,250 and established the Roland K. and Jane W. Blumberg Professorship in Bioscience at The University of Texas at San Antonio.

Income earned from the endowment will be used to support the Professorship.

50. U. T. San Antonio: Acceptance of Gifts from Various Donors and Accumulated Earnings and Establishment of The Tomas Rivera Scholarship Fund.--Upon recommendation of the Asset Management Committee, the Board accepted \$6,767.82 in gifts from various donors and \$3,232.18 in accumulated earnings for a total of \$10,000 and established The Tomas Rivera Scholarship Fund at The University of Texas at San Antonio.

Income earned from the endowment will be used to provide scholarship support to promising undergraduate students who have completed a minimum of sixty semester hours.

51. U. T. Tyler: Approval to Accept Gift from the Family of Mr. and Mrs. J. W. Rumbelow, Tyler, Texas, and Various Donors and to Establish The J. W. and Josephine Rumbelow Memorial Endowed Presidential Scholarship.--Approval was given to accept a \$25,000 gift from the family of Mr. and Mrs. J. W. Rumbelow, Tyler, Texas, and various donors and to establish The J. W. and Josephine Rumbelow Memorial Endowed Presidential Scholarship at The University of Texas at Tyler.

Income earned from the endowment will be used to provide scholarship support in accordance with the guidelines of the Presidential Scholarship Program.

52. U. T. Southwestern Medical Center - Dallas: Acceptance of Gifts from Mr. and Mrs. James E. Shoemaker, Dallas, Texas, and Various Donors and Accumulated Income for Addition to the John Lawrence and Patsy Louise Goforth Fund in Pathology; Redesignation of the Fund as the John Lawrence and Patsy Louise Goforth Professorship in Pathology; and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--The Board accepted a \$20,000 gift from Mr. and Mrs. James E. Shoemaker, Dallas, Texas, \$6,225 in gifts from various donors, and \$23,775 in accumulated earnings for a total of \$50,000 for addition to the John Lawrence and Patsy Louise Goforth Fund in Pathology and redesignated the Fund as the John Lawrence and Patsy Louise Goforth Professorship in Pathology at The University of Texas Southwestern Medical Center at Dallas.

Further, the actual income which will be earned on \$76,225 in current and previous gifts will be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

53. U. T. Southwestern Medical Center - Dallas: Establishment of the Dr. W. Maxwell Thomas Professorship in Ophthalmology.--The Asset Management Committee recommended and the Board established the Dr. W. Maxwell Thomas Professorship in Ophthalmology at The University of Texas Southwestern Medical Center at Dallas. The funds for the endowment (\$100,000) will be held and administered by the Southwestern Medical Foundation, Dallas, Texas (an external foundation).

Income earned from the endowment will be used to support the Professorship.

54. U. T. Medical Branch - Galveston: Authorization to Accept Gift from Mr. Joseph B. Collerain, Sr., Missouri City, Texas, and to Establish The Mary Alice Beaver Collerain '38 Scholarship Fund.--Authorization was granted to accept a \$10,000 gift from Mr. Joseph B. Collerain, Sr., Missouri City, Texas, and to establish The Mary Alice Beaver Collerain '38 Scholarship Fund at The University of Texas Medical Branch at Galveston.

Income earned from the endowment will be used to support scholarships for students in the undergraduate and graduate programs at the U. T. Nursing School - Galveston.

55. U. T. Medical Branch - Galveston: Acceptance of Bequest from the Estate of Haskell B. Smith, Paris, Texas.--Approval was given to accept twenty-five percent of the residue of the Estate of Haskell B. Smith, Paris, Texas, for a total of approximately \$23,155.33 to be used for research relating to the disease porphyria at The University of Texas Medical Branch at Galveston.

56. U. T. Medical Branch - Galveston: Acceptance of Gift from the Texas Society Daughters of the American Revolution, San Antonio, Texas, and Establishment of The Texas Society DAR Endowed Occupational Therapy Scholarship, School of Allied Health Sciences, UTMB.--Upon recommendation of the Asset Management Committee, the Board accepted a \$25,000 gift from the Texas Society Daughters of the American Revolution, San Antonio, Texas, and established The Texas Society DAR Endowed Occupational Therapy Scholarship, School of Allied Health Sciences, UTMB for the U. T. Allied Health Sciences School - Galveston at The University of Texas Medical Branch at Galveston.

Ninety percent of the income earned from the endowment will be used to support the Scholarship. The remaining ten percent of earned income will be reinvested in the endowment corpus.

57. U. T. Health Science Center - Houston: Establishment of (a) The John S. Dunn Distinguished Chair in Ophthalmology, (b) The Bernice Weingarten Distinguished Professorship in Ophthalmology, and (c) The Fayez Sarofim Professorship in Ophthalmology.--The Board, upon recommendation of the Asset Management Committee, established The John S. Dunn Distinguished Chair in Ophthalmology, The Bernice Weingarten Distinguished Professorship in Ophthalmology, and The Fayez Sarofim Professorship in Ophthalmology at The University of Texas Health Science Center at Houston. The funds for the endowments will be held and administered by the Hermann Eye Fund, Houston, Texas (an external foundation).

58. U. T. Health Science Center - Houston: Acceptance of Gift from Mr. and Mrs. T. R. Reckling III, Houston, Texas, and Establishment of the Ronald V. Glausen, D.D.S. Endowed Scholarship.--The Asset Management Committee recommended and the Board accepted a \$25,000 gift from Mr. and Mrs. T. R. Reckling III, Houston, Texas, and established the Ronald V. Glausen, D.D.S. Endowed Scholarship for the U. T. Dental Branch - Houston at The University of Texas Health Science Center at Houston.

Income earned from the endowment will be used to provide scholarship support for students needing financial assistance at the U. T. Dental Branch - Houston.

59. U. T. Health Science Center - Houston: Authorization to Accept Gift from Members of the Southeast Section of the Texas Water Pollution Control Association, Houston, Texas, and to Establish the Southeast Section of the T.W.P.C.A. Endowed Scholarship.--Authorization was granted to accept a \$10,000 gift from the members of the Southeast Section of the Texas Water Pollution Control Association, Houston, Texas, and to establish the Southeast Section of the T.W.P.C.A. Endowed Scholarship for the U. T. Public Health School - Houston at The University of Texas Health Science Center at Houston.

Ninety percent of the income earned from the endowment will be used to provide scholarship assistance to a deserving student in the Environmental Sciences Graduate Program. Ten percent of the income earned will be reinvested in the corpus of the endowment.

60. U. T. Health Science Center - Houston: Acceptance of Gift from Mr. and Mrs. Neil Strauss, Houston, Texas, and Establishment of the Lauren and Adam Strauss Endowed Scholarship.--Upon recommendation of the Asset Management Committee, the Board accepted a \$10,000 gift from Mr. and Mrs. Neil Strauss, Houston, Texas, and established the Lauren and Adam Strauss Endowed Scholarship for the U. T. Public Health School - Houston at The University of Texas Health Science Center at Houston.

Income earned from the endowment will be used to provide scholarship support for graduate students needing financial assistance in the U. T. Public Health School - Houston.

61. U. T. Health Science Center - Houston: Approval to Accept Gift of Real Property Located at 7350 Kirby, Unit #24, The Bradford Townhomes, Houston, Harris County, Texas, from Richard J. Langenstein and Stephanie S. Langenstein, Houston, Texas.--Approval was given to accept a gift of real property located at 7350 Kirby, Unit #24, The Bradford Townhomes, Houston, Harris County, Texas, from Richard J. Langenstein and Stephanie S. Langenstein, Houston, Texas, for the benefit of The University of Texas Health Science Center at Houston. This gift is to provide unrestricted support to the U. T. Health Science Center - Houston Burn Center in its mission to provide staffing, training, and research and development expertise related to burn injuries.

The appraised value of this property is \$103,500. Monthly homeowners' association dues on the property to the Bradford Community Association in the amount of \$151.31 will be paid by the institution until the property is sold.

62. U. T. Health Science Center - San Antonio: Acceptance of Grant from the William Randolph Hearst Foundation, New York, New York, and Establishment of the William Randolph Hearst Medical Student Scholarship Fund.--The Board, upon recommendation of the Asset Management Committee, accepted a \$35,000 grant from the William Randolph Hearst Foundation, New York, New York, and established the William Randolph Hearst Medical Student Scholarship Fund at The University of Texas Health Science Center at San Antonio.

Income earned from the endowment will be used to provide scholarships to underrepresented students, based on need.

63. U. T. M.D. Anderson Cancer Center: Acceptance of Pledge from The Texas Neurofibromatosis Foundation, Dallas, Texas, and Establishment of the Carolyn Farb Endowment Fund in Neurofibromatosis.--The Asset Management Committee recommended and the Board accepted a \$90,000 pledge, payable by December 31, 1997, from The Texas Neurofibromatosis Foundation, Dallas, Texas, and established the Carolyn Farb Endowment Fund in Neurofibromatosis at The University of Texas M.D. Anderson Cancer Center.

Income earned from the endowment will be used to attract outstanding leaders in the field of neurofibromatosis patient care and research to the U. T. M.D. Anderson Cancer Center to exchange information relating to this disease which affects so many children.

64. U. T. M.D. Anderson Cancer Center: Acceptance of Remainder Interest in the Wilburn M. Smith Testamentary Trust, Monroe, Louisiana.--Upon recommendation of the Asset Management Committee, the Board accepted a twenty-five percent remainder interest in the Wilburn M. Smith Testamentary Trust, Monroe, Louisiana (held in trust by Dr. Julian D. Smith), for unrestricted use at The University of Texas M.D. Anderson Cancer Center. The twenty-five percent interest benefiting the U. T. M.D. Anderson Cancer Center is valued at approximately \$86,000.

III. INTELLECTUAL PROPERTY MATTERS

1. U. T. Dallas and U. T. Southwestern Medical Center - Dallas: Approval of Patent License Agreement with Epikon, Inc., New York, New York; Acceptance of Securities and Approval for Inventors to Acquire Equity Ownership; and Authorization for Chancellor to Appoint an Individual to Serve on Board of Directors.--Following opening remarks by President Wildenthal, the Asset Management Committee recommended and the Board:
- a. Approved the patent license agreement set forth on Pages 64 - 79 between the U. T. Board of Regents, for and on behalf of The University of Texas at Dallas and The University of Texas Southwestern Medical Center at Dallas, and Epikon, Inc., a Delaware corporation with its principal place of business in New York, New York, for the licensing of high resolution radiological imaging devices and authorized the Vice Chancellor for Asset Management to execute the agreement on behalf of the U. T. Board of Regents
 - b. Accepted 1,200,000 shares of Epikon, Inc. common stock as follows:
 - 300,000 shares to be held for the benefit of U. T. Dallas
 - 300,000 shares to be held for the benefit of the U. T. Southwestern Medical Center - Dallas
 - 300,000 shares to be distributed to Dr. Ervin Fenyves at U. T. Dallas, and 100,000 shares each to be distributed to Dr. Pietro Antich, Dr. Jon A. Anderson, and Dr. Robert W. Parkey at U. T. Southwestern Medical Center - Dallas as equity ownership by inventors.
 - c. Authorized the Chancellor to appoint an individual to serve on the Epikon, Inc. Board of Directors.

Epikon, Inc. is a start-up company that will be headquartered in Dallas, Texas, to further develop, produce and sell products based on technologies developed by Dr. Ervin Fenyves, Professor of Environmental Sciences

at U. T. Dallas; and Dr. Pietro Antich, Associate Professor in Radiology; Dr. Jon A. Anderson, Assistant Professor in Radiology; and Dr. Robert W. Parkey, Professor and Chairman of Radiology, at the U. T. Southwestern Medical Center - Dallas ("Inventors"). All technologies relate to the development of a new generation of markedly improved high resolution radiological imaging devices that will allow receptor and monoclonal antibody imaging for the first time.

Pursuant to this agreement, Epikon, Inc. will pay the U. T. Board of Regents royalties equal to one-half of the gross revenues received from sublicensing activities and issue the U. T. Board of Regents a total of 1,200,000 shares of its common stock equal to twelve percent (12%) of the total stock issued at the date of execution of the Agreement.

The terms and conditions of the agreement are consistent with the Intellectual Property Policy and Guidelines of the U. T. System and Section 51.912 of the Texas Education Code.

PATENT LICENSE AGREEMENT
BETWEEN UNIVERSITY OF TEXAS SYSTEM
AND
EPIKON, INC.

THIS AGREEMENT is made by and between the BOARD OF REGENTS (BOARD) OF THE UNIVERSITY OF TEXAS SYSTEM (SYSTEM), an agency of the State of Texas, whose address is 201 West 7th Street, Austin, Texas 78701, and EPIKON, INC. (LICENSEE), a Delaware corporation having a principal place of business located at 667 Madison Avenue, 11th Floor, New York, New York 10021.

W I T N E S S E T H :

Whereas BOARD owns certain PATENT RIGHTS and TECHNOLOGY RIGHTS related to LICENSED SUBJECT MATTER, which were developed at The University of Texas Southwestern Medical Center at Dallas (UT SOUTHWESTERN), whose address is 5323 Harry Hines Blvd., Dallas, Texas 75235-9002 and The University of Texas at Dallas (UT DALLAS), whose address is P.O. Box 830688, Richardson, Texas 75083-0688, both component institutions of SYSTEM;

Whereas BOARD desires to have the LICENSED SUBJECT MATTER developed and used for the benefit of LICENSEE, the inventors, BOARD, UT SOUTHWESTERN, UT DALLAS and the public as outlined in the Intellectual Property Policy promulgated by the BOARD; and

Whereas LICENSEE wishes to obtain a license from BOARD to practice LICENSED SUBJECT MATTER;

NOW, THEREFORE, in consideration of the mutual covenants and premises herein contained, the parties hereto agree as follows:

I. EFFECTIVE DATE

EFFECTIVE DATE shall mean the date on which the last party executes this Agreement, as shown on the execution page.

II. DEFINITIONS

As used in this Agreement, the following terms shall have the meanings indicated:

2.1 LICENSED SUBJECT **MATTER** shall mean inventions and discoveries covered by PATENT RIGHTS or TECHNOLOGY RIGHTS within LICENSED FIELD.

2.2. PATENT RIGHTS shall mean BOARD'S rights in information or discoveries covered by (a) U.S. Patent Application USSN 07/433,617, entitled "**High** Resolution Gamma Ray Detectors for Positron Emission Tomography (PET) and Single Photon Emission Computed Tomography (**SPECT**)", filed November 9, 1989, naming Ervin J. Fenvyes, Ph.D., Pietro P. Antich, Ph.D., Muzaffer Atak, Ph.D., and David-B. Cline, Ph.D., as co-inventors, corresponding to The University of Texas at Dallas file number **UTSF:021**, and its foreign counterparts; (b) U.S. Patent Application USSN 07/784,593, entitled "Position Sensitive Gamma Ray **Detector**", filed October 29, 1991, naming Pietro Antich, Ph.D., and Robert W. **Parkey**, M.D., and Jon A. Anderson, Ph.D., as co-inventors, corresponding to UT SOUTHWESTERN'S file number **UTSD:187**, and its foreign counterparts; (c) Intellectual Property Questionnaire submitted to UT SOUTHWESTERN on December 20, 1991, entitled "**Megavoltage** Scanning **Imager**", naming Peter Antich, Ph.D., Jon Anderson, Ph.D., and Ervin Fenvyes, Ph.D., as co-inventors; (d) all divisionals, continuations, reissues, reexaminations or extensions of patent applications in (a), (b) and (c) above; (e) all continuations-in-part of patent applications in (a), (b) and (c) above, which either (i) provide expanded patent protection for the inventions described in patent applications in (a), (b) and (c) above, or (ii) relate to new inventions the research for which was directly supported by LICENSEE through sponsored research; and (f) all letters patent that issue on such continuation-in-part application or applications or any such divisional, continuation, reissue, reexamination or extension thereof.

2.3 TECHNOLOGY RIGHTS shall mean BOARD'S rights in any technical information, know-how, process, procedure, composition, device, method, formula, protocol, technique, software, design, drawing, data or invention relating to PATENT RIGHTS and/or LICENSED SUBJECT MATTER which is not covered by PATENT RIGHTS but which is necessary for practicing the invention at any time covered by PATENT RIGHTS.

2.4 LICENSED FIELD shall mean radiological imaging related to medical applications.

2.5 LICENSED TERRITORY shall mean worldwide.

2.6 LICENSED PRODUCT shall mean any product SOLD by LICENSEE including LICENSED SUBJECT MATTER pursuant to this Agreement.

2.7 SOLD shall mean the transfer or disposition of a LICENSED PRODUCT for value to a party other than LICENSEE or an AFFILIATE.

2.8 INVENTORS shall mean SYSTEM employees, agents or consultants named in Paragraphs 2.2(a) through 2.2(f).

2.9 AFFILIATE shall mean any business entity more than 50% owned by LICENSEE, any business entity which owns more than 50% of LICENSEE, or any business entity that is more than 50% owned by a business entity that owns more than 50% of LICENSEE.

III. WARRANTY: SUPERIOR-RIGHTS

3.1 Except for the rights, if any, of the Government of the United States and the University of California at Los Angeles (UCLA), as set forth hereinbelow, BOARD represents and warrants its belief that (i) it is the owner of the entire right, title, and interest in and to LICENSED SUBJECT MATTER, and that it has the right to grant licenses thereunder and (ii) it has no knowledge that the practice of any PATENT RIGHTS **or** the manufacture, sale or use of any LICENSED SUBJECT MATTER infringes or violates the patent or any other intellectual property rights of any third party.

3.2 LICENSEE understands that the LICENSED SUBJECT MATTER may have been developed under a funding agreement with the Government of the United States of America and, if so, that the Government may have certain rights relative thereto. This Agreement is explicitly made subject to the Government's rights under any such agreement and any applicable law or regulation. To the extent that there is a conflict between any such agreement, applicable law or regulation and this Agreement, the terms of such Government agreement, applicable law or regulation shall prevail. The BOARD shall use its best efforts to obtain a waiver of all rights of the Government with respect to the PATENT RIGHTS and the LICENSED SUBJECT MATTER.

IV. LICENSE:

4.1 BOARD hereby grants to LICENSEE an exclusive license under LICENSED SUBJECT MATTER **to** manufacture, have manufactured, use, and/or sell LICENSED PRODUCTS within LICENSED TERRITORY for use within LICENSED FIELD. This grant shall be subject to the payment or transfer by LICENSEE to BOARD of all consideration as provided in this Agreement, and shall be further subject to rights retained by BOARD to:

(a) Publish the general scientific findings from research related to LICENSED SUBJECT MATTER provided that the BOARD shall provide LICENSEE with a right to review all such publications at least sixty (60) days in advance of publication in order to protect any patent or intellectual property rights; and

(b) Use in LICENSED SUBJECT MATTER for research, teaching and other educationally-related non-commercial purposes at any component institution of the SYSTEM, provided BOARD may transfer outside the SYSTEM for

educationally-related, non-commercial purposes with the prior written approval of LICENSEE, which shall not be unreasonably withheld.

4.2 LICENSEE shall have the right to extend the license granted herein to any AFFILIATE provided that such AFFILIATE consents to be bound by this Agreement to the same extent as LICENSEE.

4.3 LICENSEE shall have the right to grant sublicenses consistent with this Agreement provided that LICENSEE shall be responsible for the operations of its sublicensees relevant to this Agreement as if such operations were carried out by LICENSEE, including the **payment of royalties** or other consideration received by LICENSEE from sublicensee. LICENSEE further agrees to deliver to BOARD a true and correct copy of each sublicense granted by LICENSEE, and any modification or termination thereof, within thirty (30) **days** after execution, modification, or termination. Upon **termination** of this Agreement, any and all existing sublicenses granted by LICENSEE shall **be** assigned to BOARD.

4.4 BOARD shall have the right at any time after five (5) years from the date of this Agreement, to terminate this Agreement or to terminate the exclusivity of the license granted herein in any national jurisdiction within LICENSED TERRITORY if LICENSEE, within ninety (90) days after written notice from BOARD as to such intended termination or termination of exclusivity, fails to provide written evidence that it **has** commercialized or is actively attempting to commercialize LICENSED SUBJECT MATTER within the United States. BOARD **agrees** to negotiate in good faith with LICENSEE for adjusting terms **under** such a non-exclusive arrangement. **Evidence** provided by LICENSEE that it has an ongoing and active research, development, manufacturing, marketing or licensing **program as** appropriate, directed toward production and sale of LICENSED SUBJECT MATTER within such jurisdiction shall be deemed satisfactory evidence.

4.5 LICENSEE shall have rights of first refusal to obtain **an** exclusive license to continuations-in-part of patent applications in Paragraphs 2.2(a), 2.2(b) and 2.2(c), to the extent not described in 2.2(e), exercisable within sixty (60) days of written notice by BOARD;

V. COMMON STOCK: EQUITY OWNERSHIP; REPORTING

5.1 In consideration of the rights granted to LICENSEE by BOARD in this Agreement, LICENSEE agrees that upon execution of this Agreement it shall:

(a) issue to BOARD one million two hundred thousand (1,200,000) fully paid, non-assessable shares of its common

stock, **\$0.01/share** par value, which shares of stock shall equal twelve percent (12%) **of** all shares of its common stock. Six percent (6%) shall be allocated to UTDALLAS and six percent (6%) shall be allocated to UT SOUTHWESTERN; and

(b) pay to BOARD one half of the gross revenues received by LICENSEE from any sublicensee (other than an AFFILIATE).

5.2 If, as and when LICENSEE issues additional shares of its common stock in connection with a financing transaction after the EFFECTIVE DATE of this Agreement and prior to its initial offering of securities to the public, LICENSEE shall issue to BOARD warrants (hereinafter "**WARRANTS**") to purchase **from** LICENSEE additional shares of LICENSEE'S common stock (hereinafter "**WARRANT SHARES**") equal **in** number to **twelve** percent (12%) of the number of shares of common stock then being issued by LICENSEE, provided that LICENSEE shall have no obligation hereunder to issue to BOARD WARRANTS to purchase additional shares of LICENSEE'S common stock issued to UCLA or the directors, officers, employees or Scientific Advisory Board members of LICENSEE or Parkland Foundation, Southwestern Medical Foundation or Sills Cummis. Such WARRANTS shall be allocated in the same percentages as in Paragraph 5.1. The WARRANTS shall be exercisable before the earlier of (i) five (5) years from their date of issue, or (ii) the next round **of** financing. LICENSEE agrees to notify BOARD at least ninety (90) days before the next round of financing. If WARRANTS issued to BOARD prior to the **first round** of financing are not exercised, BOARD forfeits its rights for further WARRANTS issuable under the terms of this Paragraph. If WARRANTS issued to BOARD and outstanding are not exercised within sixty (60) days prior to the initial public offering of securities by LICENSEE, such WARRANTS shall automatically terminate. LICENSEE shall give BOARD one hundred twenty (120) days written notice prior to the effective date of any such initial public offering. In the event that any of LICENSEE'S common stock is issued in a financing transaction, the exercise price per WARRANT SHARE shall be equivalent to the lowest price per share of **common** stock issued in such financing transaction.

5.3 BOARD shall have the right, but not the obligation, to name one seat on the board of directors of LICENSEE.

5.4 Upon the request of BOARD but not more often than once per calendar year, LICENSEE shall deliver to BOARD a written report as to LICENSEE'S efforts and accomplishments during the preceding year in commercializing LICENSED **SUBJECT MATTER** in various parts of the LICENSED TERRITORY and its commercialization plans for the upcoming year.

VI. TERM AND TERMINATION

6.1 The Term of this Agreement shall extend from the Effective Date set forth hereinabove to the full end of the term or terms for which PATENT RIGHTS have not expired and if only TECHNOLOGY RIGHTS are licensed and no PATENT RIGHTS are applicable, for a term of twenty (20) years.

6.2 This Agreement will earlier terminate:

(a) automatically if any payment obligation or obligation to issue shares **or** WARRANTS of LICENSEE in Section V of the present Agreement is received by BOARD more than thirty (30) days after LICENSEE receives written notice of its failure to make such payment or issuance when due. In this circumstance, LICENSEE may petition BOARD for reinstatement of this Agreement within ninety (90) days after this thirty (30) day period has elapsed. Reinstatement of this Agreement shall be at the discretion of BOARD and contingent upon payment of all past due payments or issuance of all past due shares or WARRANTS and accrued interest at the prime rate plus two percent (~~2%~~), unless such interest is greater than the highest allowable rate by law in which case the interest shall be the highest allowable rate by law; **or**

(b) upon ninety (90) days written notice if LICENSEE or BOARD shall breach or default on any material obligation under this License Agreement; provided, however, LICENSEE or BOARD may avoid such termination if before the end of such period LICENSEE or BOARD notifies the other party that such breach has been cured and states the manner of such cure, and in fact the breach has been cured; or

(c) Under the provisions of Paragraph 4.4 if invoked;
or

(d) Upon sixty (60) days written notice by LICENSEE.

6.3 Upon termination of this Agreement for any cause, nothing herein shall be construed to release either party from any obligation matured prior to the effective date of such termination. LICENSEE may,, after the effective date of such termination, sell all LICENSED PRODUCT and parts **therefor** that it may have on hand at the date of termination.

6.4 Upon and effective as of the date of termination of this Agreement pursuant to Paragraph 4.4 above, LICENSEE grants to BOARD a non-exclusive license with the right to sublicense others with respect to improvements made by LICENSEE in the LICENSED SUBJECT MATTER. BOARD's right to sublicense others hereunder shall be solely for purposes of permitting others to

develop and commercialize the entire technology package. LICENSEE shall, at BOARD'S discretion, receive fair and reasonable compensation based on LICENSEE'S contributions to research and development and costs of sponsored research.

VII. INFRINGEMENT BY THIRD PARTIES

7.1 LICENSEE shall have the obligation of enforcing at its expense any patent exclusively licensed hereunder against infringement by third parties in the manner and to the extent provided below. In the event that LICENSEE is awarded a recovery from an infringer or misappropriating party above the reasonable costs and expenses for bringing such infringement or misappropriation action, LICENSEE shall pay to BOARD twenty five percent (25%) of any such recovery. In the event that LICENSEE does not file suit against a substantial infringer of such patents within six (6) months of **receipt** of a written demand from BOARD to bring suit, BOARD and LICENSEE will consult with one another in an effort to determine whether a reasonably prudent licensee would **institute** litigation to enforce the patent in question in light of all relevant business and economic factors (including, but not limited to, the projected costs of such litigation, the likelihood of success on the merits, the probable amount of any damage award, the prospects for satisfaction of any judgment against the alleged infringer, the possibility of counterclaims against LICENSEE and BOARD, the diversion of LICENSEE'S human and economic resources, and the impact of any possible adverse **outcome** on LICENSEE'S and BOARD'S respective reputations and goodwill). After such consultation, if BOARD and LICENSEE have not reached agreement and LICENSEE does not file suit forthwith against the substantial infringer, then BOARD, following not less than ninety (90) days prior written notice, shall have the right to convert the previously licensed exclusive rights to **non-exclusive** provided that a reasonably prudent licensee would have brought such suit in light of all of the circumstances. Under such circumstances, BOARD shall have the right to enforce any patent licensed hereunder on behalf of itself and LICENSEE (BOARD retaining all recoveries from such enforcement).

7.2 In any suit or dispute involving an infringer, the parties shall cooperate fully, and upon the request and at the expense of the party bringing suit, the other party shall make available to the party bringing suit at reasonable times and under appropriate conditions all relevant personnel, records, **papers**, information, samples, specimens, and the like which are in its possession.

VIII. ASSIGNMENT

This Agreement may not be assigned by LICENSEE without the prior written consent of BOARD, which consent will not be

unreasonably withheld or delayed.

IX. PATENT MARKING

LICENSEE agrees to mark permanently and legibly all products and documentation manufactured or sold by it under this Agreement with such patent notice as may be required under Title 35, United States code.

X. INDEMNIFICATION

LICENSEE shall hold harmless and indemnify BOARD, SYSTEM, UT DALLAS, UT SOUTHWESTERN, their Regents, officers, employees and agents (hereinafter referred to collectively as "**INDEMNITEES**") from and against any claims, demands, **or** causes of action whatsoever (hereinafter collectively referred to as "**CLAIMS**"), including without limitation those arising on account of any injury or death of persons or damage to property caused by, or arising out of or resulting from, the exercise or practice of the license granted hereunder by LICENSEE, its AFFILIATES, or their officers, employees, agents or representatives except, if any such CLAIM arises out of or is the result of (i) the negligence or misconduct of the INDEMNITEES, or (ii) the violation of the rights of third parties in intellectual property rights by the practice of PATENT RIGHTS. LICENSEE shall have the sole right, subject to the statutory duties of the Texas Attorney General, to direct the **defense** of any such CLAIMS and to settle or compromise same, provided that no settlement **or** compromise shall impart any liability on the INDEMNITEES or compromise or adversely affect BOARD'S intellectual property rights. BOARD may participate in any such CLAIM with counsel of its own choosing at its own expense.

XI. USE OF NAME

LICENSEE shall not use the name of UT DALLAS, UT SOUTHWESTERN, SYSTEM, BOARD, INVENTORS, Regents or employees without express prior written consent.

XII. CONFIDENTIAL INFORMATION

12.1 BOARD and LICENSEE each agree that all trade secrets and/or information contained in documents or otherwise disclosed (i.e. verbal) which are forwarded to one by the other shall be received in strict confidence, used only for the purposes of this Agreement, and not disclosed by the recipient party (except as required by law or court order), its agents or employees without the prior written consent of **the** other party, unless such information (a) was in the public domain at the time of disclosure, (b) later became part of the public domain through no act or omission of the recipient party, its employees, agents, successors or assigns, (c) was lawfully disclosed to the

recipient party by third party having the right to disclose it, (d) was already known by the recipient party at the **time** of disclosure, the burden of proof being upon the recipient party, or (e) was independently developed, the burden of proof being upon the party claiming independent development. Notwithstanding the foregoing, BOARD may be required to submit certain information to a government agency pursuant to a preexisting obligation, and BOARD shall be permitted to comply with such obligations without violating the provisions of this Paragraph, provided that BOARD shall use its best efforts to give LICENSEE at least thirty (30) days prior written notice of a significant disclosure (or such shorter period, if thirty (30) days prior notice is not reasonably possible) to LICENSEE, together with a copy of the information BOARD proposes to disclose to such government agency.

12.2 Each party's obligation of confidence hereunder shall be fulfilled by using at least the **same** degree of care with the other party's confidential information it uses to protect its own confidential information. This obligation shall exist while this Agreement is in force and for a period of three (3) years thereafter.

XIII. PATENTS AND INVENTIONS

13.1 **LICENSEE** recognizes that any invention not covered by PATENT RIGHTS or TECHNOLOGY RIGHTS first conceived or first reduced to practice by a SYSTEM employee, agent or consultant, related to the **LICENSED SUBJECT MATTER**, shall be the property of the SYSTEM. **SYSTEM** recognizes that any invention not covered by PATENT RIGHTS or TECHNOLOGY RIGHTS first conceived or first reduced to practice by an employee, agent or consultant of LICENSEE, not including SYSTEM employees, agents or consultants, shall be the property of LICENSEE.

13.2 LICENSEE shall reimburse UT DALLAS and UT SOUTHWESTERN for all past, present and future expenses incurred in searching, preparing, filing, prosecuting and maintaining patent applications and patents relating to PATENT RIGHTS. If after consultation with LICENSEE it is agreed by UT DALLAS or UT SOUTHWESTERN, as appropriate, and LICENSEE that another patent application should **be** filed for LICENSED SUBJECT MATTER, UT DALLAS or UT SOUTHWESTERN, as appropriate, will prepare and file appropriate patent applications, and LICENSEE shall pay the cost of searching, preparing, filing, prosecuting and maintaining same. If LICENSEE notifies UT DALLAS or UT SOUTHWESTERN, as appropriate, that it does not intend to pay such costs, or if LICENSEE does not respond within thirty (30) days of **written** notice from BOARD, then UT DALLAS or UT SOUTHWESTERN, as appropriate, may file such application at its own expense and LICENSEE shall have no rights to such invention under this Agreement or otherwise. UT DALLAS or UT SOUTHWESTERN, as

appropriate, shall provide LICENSEE **with** a copy of the application filed for which LICENSEE has **paid** the cost of filing, as well as copies of any documents received or filed during prosecution thereof.

13.3 After consultation with UT DALLAS and UT SOUTHWESTERN, LICENSEE may prepare and file appropriate United States and foreign applications on LICENSED SUBJECT MATTER, or any portion thereof, subject to UT **SOUTHWESTERN'S** and UT DALLAS' approval of the content of the application(s) and other filings during prosecution thereto, not to be unreasonably withheld or delayed. In addition, LICENSEE agrees to:

(a) Notify UT DALLAS and UT SOUTHWESTERN of its intent to file for patent(s) related to LICENSED SUBJECT MATTER at least thirty (30) days prior to applying for patent(s), provided that a **patent** filing must be made in order to avoid the significant loss of intellectual property rights, LICENSEE may give reasonable prior notice (which may be less than thirty (30) days);

(b) Inform UT DALLAS and UT SOUTHWESTERN of LICENSEE'S choice of patent counsel to prepare and prosecute said patent application(s). Final approval of patent counsel shall rest with SYSTEM, whose approval shall not be unreasonably withheld;

(c) Subject to UT **DALLAS'** and UT SOUTHWESTERN'S approval, prepare, file and prosecute appropriate patent application(s) on the invention(s) and bear all such costs;

(d) Assign UT SOUTHWESTERN'S and UT DALLAS' interest in any such patent application(s) naming a SYSTEM employee, agent or consultant to SYSTEM;

(e) Provide UT DALLAS and UT SOUTHWESTERN with a copy (or copies) of all patent applications, as well as copies of any documents received or filed during prosecution thereof. LICENSEE will provide UT DALLAS and UT SOUTHWESTERN with the opportunity to review, object and comment thereon, **within** a reasonable time.

(f) Notify BOARD within seven (7) months after the filing of the corresponding United States application of its decision to obtain foreign patents. This notice concerning foreign filing shall be in writing, must identify the countries desired, and reaffirm LICENSEE'S obligation to underwrite the costs thereof. **The** absence of such notice within such **time** period from LICENSEE to BOARD shall be considered an election by LICENSEE not to secure foreign rights. BOARD shall have the right to file patent applications at its own expense in any country in which the

LICENSEE has not elected to secure patent rights, and has so informed BOARD by written notice. BOARD shall notify LICENSEE in writing of all such countries in which BOARD elects to pursue such foreign filings. Such applications and resultant patents shall thereafter not be subject to this Agreement.

13.4 LICENSEE shall not abandon or withdraw any application without the prior written approval of UT DALLAS and UT SOUTHWESTERN. In the event that LICENSEE does not wish to pursue patent protection for LICENSED SUBJECT MATTER, or any portion thereof, or if LICENSEE decides to discontinue paying maintenance fees for an issued patent for LICENSED SUBJECT MATTER, or any portion thereof and has so informed BOARD by written notice, UT DALLAS and/or UT SOUTHWESTERN may file such application, or pay such fees, at their own expense, and LICENSEE shall have no rights to such invention under this Agreement or otherwise. In the event that UT DALLAS and UT SOUTHWESTERN determine that LICENSEE has a conflict of interest by virtue of its preparation and/or prosecution of the subject patent application(s), which cannot be resolved by negotiation in good faith by BOARD, then UT **DALLAS** and UT SOUTHWESTERN may assume preparation and/or prosecution of such patent application(s).

13.5 Each party agrees to give to the filing party all reasonable assistance, including furnishing LICENSEE with any instruments and documents necessary or appropriate, in connection with the preparation and prosecution of patent application(s).

13.6 Within sixty (60) days of filing any patent application(s) naming SYSTEM employees, agents or consultants as inventors and which are assigned to BOA&D, LICENSEE agrees to negotiate in good faith an exclusive patent license agreement with UT DALLAS and/or UT SOUTHWESTERN covering the subject matter of the application(s). The terms of such agreement shall be based on, but not limited to, the terms in the present Agreement.

13.7 LICENSEE'S patent counsel shall have the right to prosecute currently pending patent applications included in PATENT RIGHTS with the prior written consent and approval of BOARD, which consent and approval may be revoked by BOA&D at any time for any reason upon written notice to LICENSEE.

XIV. CONSULTATION

14.1 LICENSEE'S DESIGNATED REPRESENTATIVE (hereinafter so called) for consultation and communications with INVENTORS shall be Richard A. Gumer or such other person as LICENSEE may from time to time designate in writing to UT DALLAS and UT SOUTHWESTERN.

14.2 Individual INVENTORS may act as consultants and advisors to LICENSEE on matters pertaining to transfer of LICENSED SUBJECT MATTER to LICENSEE under this Agreement. Such consultation shall be **carried** out at times, locations and in a manner mutually agreed upon by individual INVENTORS and LICENSEE'S DESIGNATED REPRESENTATIVE. For such services, LICENSEE will enter into payment arrangements with each INVENTOR, such payments to be made in cash, or stock or stock options, subject to approval by UT DALLAS and UT SOUTHWESTERN, as appropriate, in **accordance** with their internal rules, regulations and procedures, which approval will not be unreasonably withheld. While the INVENTORS are acting as advisors to LICENSEE, they will not act as advisors to any other commercial firm on LICENSED SUBJECT MATTER.

14.3 Any invention first conceived and reduced to practice by INVENTORS during such consultation shall be the property of BOARD and shall be subject to the option set forth below.

14.4 Any invention first conceived and reduced to practice jointly by LICENSEE'S employees or agents and INVENTORS shall be jointly owned by LICENSEE and BOARD and shall also be subject to the option set forth below.

14.5 BOARD grants to LICENSEE an option to negotiate a worldwide, exclusive license to practice and use any and all inventions and know-how described in Sections 14.3 and 14.4. Such option shall be exercisable at any time by LICENSEE within one hundred-twenty (120) days after UT DALLAS or UT SOUTHWESTERN, as appropriate, notifies LICENSEE in writing **of** the identification of such invention. LICENSEE must exercise its option in writing according to the provisions in Section 16.2, identify the invention and/or know-how, and provide a written statement **of** its intention to develop the invention and/or know-how for commercial use as soon as practicable, consistent with sound and reasonable business practices and judgment. Upon exercise of each such option, BOARD and LICENSEE shall enter into negotiations for a license agreement based on the foregoing rights, which agreement shall include at least the following terms and conditions or terms and conditions substantially similar to those set forth in this Agreement:

(a) a commitment by LICENSEE to pay to BOARD a reasonable amount of equity and/or running royalty on net sales;

(b) a commitment by LICENSEE to diligently develop and commercialize the licensed invention and know-how. In the event LICENSEE does not achieve its commitment, its license may terminate or become non-exclusive upon written notice by BOARD;

(c) a term that does not exceed any limits imposed by law;

(d) retention by BOARD of the complete royalty-free right to make and use any invention and know-how for teaching, research, or other educationally-related or academically-related purposes;

(e) reservation of the rights of the government of the United States of America, as set forth in Public Law 96-517, if applicable; and

(f) an indemnification by LICENSEE of UT DALLAS and UT SOUTHWESTERN (including BOARD and SYSTEM) and their Regents, officers, employees, and agents from all liability arising from LICENSEE'S development, marketing, manufacturing, use or sale of any invention or know-how.

14.6 In the event that an invention is conceived or reduced to practice during the consultation set out herein, UT DALLAS or UT SOUTHWESTERN, as appropriate, agrees to report such invention to LICENSEE within sixty (60) days of the identification of such invention. BOARD and LICENSEE shall thereupon exert their best efforts in cooperation with each other to investigate, evaluate and determine to the mutual satisfaction of both BOARD and LICENSEE whether any patent application(s) are to be filed.

14.7 Both parties agree to negotiate **in** good faith to enter into a license agreement as soon as reasonably practicable after the exercise **of** such option.

14.8 If **after discussion** on any invention of which UT DALLAS **or** UT SOUTHWESTERN employee is sole or joint inventor, it is agreed by BOARD and LICENSEE that a patent application(s) should be filed, BOARD and LICENSEE will cooperate with each other in determining whether BOARD or LICENSEE should prepare, file and prosecute patent application(s). If BOARD prepares, files and prosecutes patent application(s) on the invention, LICENSEE shall reimburse BOARD for such costs of such preparation, filing, prosecution and maintenance thereof. If LICENSEE notifies BOARD that it does not intend to pay such costs, or if LICENSEE **does** not respond within thirty (30) days of written notice from BOARD, then BOARD may file such application(s) at its own expense and LICENSEE shall have no rights, option or otherwise to such invention. BOARD shall provide LICENSEE with a copy of any application(s) filed for which LICENSEE has paid such costs, as well as copies of any documents received or filed during prosecution thereof.

14.9 If LICENSEE exercises such option, but the parties are unable to enter into a mutually **agreeable license agreement**, including, but not limited to, the terms in Paragraph 14.5,

LICENSEE shall retain a right of first refusal for a license under terms previously offered to LICENSEE, or other terms subsequently offered by BOARD to a third party, for six (6) months following the date upon which BOARD notifies LICENSEE in writing that no agreement appears likely.

XV. SPONSORED RESEARCH

LICENSEE and BOARD agree to begin diligently negotiating a sponsored research agreement within ninety (90) days of the EFFECTIVE DATE of this Agreement with the intent of concluding negotiations within six (6) months following the EFFECTIVE DATE of this Agreement.

XVI. GENERAL

16.1 This Agreement constitutes the entire **and** only agreement between the parties for LICENSED SUBJECT MATTER and all other prior negotiations, representations, agreements, and understandings are **superseded** hereby. No agreements altering or supplementing the terms hereof may be made except by means of a written document signed by the duly authorized representatives of the parties.

16.2 Any notice required by this License Agreement shall be given by prepaid, first class, certified mail, return receipt requested, addressed in the case of BOARD to:

BOARD OF REGENTS
The University of Texas System
201 West Seventh Street
Austin, Texas 78701
ATTENTION: System Intellectual
Property Office

with a copy to:

UT SOUTHWESTERN
Peter H. Fitzgerald, Ph.D.
Executive Vice President
for Business Affairs
5323 Harry Hines Boulevard
Dallas, Texas **75235-9013**

and

UT SOUTHWESTERN
Katherine L. Chapman, J.D.
Associate Vice President for
Legal Affairs and Technology Transfer
5323 Harry Hines Boulevard
Dallas, TX **75235-9008**

and UT DALLAS
Marianne Woods, Ph.D.
Sponsored Projects
P.O. Box 830688
Richardson, Texas 75083-0688

and UT DALLAS
Robert L. Lovitt
Vice President for
Business Affairs
P.O. Box 830688
Richardson, Texas 75083-0688

or in the case of LICENSEE to:

EPIKON, INC.
c/o Helix Venture Partners
667 Madison Avenue, 11th **Floor**
New York, New York 10021
ATTENTION: Richard A. Gumer, CEO

or such other address as may be given from time to time under the terms of this notice provision.

16.3 LICENSEE shall comply with all applicable federal, state and local laws, regulations, and ordinances in connection with its activities pursuant to this Agreement.

16.4 This License Agreement shall be construed and enforced in accordance with the laws of the United States of America and of the State of Texas.

16.5 Failure of BOARD to enforce a right under this Agreement shall not act as a waiver of that right or the ability to later assert that right relative to the particular situation involved.

16.6 Headings included herein are for convenience only and shall not be used to construe this Agreement.


16.7 If any provision of this Agreement shall be found by a court to be void, invalid or unenforceable, the same shall be reformed to comply with applicable law or stricken if not so conformable, so as not to **affect** the validity or enforceability of this Agreement.

IN WITNESS WHEREOF, parties hereto have caused their duly authorized representatives to execute this Agreement.

BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

EPIKON, INC.

By: _____
Thomas G. Ricks
Acting Vice Chancellor
For Asset Management

By: 
Richard A. Gumer
Chief Executive Officer

Date: _____

Date: May 6, 1992

APPROVED AS TO FORM:

By: _____
Georgia K. Harper
Office of General Counsel

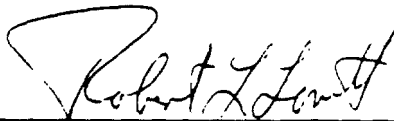
Date: _____

APPROVED AS TO CONTENT:

UT SOUTHWESTERN

UT DALLAS

By: _____
Peter H. Fitzgerald, Ph.D.
Executive Vice President
For Business Affairs.

By: 
Robert L. Lovitt
Vice President for
Business Affairs

Date: _____

Date: 6/15/92

2. U. T. Southwestern Medical Center - Dallas: Approval for Drs. Roger H. Unger, Christopher B. Newgard, and John H. Johnson to Acquire Equity Interest in Betagene, Inc., Dallas, Texas.--At the June 1992 meeting, the Board approved a Patent License Agreement by and between Betagene, Inc., Dallas, Texas, and The University of Texas System with an effective date of October 1, 1991. The agreement anticipated the further development of technologies created by Drs. Roger H. Unger, Christopher B. Newgard, and John H. Johnson (the "Inventors") at The University of Texas Southwestern Medical Center at Dallas and the ultimate development and marketing of (a) an insulin production process or product, (b) a therapeutic implantable device and/or (c) a diagnostic product. The agreement also provided the U. T. System and the Inventors with an equity interest in Betagene, Inc. as partial consideration for the grant of the license to Betagene, Inc.

Accordingly, Betagene, Inc. will issue shares of Founder's Stock equal to twenty percent (20%) of all shares of stock in the company to the U. T. Board of Regents to be shared in accordance with the U. T. System Intellectual Property Policy [fifty percent (50%) to the U. T. System and fifty percent (50%) to the Inventors]. Further, Betagene, Inc. will make stock purchase options available to the Inventors in the first two (2) years of the company's life pursuant to consulting arrangements with them and other key scientific and technical persons.

In accordance therewith, the Board, for and on behalf of the U. T. Southwestern Medical Center - Dallas, approved the acceptance by Roger H. Unger, M.D., Dr. Christopher B. Newgard, Dr. John H. Johnson, and the U. T. System of an equity interest in Betagene, Inc., Dallas, Texas.

Betagene, Inc. has committed to sponsor research at the U. T. Southwestern Medical Center - Dallas in the future in the following amounts: \$75,000 in the first year of the agreement and a total of \$200,000 in the second through sixth years of the agreement.

Within the context of the entire consideration for the Patents and Patent Application licensed to Betagene, Inc. pursuant to this agreement, the equity interest is modest but will enable the Inventors and the U. T. System to share in appreciation of assets of the company through commercialization of this important technology for the diagnosis and treatment of diabetes.

3. U. T. M.D. Anderson Cancer Center: Report by President Charles A. LeMaistre on Intellectual Property Matters.--Committee Chairman Cruikshank called on President LeMaistre to brief the Board on intellectual property matters at The University of Texas M.D. Anderson Cancer Center.

Dr. LeMaistre reported that in August 1987 the Board approved an exclusive license agreement by and between the U. T. M.D. Anderson Cancer Center and ARGUS Pharmaceuticals, The Woodlands, Texas, for the licensing of certain patent rights and technical information related to a process for developing human monocyte or murine macrophage-derived cytotoxins which either kill or inhibit the proliferation of tumor cells. He stated that the blending of U. T. M.D. Anderson Cancer Center's research expertise with ARGUS' pharmaceutical development

skills has enabled ARGUS to rapidly identify six product candidates which are at various levels of preclinical and clinical development. He noted that these product developments are based on U. T. M.D. Anderson Cancer Center patents and patent applications which have been licensed to ARGUS in exchange for equity, research, and milestone payments and future product royalties.

President LeMaistre stated that ARGUS and U. T. M.D. Anderson Cancer Center have been jointly researching and designing cancer drugs with unique mechanisms of action which overcome the pharmacologic shortfalls, such as toxicity, clearance and tissue targeting of existing drugs. He noted that new drugs are required which, because of their different mechanism of action and improved safety profile, can be used in combination with new and existing anticancer compounds.

IV. OTHER MATTERS

U. T. System: Appointment of Mr. Monroe M. Luther, Houston, Texas, and Mr. Robert E. Wise, Dallas, Texas, to the Investment Advisory Committee for Three-Year Terms from September 1, 1992 to August 31, 1995.--Upon recommendation of the Asset Management Committee, the Board appointed the following to the Investment Advisory Committee for The University of Texas System for three-year terms from September 1, 1992 to August 31, 1995:

Mr. Monroe M. Luther, Chairman and Chief Executive Officer of Eagle Management and Trust Company, Houston, Texas

Mr. Robert E. Wise, Vice President, Treasurer and Chief Financial Officer of the Meadows Foundation, Inc., Dallas, Texas.

With approval of these appointments, the Investment Advisory Committee members and their respective terms are as follows:

<u>Member</u>	<u>Term Expires</u>
L. Lowry Mays	8/31/93
Michael J. C. Roth	8/31/93
J. Luther King, Jr.	8/31/94
Unfilled	8/31/94
Monroe M. Luther	8/31/95
Robert E. Wise	8/31/95

RECONVENE.--At 9:40 a.m., the Board reconvened as a committee of the whole to consider those items remaining on the agenda.

ITEMS FOR THE RECORD

1. U. T. Austin - Brackenridge Tract: Report on Sale of Sections II and III, Stratford Hills Subdivision, Austin, Travis County, Texas, to Quentin Corp., a Florida Corporation.--Following approval by the U. T. Board of Regents at the April 1992 meeting, a portion of the Brackenridge Tract known as Sections II and III of the Stratford Hills Subdivision, Austin, Travis County, Texas (less and except Lot 7 in Section III), was sold on July 2, 1992, for \$3,500,000 for the benefit of The University of Texas at Austin. Net proceeds of \$3,479,894 were received from Quentin Corp., a Florida corporation whose president is Mr. Kenneth P. Brown of Gainesville, Florida. This sale conveyed forty-five undeveloped residential lots which were platted by the Office of Endowment Real Estate. Lot 7, Section III, which was not included in the conveyance, will be offered for sale at a future date.

It is U. T. Austin's intent to use the sale proceeds primarily for a matching program for undergraduate scholarships. A specific recommendation will be presented as soon as the procedural details of the matching program are completed. The matching program will be administered under guidelines subject to review by the Office of General Counsel and approval of the Executive Vice Chancellor for Academic Affairs.

2. U. T. Southwestern Medical Center - Dallas - Inter-campus Connector for Research Building - Phase II North Campus Expansion (Project No. 303-755): Report on Deductions in the Contract Cost and the Composition of the Total Project Cost.--At its June 1992 meeting, the U. T. Board of Regents authorized a temporary increase in the total project cost for the Intercampus Connector for Research Building - Phase II North Campus Expansion at The University of Texas Southwestern Medical Center at Dallas from \$5,500,000 to \$6,121,627 and awarded a construction contract in the amount of \$5,660,300 upon the representation that the Office of Facilities Planning and Construction would implement change orders to reduce the total project cost to within the previously approved and funded amount of \$5,500,000. A deductive change order in the amount of \$710,041 has been executed which brings the cost for the project well within the approved total project cost of \$5,500,000.

With this reduction, the project cost is composed of the following elements:

Revised Construction Contract Cost	\$4,950,259
Fees and Administrative Expenses	401,456
Future Work (Air-Balancing)	5,000
Miscellaneous Expenses	56,290
Project Contingency	<u>86,995</u>
Total Project Cost	\$5,500,000

REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS

Regent Ramirez, Vice-Chairman of the Board for Lease of University Lands, submitted the following report on behalf of that Board:

Report

The Board for Lease of University Lands has not met since the last Board of Regents' meeting in June 1992.

The proposed Special Frontier Lease Sale scheduled for October 20, 1992, has not generated any interest from the oil and gas industry.

There have been no requests for seismic permits which further indicates a lack of interest in this acreage.

OTHER MATTERS

U. T. Board of Regents: Presentation of Certificate of Appreciation to Chancellor Hans Mark.--Chairman Beecherl noted that this would be the last time Dr. Hans Mark would be sitting at the opposite end of the Board table in the position of Chancellor of The University of Texas System. He stated that the Board formally recognized Dr. and Mrs. Mark last evening (August 12) for their dedicated and exceptional service to the U. T. System during his eight-year tenure.

Chairman Beecherl then asked Chancellor Mark to join him at the podium and read the following statement in recognition of Dr. Mark's distinguished service to the U. T. System:

Hans, while this Certificate of Appreciation could have been presented last night as a part of our formal recognition of your retirement as Chancellor, we preferred to hold it for a setting which was primarily your U. T. family and close associates.

For the past eight years, you have shared your leadership of and dedication to higher education with The University of Texas System and indeed all of Texas higher education. You have been the "point man" whose clear thinking, forthright arguments and vision for the future have earned the respect and admiration of those interested and concerned for the future of our Texas colleges and universities.

In your distinguished career you have received many awards and citations for your varied accomplishments. None has been presented with a more heartfelt sense of gratitude, appreciation, and pride than this certificate, which reads as follows:

CERTIFICATE OF APPRECIATION

The Board of Regents
of
The University of Texas System

Expresses to

HANS MARK, PH.D.

Deep and Sincere Appreciation for His
Thoughtful Vision, Exceptional Leadership,
Distinguished Service, and Wise Counsel

as

Chancellor
The University of Texas System

1984 - 1992

Adopted by unanimous vote this 13th day of August, 1992

(signed by all members of the Board)

Following Chairman Beecherl's remarks, Chancellor Mark received a standing ovation and then presented the following statement:

Statement of Hans Mark Upon His Retirement
as Chancellor of The University of Texas System
August 13, 1992

Eight years ago, I stood in this room and accepted the job that I am about to relinquish. I made one promise to the Board of Regents at the time, and that was to provide the leadership that would make The University of Texas System better than it was. It is not my place to judge whether I have fulfilled this promise -- that is up to you. I can tell you what I enjoyed most and what gave me the most personal satisfaction.

We have developed strong undergraduate honors programs at several campuses, and I have had the great pleasure of teaching at U. T. San Antonio, U. T. Arlington, and U. T. Austin in these programs. I have not met better students anywhere in more than 30 years of teaching. People who believe that we pay no attention to undergraduates are being misled. I am particularly pleased that we have been able to expand our undergraduate programs at U. T. Permian Basin and U. T. Dallas to include freshman and sophomore classes. I look forward to meeting my undergraduate class in a couple of weeks to continue this important work.

We have significantly enhanced the research capabilities of The University of Texas System, which I said was an essential objective eight years ago. What is even more important is that we have connected our research to the economic development of Texas and to the well-being and health of the citizens of our state. Our functions in these areas are now universally recognized, and I have very much enjoyed being part of this effort.

Finally, we have been able to make contributions to the intellectual and the cultural development of Texas. These range from the leading role we played in bringing the Superconducting Super Collider (SSC) to Texas to the fine dance and theater groups that have been developed at U. T. Pan American. Such things also leave me with a great feeling of satisfaction.

I am grateful to the support I have had from the Board of Regents over the years and wish to pay particular tribute to Mr. Arthur H. Dilly, Executive Secretary to the Board, and Miss Margaret Glover, Assistant Secretary to the Board, for their assistance during the last eight years. We are blessed with a Board that is influential, intelligent and totally dedicated to the University. The people of our state are well served by this group of distinguished citizens, and I am pleased to have the opportunity to pay tribute to them here today.

Eight years ago, I wound up my comments by telling the story of Thomas Jefferson's tombstone, on which he had engraved "Founder of the University of Virginia." To Jefferson, this achievement was more important than his service as President of the United States. He was the founder of public higher education in the United States, and he knew clearly why this was important. In 1816, he wrote to E. I. DuPont de Nemours: "Enlighten the people generally and tyranny and oppression of body and mind will vanish like evil spirits at the dawn of the day." Jefferson recognized that political freedom cannot exist without education.

We are the inheritors of Jefferson's legacy in public higher education. We cannot let it die. It is to this work that I want to dedicate myself in the future.

RECESS.--Chairman Beecher¹ announced that the Board would recess for the meeting of the Academic Affairs Committee and called upon Committee Chairman Barshop to proceed with the items before that Committee. See Page 17.

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 86 - 104).--Committee Chairman Barshop reported that the Academic Affairs Committee had met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Academic Affairs Committee and approved in open session and without objection by the U. T. Board of Regents.

Prior to considering the items before the Academic Affairs Committee, Committee Chairman Barshop introduced the following newly appointed officials:

Dr. Ryan Amacher, President of The University of Texas at Arlington

Dr. Hobson Wildenthal, Vice President for Academic Affairs at The University of Texas at Dallas.

1. U. T. Board of Regents and U. T. Austin: Appointment of (a) Mr. Baker Montgomery, Dallas, Texas, as Regental Representative to Intercollegiate Athletics Council for Men and (b) Mr. George O. Nokes, Jr., Austin, Texas, as Regental Representative to Intercollegiate Athletics Council for Women Effective September 1, 1992.--Upon motion of Regent Beecherl, duly seconded, the Board appointed the following Regental representatives to The University of Texas at Austin Intercollegiate Athletics Council for Men and the Intercollegiate Athletics Council for Women each for a four-year term beginning September 1, 1992 and ending August 31, 1996:
 - a. Mr. Baker Montgomery, Dallas, Texas, to succeed Mr. John Fainter on the Intercollegiate Athletics Council for Men
 - b. Mr. George O. Nokes, Jr., Austin, Texas, to succeed Mrs. Nancy Inman on the Intercollegiate Athletics Council for Women.

2. U. T. Austin: Appointment of Initial Holders to Endowed Academic Positions - (a) Dr. John C. Higley to the Jack S. Blanton, Sr. Chair in Australian Studies in the College of Liberal Arts and (b) Dr. Stephen P. Magee to the Charles E. and Sarah M. Seay Regents Chair in Finance in the College of Business Administration Effective September 1, 1992.--The Board, upon recommendation of the Academic Affairs Committee, approved the following initial appointments to endowed academic positions at The University of Texas at Austin effective September 1, 1992:
 - a. Dr. John C. Higley, Professor of Government and Sociology and Director of the Center for Australian Studies, to the Jack S. Blanton, Sr. Chair in Australian Studies in the College of Liberal Arts
 - b. Dr. Stephen P. Magee, holder of the Fred H. Moore Centennial Professorship in International Management in the Graduate School of Business, to the Charles E. and Sarah M. Seay Regents Chair in Finance in the College of Business Administration.

Dr. Magee will relinquish the Fred H. Moore Centennial Professorship in International Management in the Graduate School of Business effective August 31, 1992.

3. U. T. Austin: Permission for (a) Dr. Arthur E. Maxwell to Serve as a Member of the Gulf of Mexico Regional Marine Research Board, (b) Dr. William L. Fisher to Continue to Serve as a Member of the Secretary of Energy Advisory Board (SEAB) of the U. S. Department of Energy, and (c) Dr. Beryl B. Simpson to Serve as a Member of the Board of Governors of the United States-Mexico Foundation for Science [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--Permission was granted for the following faculty members at The University of Texas at Austin to serve as indicated:

- a. Dr. Arthur E. Maxwell, Director of the Institute for Geophysics, to serve as a member of the Gulf of Mexico Regional Marine Research Board
- b. Dr. William L. Fisher, Director of the Bureau of Economic Geology, to continue to serve as a member of the Secretary of Energy Advisory Board (SEAB) of the U. S. Department of Energy for a period of one year
- c. Dr. Beryl B. Simpson, Professor in the Department of Botany, to serve as a member of the Board of Governors of the United States-Mexico Foundation for Science

It was noted that Dr. Simpson's appointment to this nongovernmental consortium is not technically covered by the approval requirements for positions of honor, trust, or profit but Board approval was requested since the Foundation is closely related to the federal government and will seek substantial governmental support.

It was noted that these individuals will serve in these capacities without compensation.

These appointments are of benefit to the State of Texas, create no conflict with their regular duties at U. T. Austin, and are in accordance with approval requirements for positions of honor, trust, or profit provided in Article 6252-9a of Vernon's Texas Civil Statutes and Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11) of the Regents' Rules and Regulations.

4. U. T. Austin: Authorization to Designate Certain Areas in Jesse Jones Hall in the School of Law as the Joseph D. Jamail Center for Legal Research (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings).--In accordance with the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, relating to the naming of facilities other than buildings, the Board, upon recommendation of the Academic Affairs Committee, designated an area comprised of the Tarlton Law Library, the Texas Legal Resource Center for Child Abuse and Neglect, the Computer Learning Center, the Tom Clark

Archives, the Media Center, the Law and Popular Culture Collection, the faculty library, and the other research facilities in Jesse Jones Hall in the School of Law at The University of Texas at Austin as the Joseph D. Jamail Center for Legal Research.

The naming of the Joseph D. Jamail Center for Legal Research is to honor Mr. Joseph D. Jamail, Houston, Texas, and to recognize his generous support of the School of Law and the Law School Foundation at U. T. Austin.

See Page 41 related to the acceptance of a gift from Mr. and Mrs. Jamail.

5. U. T. Austin: Approval to Name the Dean's Conference Room (Room 2.117D) in Townes Hall as the Alla R. Goodwin Conference Room (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings).--Pursuant to the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, relating to the naming of facilities other than buildings, the Dean's Conference Room (Room 2.117D) in Townes Hall at The University of Texas at Austin was named the Alla R. Goodwin Conference Room in recognition of the retirement of Mrs. Alla R. Goodwin, a dedicated and highly valued employee of the Law School.

Mrs. Goodwin, who was Administrative Services Officer to the Dean, served the Law School for over 29 years.

6. U. T. Austin: Amendment of Resolution for the Longhorn Foundation of the Department of Intercollegiate Athletics for Men and Acceptance of Gift from the Texas Longhorn Education Foundation, a Texas Nonprofit Corporation, Austin, Texas.--Upon recommendation of the Academic Affairs Committee, the Board amended the resolution for the Longhorn Foundation of the Department of Intercollegiate Athletics for Men at The University of Texas at Austin as set forth below:
 - a. Paragraph 1 of the resolution was amended to read as follows:
 1. The funds of the Foundation shall be devoted solely to the enrichment of all men's varsity sports of the Department of Intercollegiate Athletics of The University of Texas at Austin consistent with approved business procedures and National Collegiate Athletic Association requirements and assist in establishing and funding scholarships and faculty and staff positions at The University of Texas at Austin.
 - b. A new Paragraph 6 was added to read as follows:
 6. The Two Hundred Horns Club shall operate as a division of the Foundation with bylaws as approved by a five-member board appointed by the Longhorn Foundation Advisory Council.

Further, President Cunningham was authorized to accept, with the approval of the Executive Vice Chancellor for Academic Affairs and on behalf of the U. T. Board of Regents, a gift from the Texas Longhorn Education Foundation, a Texas nonprofit corporation, Austin, Texas, as follows:

- a. Miscellaneous office furniture and fixtures
- b. Funds in excess of \$500,000 to be used to assist in the education of students, assist in establishing and funding scholarships and faculty and staff positions, and to carry out the purposes of The Two Hundred Horns Club.

A resolution establishing the Longhorn Foundation as a formal operating internal foundation of U. T. Austin was approved by the U. T. Board of Regents in December 1987 and amended December 1989. The Foundation has been operating since June 1986 and was formally designated as an internal foundation pursuant to Part One, Chapter VII, Section 4, Subsection 4.3 of the Regents' Rules and Regulations to enhance the visibility and fund raising capabilities of the organization.

These amendments to the Longhorn Foundation resolution broaden the purpose of the Foundation and acknowledge the inclusion of The Two Hundred Horns Club as a division of the Foundation. The membership and operation of The Two Hundred Horns Club previously within the Texas Longhorn Education Foundation (TLEF), Austin, Texas, shall transfer to U. T. Austin. TLEF is a nonprofit corporation established in 1974 as a 501(c)3 organization to benefit U. T. Austin through the provision of funds to promote and assist in the education of students. Upon dissolution, TLEF will gift all remaining assets to benefit U. T. Austin.

7. U. T. Austin: Approval of Academic Exchange Agreements with (a) University College, Galway, Ireland, and (b) University of Montpellier III, Montpellier, France, and Authorization for the Executive Vice Chancellor for Academic Affairs to Execute Agreements.--The Board, upon recommendation of the Academic Affairs Committee, approved the two academic exchange agreements between The University of Texas at Austin and the following international institutions:
 - a. University College, Galway, Ireland
(Pages 90 - 92)
 - b. University of Montpellier III, Montpellier, France (Pages 93 - 95).

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

These academic exchange agreements are designed to promote academic, cultural and research cooperation between U. T. Austin and the other institutions.

ACADEMIC EXCHANGE AGREEMENT
UNIVERSITY OF TEXAS AT AUSTIN and
UNIVERSITY COLLEGE, GALWAY

The provisions recorded below constitute an agreement of understanding between the University of Texas at Austin and University College, **Galway**, Ireland. It defines the agreement to exchange professors and researchers between the English Departments of each of the Universities.

Article one

This agreement is not a binding contract, but is designed to facilitate the exchange of teachers and researchers of English and American language and literature between the University of Texas at Austin and University College, **Galway**, Ireland on behalf of their respective English departments.

Article two

During the first semester of the academic year, each English Department through appropriate University officials will submit the name of one faculty member to teach and participate in research for the following academic year in the other University, provided that suitable candidates are available and are willing to accept assignment. Candidates submitted by one University to the other must be acceptable to the host University. All appointments and leaves of absences by faculty members are subject to the normal approval procedures by appropriate officials within the candidate's University.

Article three

The minimum period of appointment in either University shall be three months. Exchanges of one year or longer are possible if approved by both parties; they are subject to pertinent rules and regulations applicable in both Universities.

Article four

Teaching and professional obligations assigned to exchange professors by the host University shall not exceed an equivalent level of activity assigned to colleagues of the same rank in the host university.

Article five

Exchange professors will receive from the host university a salary **equivalent** to that paid by the host institution for the corresponding rank. The **accumulation** of service or seniority will be governed by the rules and regulations in effect at the exchange professor's home institution.

Representatives of the host institutions should assume responsibility for assisting exchange professors in acquiring those forms necessary to relieve the individual of income tax liability, securing necessary Social Security Number forms, and letters necessary to insure prompt payment of **salary**.

Article six

The parties to this agreement will regularly appraise the results of the exchange in an effort to **determine** whether or not the teaching and research objectives of the exchange are being achieved.

Article seven

This agreement shall go into effect in September 1993, or as soon as possible thereafter. It will remain in effect for an **indefinite** period, subject to change initiated by either of the parties with one year's notice. Any additions, changes, or deletions to this agreement **must** be approved by the appropriate representatives of both universities.

EXECUTED by the Board of Regents of The University of Texas System and University College, Galway on the day and year first below written, in duplicate copies, each of which shall be deemed an original.

THE UNIVERSITY OF TEXAS AT AUSTIN

UNIVERSITY COLLEGE, GALWAY

BY: _____
WILLIAM H. CUNNINGHAM
President

BY: _____
COLM O hEOCHA
President

ROBERT D. KING
Deanadinterim
College of Liberal Arts

THOMAS A. BOYLAN
Dean
Faculty of Arts

JOSEPH E. KRUPPA
Chairman
English Department

KEVIN M. BARRY
chairman
Department of English

FORM APPROVED:

BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

Office of General Counsel

James P. Duncan, Executive Vice
Chancellor for Academic Affairs

CERTIFICATE OF APPROVAL

I hereby certify that the **foregoing** Agreement was approved by the Board of Regents of the University of Texas System on the _____ day of _____, 1992 and that the person whose signature appears above is authorized to execute such Agreement on behalf of the Board.

Executive Secretary, Board of Regents
The University of Texas System

ACADEMIC EXCHANGE AGREEMENT
UNIVERSITY OF TEXAS AT AUSTIN and
MONTPELLIER III

The provisions recorded below constitute an agreement of understanding between the University of Texas at Austin and the University of Montpellier III in Montpellier, France. It defines the agreement to exchange professors and researchers between the English Departments of each of the Universities. The agreement follows from consideration of the Academic and Cultural Convention of May 7, 1975 (the Fulbright Convention) between the government of the French Republic and the government of the United States of America

Article one

This agreement is not a binding contract, but is designed to facilitate the exchange of teachers and researchers of English and American language and **literature** between the University of Texas at Austin and the University of Montpellier III on behalf of their respective English departments.

Article two

During the first semester of the academic year, each English Department through appropriate University officials will submit the name of one faculty member to teach and participate in research for the following academic year in the other University, provided that suitable candidates are available and are willing to accept assignment. Candidates submitted by one University to the other must be acceptable to the host University. All appointments and leaves of absences by faculty members **are** subject to the normal approval procedures by appropriate officials within the candidate's University.

Article three

The minimum period of appointment in either University shall be three months. Exchanges of one year or longer are possible if approved by both parties; they are subject to pertinent rules and regulations applicable in both Universities.

Article four

Teaching and professional obligations assigned to exchange professors by **the** host University shall not exceed an equivalent level of activity assigned to colleagues of the same rank in the host university.

Article five

Exchange professors will receive **from** the host university a salary equivalent to that paid by the host institution for the corresponding rank. The accumulation of service or seniority will be governed by the rules and regulations in effect at the exchange professor's home institution.

The salaries paid to the professors of one country by the other country are exempted from income tax for up to two years by the fiscal convention of July **28, 1967** between the French Government (law N. 68797 of 23 August 1968 published in number 214 of the French Journal Officiel September 11, 1968) and the Government of the United States.

Representatives of the host institutions should assume responsibility for assisting exchange professors in acquiring those forms necessary to relieve the individual of income tax liability, securing necessary Social Security Number forms, and letters necessary to insure prompt payment of salary.

Article six

Exchange professors from **the two countries are urged to apply** for travel grants **from** the **Franco-American Commission** for Cultural and Educational **Exchanges**. **In the** event that an exchange results in **a disadvantageous salary for one of the participants in a specific** exchange, the disadvantaged professor may, with the **permission of** his own university, apply to the **Franco-American** Commission for Cultural and Educational Exchanges for a compensatory **salary** increment Travel and compensatory salary increment grants will be awarded according to an **Academic and Cultural Exchange Convention signed between the** governments of the French Republic and the United States of **America on May 7, 1965**. The issuance and administration of the grants and increments will be **governed** by the provisions of the Exchange Commission.

Article seven

The parties to this **agreement will** regularly appraise the results of the exchange in an effort to determine whether or not the teaching and **research objectives of the exchange are** being achieved.

This agreement went into effect in September 1976 for a period of four years. It was renewed for additional four year periods, by mutual agreement, in 1980 and 1984. This present revision will be in effect for an indefinite period, subject to change initiated by either of the parties with one year's notice.

EXECUTED by the Board of Regents of The University of Texas System and the University of Montpellier III on the day and year **first** below written, in duplicate copies, each of which shall be deemed an original.

THE UNIVERSITY OF TEXAS AT
AUSTIN

UNIVERSITY OF MONTEPELLIER III

BY: _____
William H. Cunningham
President

BY: _____
J. Maurin
Président

BY: _____
Robert D. King
Dean ad interim, College of **Liberal** Arts

BY: _____

BY: _____
Joseph E. Kruppa
Chairman, Department of English

BY: _____
Jean Claude **Amalric**
Directeur du **Département d'Anglais**

FORM APPROVED:

BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

Office of General Counsel

BY: _____
James P. Duncan
Executive Vice **Chancellor**
for Academic Affairs

CERTIFICATE OF APPROVAL

I hereby certify that the foregoing Agreement was approved by the Board of Regents of The University of Texas System on the _____ day of _____, 1992 and that the person whose signature appears above is authorized to execute such Agreement on behalf of the Board

Executive Secretary, Board of Regents
The University of Texas System

8. U. T. Dallas: Permission for Dr. Priscilla Beadle to Serve as Chair of the Citizens Planning and Advisory Committee of the Texas Mental Health and Mental Retardation Board [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--Permission was granted for Dr. Priscilla Beadle, Vice President for Administration and Student Affairs at The University of Texas at Dallas, to serve as Chair of the Citizens Planning and Advisory Committee of the Texas Mental Health and Mental Retardation Board. Dr. Beadle will serve on this Committee without compensation.

Dr. Beadle's appointment to this Committee is of benefit to the State of Texas, creates no conflict with her regular duties at U. T. Dallas, and is in accordance with approval requirements for positions of honor, trust, or profit provided in Article 6252-9a of Vernon's Texas Civil Statutes and Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11) of the Regents' Rules and Regulations.

9. U. T. El Paso: Establishment of a Ph.D. Degree in Materials Science and Engineering and Authorization to Submit the Proposal to the Coordinating Board for Approval (Catalog Change).--Upon recommendation of the Academic Affairs Committee, the Board established a Ph.D. in Materials Science and Engineering at The University of Texas at El Paso and authorized submission of the proposal to the Texas Higher Education Coordinating Board for approval. In addition, the Coordinating Board will be asked to change the U. T. El Paso Table of Programs to reflect authorization for the degree program.

The cross-disciplinary Doctor of Philosophy program in Materials Science and Engineering will be administered by the Department of Metallurgical and Materials Engineering and supported by faculty in the Departments of Chemistry, Physics, Electrical Engineering, Civil Engineering, and Mechanical/Industrial Engineering. Faculty from these same departments are also involved in the National Science Foundation-supported Materials Research Center of Excellence and the state-supported Institute for Manufacturing and Materials Management (IM³).

All students will take four core courses dealing with the structures, properties, processing and performance of materials and the techniques of analysis and materials characterization. In addition to the core, students will take from 27 to 45 hours of advanced course work in support of a specialization and then complete a dissertation.

In addition to meeting both a national and a regional need for materials scientists and engineers, the program will also meet an increasingly urgent need for doctorally-prepared Hispanic faculty. There is already a substantial shortage of doctorally-prepared Hispanic faculty, especially in science and engineering. This shortage is anticipated to become greater as the growth in the enrollment of undergraduate Hispanic students increases throughout the Southwest without a commensurate increase in the availability of Hispanic faculty as role models. Materials technology is especially important to the rapidly developing manufacturing industries of the Texas-Mexico border area.

U. T. El Paso has been aggressively developing the infrastructure for the Ph.D. in Materials Science and Engineering. Through the Minority Research Center of Excellence (MRCE), collaborative research efforts among the faculty and cooperating departments have been initiated. Approximately \$8 million worth of laboratory equipment, including those in the newly renovated Geological Sciences Building and those to be included in Burges Hall when that renovation is complete, is in place.

Since U. T. El Paso already has twenty-one active faculty members involved in graduate-level research and who can teach all courses in the curriculum, no significant cost will be incurred as a result of starting the program. Modest additional expenditures will be required for a secretary, for the reallocation of some graduate assistants, and for library materials. These additional costs will be covered from grant funds.

The Ph.D. degree program is consistent with U. T. El Paso's mission and its plans for offering quality degree programs to meet student needs.

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

10. U. T. Pan American: Establishment of (a) the School of Business Administration Advisory Council and (b) the School of Business Administration/Center for Entrepreneurship and Economic Development Advisory Council.--In accordance with the Regents' Rules and Regulations, Part One, Chapter VII, Section 3, the Board established (a) the School of Business Administration Advisory Council and (b) the School of Business Administration/Center for Entrepreneurship and Economic Development Advisory Council at The University of Texas - Pan American, with 28 and 24 members, respectively.

The membership for these Councils was approved at the June 1992 meeting of the U. T. Board of Regents.

11. U. T. San Antonio: Permission for Mr. M. Dan Williams to Serve on the Interim Board of Directors of the Northwest San Antonio Transportation Development Corporation [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--Permission was granted for Mr. M. Dan Williams, Vice President for Business Affairs at The University of Texas at San Antonio, to serve on the interim Board of Directors of the Northwest San Antonio Transportation Development Corporation. He will serve in this capacity without compensation.

Mr. Williams' appointment to this Board is of benefit to the State of Texas, creates no conflict with his regular duties at U. T. San Antonio, and is in accordance with approval requirements for positions of honor, trust, or profit provided in Article 6252-9a of Vernon's Texas Civil Statutes and Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11) of the Regents' Rules and Regulations.

12. U. T. San Antonio: Approval of Changes in Parking Permit Fees Effective with the Fall Semester 1992 (Catalog Change).--Upon recommendation of the Academic Affairs Committee, the Board approved changes in parking permit fees at The University of Texas Institute of Texan Cultures at San Antonio and The University of Texas at San Antonio Downtown Center effective with the Fall Semester 1992 as set out below:

U. T. Institute of Texan Cultures - San Antonio
and U. T. San Antonio Downtown Center

<u>Faculty/Staff Permits</u>	<u>1992-93 Fees</u>
Class A (reserved)	\$60.00
Class B (faculty/staff)	36.00
Class C (motorcycles)	16.00

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

Parking enforcement fees for the U. T. Institute of Texan Cultures - San Antonio have previously been approved via the institutional docket. Under the revised Parking and Traffic Regulations, the U. T. San Antonio main enforcement fees approved by the Regents at the June 1992 meeting will also apply to the U. T. Institute of Texan Cultures - San Antonio and the U. T. San Antonio Downtown Center.

The next appropriate catalog published at U. T. San Antonio will be amended to reflect this action.

13. U. T. Austin: Approval of Amendments to the Undergraduate Admissions Policy Effective June 1993 (Catalog Change).--Committee Chairman Barshop called upon President Cunningham for comments related to the proposed amendments to The University of Texas at Austin Undergraduate Admissions Policy.

President Cunningham reported that the recommended changes to the admissions policy would be effective in June 1993 and apply to applications received from persons who expect to enroll for the 1994 Summer Session or subsequent semesters with the changes relating to the continuation of provisionally admitted students being in effect for the 1993 Summer Session.

Dr. Cunningham noted that the proposed amendments change certain requirements relating to new freshman admissions for resident and nonresident applicants, outline the treatment of nonresident transfer applications, and clarify the standards for continuation of the provisionally admitted freshmen. He emphasized that the implementation of these changes is essential to the ongoing enrollment control strategies at U. T. Austin and is important to the maintenance of a diverse and representative student body. Under the current standards, he continued, nearly all of the available freshman places could be filled by applicants who qualified under the measures for priority admissions.

Dr. Cunningham emphasized that an important factor in the proposed amendments was a substantial increase in the pool of deferred-decision applicants where admission decisions would be based on factors beyond class standing and the national test score. He distributed to the Board multi-colored charts of the current and proposed admission criteria which illustrated clearly the decrease in the pool of priority admission candidates and the increase in the pool of those applicants who would be in the deferred decision category (copies of these [charts](#) are on file in the Office of the Board of Regents). Dr. Cunningham noted that the decisions in the deferred-decision category would include such factors as teacher evaluations and recommendations, extracurricular activities, leadership potential, and work history as well as academic performance.

In response to Regent Holmes' inquiry as to whether there had been any discussion or interaction with Hispanic and/or African-American organizations or alumni related to these admissions changes, President Cunningham assured the Board that U. T. Austin had thoroughly reviewed the effect these changes would have and concluded that there will be no negative impact on recruitment or admission of minority students. He noted that, in general, a high percentage of minority students in the deferred-decision category are admitted and illustrated with the 1991 statistics set forth below:

Fall 1991 Students in Deferred-Decision Category
(Texas residents only)

	Applied	Admitted	Percent
Black	114	113	99%
Hispanic	431	378	88%
Other	1,781	723	40.6%

Dr. Darren Reagan, President and CEO of the Black State Employees Association of Texas who had been denied permission by Chairman Beecherl to address the Board formally because he (Dr. Reagan) had refused earlier invitations to discuss the admissions issue with President Cunningham, interrupted the meeting from the audience. Dr. Reagan asked President Cunningham if he had talked to any African-American organizations, and President Cunningham did not respond. Dr. Reagan posed the question to Dr. Cunningham again, and Chairman Beecherl responded, "You are out of order, Darren." At this point, a member of the Black State Employees Association of Texas who was in the audience inquired as to why Dr. Reagan was out of order, and there were other audience comments by representatives of the Black State Employees Association of Texas.

As the disturbance continued, Committee Chairman Barshop, on behalf of the Academic Affairs Committee, recommended approval of the amendments to the U. T. Austin Undergraduate Admissions Policy to be effective June 1993, with provisional admission changes applying to students beginning in the 1993 Summer Session, and all other changes applying to students seeking admission for the 1994 Summer Session or subsequent semesters. There being no objection from the Board, Chairman Beecherl declared the amendments approved. The Undergraduate Admissions Policy, as amended and approved, is set out on Pages 100 - 103 and see also the Revised Admission Criteria Chart on Page 104.

THE UNIVERSITY OF TEXAS AT AUSTIN
UNDERGRADUATE ADMISSIONS POLICY

The policy of The University of Texas at Austin regarding admission of undergraduates is as follows:

A. Texas Residents

1. Priority admission will be granted to all Texas resident freshman applicants who meet the following standards and whose completed applications are received by the Office of Admissions by February 1 for the following Summer Session or Fall Semester.
 - a. Texas resident freshman applicants in the top 10% of their high school class if they attain a score of at least 900 on the SAT or 21 on the ACT.
 - b. Texas resident freshman applicants ranking in the top quarter, but below the top 10%, of their high school graduating class if they attain a score of at least 1050 on the SAT or 25 on the ACT.
 - c. Texas resident freshman applicants ranking in the second quarter of their high school graduating class if they attain a score of at least 1150 on the SAT or 27 on the ACT.
2. Individual review will be given to all Texas resident freshman applicants who meet the following standards and whose completed applications are received by the Office of Admissions by March 1 for the following Summer Session or Fall Semester.
 - a. Texas resident freshman applicants who would have been eligible for priority admission but did not meet the February 1 deadline.
 - b. Texas resident freshman applicants ranking in the top 10% of their high school graduating class who attain scores below 900 on the SAT or 21 on the ACT.
 - c. Texas resident freshman applicants ranking in the top quarter but below the top 10% if they attain scores of 800-1040 on the SAT or 19-24 on the ACT.
 - d. Texas resident freshman applicants ranking in the second quarter if they attain scores of 900-1140 on the SAT or 21-26 on the ACT.
 - e. Texas resident freshman applicants ranking in the third and fourth quarters if they attain test scores of at least 1100 on the SAT or 27 on the ACT.

3. Consistent with the Texas Educational Opportunity Plan for Higher Education, individual review will be given routinely to all Black and Hispanic Texas resident freshman applicants ranking in the top half of their high school graduating class and not otherwise admitted.
4. Texas resident freshman applicants graduating from an unaccredited high school are eligible for individual review if they score at least 1100 on the SAT or 26 on the ACT and at least 500 on the College Board English Composition Test, Math Level I or Level II Test and a third achievement test of the student's choice. A Texas resident over twenty-one years of age who did not graduate from high school but scored at least 1100 on the SAT or at least 26 on the ACT may be given individual review.
5. The review of applications under provisions 2, 3 and 4 will take into account such multiple criteria as leadership, recommendations of teachers, special hardships, competitiveness of high school, the University's need for ethnic and cultural diversity, and the extent to which an academic program is impacted.

B. Nonresidents

1. Priority admission will be granted to all nonresident freshman applicants who are in the top 25% of their high school class with a minimum SAT score of 1200 or minimum ACT score of 29 and whose completed applications are received by the Office of Admissions by February 1 for the following Summer Session or Fall Semester. The President has the authority to raise these required scores if necessary.
2. Individual review will be given to all nonresident freshman applicants who meet the following standards and whose completed applications are received by the Office of Admissions by March 1 for the following Summer Session or Fall Semester.
 - a. Applicants who would have been eligible for priority admission but did not meet the February 1 deadline.
 - b. Applicants who rank in the top 25% of their high school class and attain scores of 1100-1190 on the SAT or 26-28 on the ACT.

- C. Admission will be granted to all applicants who are holders of bona fide U. T. Austin scholarships designated by the President.

- D. Admission will be granted to all resident transfer applicants who submit applications by March 1 and who have 30 or more transferable semester credit hours of college credit and a minimum cumulative grade point average of 3.00; individual review will be given to all resident transfer applicants with 54 transferable semester credit hours or more and a cumulative grade point average between 2.50 and 2.99. Transfer applicants with fewer than 30 transferable hours will not be considered for admission.

Individual review will be given to all nonresident transfer applicants who submit applications by March 1 and who have 30 or more transferable semester credit hours of college credit and a minimum cumulative grade point average of 3.00 or who have 54 transferable semester credit hours or more and a minimum cumulative grade point average of 2.5.

- E. Texas residents graduating from Texas high schools with the requisite units of high school credit, but not meeting the requirements for regular admission, may be considered for provisional freshman admission in the Summer or Spring terms immediately following graduation from high school, provided they have not enrolled for credit at any other college or university since graduation.

Provisionally admitted students must complete four courses for a minimum total of twelve semester credit hours with a 2.25 grade point average and no grade of "X" or "F" in that Summer Session or Spring Semester to be eligible to continue beyond that Summer Session or Spring Semester. All students must register for English 306 unless they already have credit for the course or qualify for credit on the basis of a placement examination. The remaining three or four courses must be chosen from at least three of the following groups:

Group I	Foreign Language	
Group II	Mathematics	
Group III	Anthropology	History
	Classics	Linguistics
	Economics	Philosophy
	Geography	Psychology
	Government	Sociology
Group IV	Astronomy	Geology
	Biology	Microbiology
	Botany	Physics
	Chemistry	Zoology
	Computer Sciences	

A provisionally admitted student will be required to register according to the published schedule and to participate in an orientation program at the time of registration.

A provisionally admitted student who fails to fulfill the academic requirements for continuation will be dismissed from the University and may be considered for readmission under the rules for transfer applicants.

- F. All applicants for regular or provisional freshman admission are required to meet the high school unit requirements: four units of English, two units in a single foreign language, three units of mathematics at the level of algebra I or higher, two units of physical science, three units of social science and one and one-half units of elective courses.
- G. The priority application deadline is February 1 and the regular application deadline is March 1 for all seeking admission for the Summer Session or the Fall Semester and October 1 for all seeking admission for the following Spring Semester.
- H. With approval of the U. T. Board of Regents, individual schools and colleges may institute higher admission requirements where limitations on faculty and facilities do not permit the acceptance of all qualified applicants. In such cases, priority will be given to the applicants with the higher overall academic achievement and potential and earlier date of application.
- I. Under compelling circumstances, the President may revise application deadlines or criteria for admission as reasonably necessary to stabilize enrollment, increase the academic quality and diversity of the student body, and maintain access to the University for qualified Texas resident students.

THE UNIVERSITY OF TEXAS AT AUSTIN
Freshman Applicant Pool
Texas Residents

REVISED ADMISSION CRITERIA

TEST SCORE		HIGH SCHOOL RANK				
		Top 10%	Next 15%	2nd Qtr	3rd Qtr	4th Qtr
1200 and Above	29 and Above				Formerly Priority Admission	Formerly Priority Admission
1150-1190	28					
1100-1140	26-27				Formerly Priority Admission	
1050-1090	25					
1000-1040	24				Formerly Priority Admission	
950-990	23					
900-940	22					
850-890	21	Formerly Priority Admission				
800-840	20					
Below 800	Below 20	Formerly Priority Admission				



Priority Admission

c |

Deferred Admission



Not Eligible for Regular Admission

RECONVENE AND RECESS TO EXECUTIVE SESSION.--At 10:05 a.m., the Board reconvened and immediately recessed to convene in Executive Session pursuant to Vernon's Texas Civil Statutes, Article 6252-17, Sections 2(e), (f) and (g) to consider those matters set out in the Material Supporting the Agenda.

As the Board recessed to Executive Session, representatives of the Black State Employees Association of Texas, led by Dr. Darren Reagan, chanted and demonstrated by holding up signs protesting what they considered to be the antiminority effects of the new undergraduate admissions policy approved for The University of Texas at Austin during the meeting of the Academic Affairs Committee.

RECONVENE.--At 1:30 p.m., the Board reconvened in open session.

EXECUTIVE SESSION OF THE BOARD OF REGENTS

Chairman Beecherl reported that the Board had met in Executive Session in the Regents' Conference Room to discuss matters in accordance with Article 6252-17, Sections 2(e), (f) and (g) of Vernon's Texas Civil Statutes. In response to Chairman Beecherl's inquiry regarding the wishes of the Board, the following actions were taken:

1. U. T. Health Science Center - Houston: Settlement of Medical Liability Litigation - Gerald E. Hord.--Vice-Chairman Ramirez moved that the Chancellor and the Office of General Counsel be authorized to settle on behalf of The University of Texas Health Science Center at Houston the medical liability litigation brought by Gerald E. Hord in accordance with the proposal presented in Executive Session.

Regents Moncrief and Loeffler seconded the motion which carried without objection.

2. U. T. Health Science Center - San Antonio: Settlement of Medical Liability Litigation - Lori Lynn Betts, et al.--Upon motion of Regent Temple, seconded by Vice-Chairman Cruikshank, the Board authorized the Chancellor and the Office of General Counsel to settle on behalf of The University of Texas Health Science Center at San Antonio the medical liability claim filed by Lori Lynn Betts, et al., in accordance with the proposal presented in Executive Session.

3. U. T. Southwestern Medical Center - Dallas: Approval of Findings and Recommendations of the Faculty Hearing Tribunal Regarding Termination of Dr. M. Dayle Hilley, a Nontenured Faculty Member.--Vice-Chairman Cruikshank moved that the findings and recommendations of the faculty hearing tribunal with respect to the termination of Dr. M. Dayle Hilley, a nontenured faculty member, from the faculty at The University of Texas Southwestern Medical Center at Dallas be approved effective immediately.

Regent Moncrief seconded the motion which prevailed by unanimous vote.

SCHEDULED MEETINGS.--Chairman Beecherl announced that the next scheduled meeting of the U. T. Board of Regents would be held on October 9, 1992, at The University of Texas at Dallas.

It was ordered that the meetings of the U. T. Board of Regents for the calendar year 1993 be scheduled as set forth below:

<u>Dates</u>	<u>Locations/Hosts</u>
February 11, 1993	Austin - No Host
April 1, 1993	U. T. Health Science Center - San Antonio
June 10, 1993	U. T. El Paso
August 12, 1993	Austin - No Host
October 8, 1993	U. T. Southwestern Medical Center - Dallas
December 2, 1993	U. T. Brownsville

ADJOURNMENT.--Prior to adjournment, Chairman Beecherl reminded the Board that Mr. and Mrs. James Michener would be in the Second Floor Conference Room of Ashbel Smith Hall at 2:00 p.m. for a press conference related to their most recent generous contribution to support the Texas Center for Writers at The University of Texas at Austin. See Page 51.

There being no further business, the meeting was adjourned at 1:35 p.m.

As the Board adjourned, members of the Black State Employees Association of Texas continued their chanting and demonstrations regarding their perceived conception of the Board's insensitivities to the problems of racial minorities.

/s/ Arthur H. Dilly
Executive Secretary

August 21, 1992