

Meeting No. 849

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

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Odessa, Texas

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 OF
 THE UNIVERSITY OF TEXAS SYSTEM
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MEETING NO. 849

THURSDAY, AUGUST 9, 1990.--The members of the Board of Regents of The University of Texas System convened in regular session at 10:40 a.m. on Thursday, August 9, 1990, in Room 1314 of the Center for Energy and Economic Diversification, Odessa, Texas, with the following in attendance:

ATTENDANCE.--

<u>Present</u>	<u>Absent</u>
Chairman Beecherl, presiding	
Vice-Chairman Barshop	
Vice-Chairman Roden	
Regent Blanton	
Regent Cruikshank	
Regent Loeffler	
Regent Moncrief	
Regent Ramirez	
Regent Ratliff	

Executive Secretary Dilly

Chancellor Mark
Executive Vice Chancellor Duncan
Executive Vice Chancellor Mullins
Executive Vice Chancellor Patrick

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

WELCOME BY DR. DUANE M. LEACH, PRESIDENT OF THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN.--Chairman Beecherl stated that the Board was pleased to be meeting in Odessa and to participate in the dedication ceremonies of the Center for Energy and Economic Diversification. He then called on Dr. Duane M. Leach, President of The University of Texas of the Permian Basin, for any welcoming remarks on behalf of the host institution.

On behalf of the faculty, staff, and students of U. T. Permian Basin, President Leach welcomed the members of the Board and other guests to Odessa.

U. T. BOARD OF REGENTS: APPROVAL OF MINUTES OF REGULAR MEETING HELD ON JUNE 14, 1990.--Upon motion of Regent Moncrief, seconded by Regents Ratliff and Cruikshank, the Minutes of the regular meeting of the Board of Regents of The University of Texas System held on June 14, 1990, in Austin, Texas, were approved as distributed by the Executive Secretary. The official copy of these Minutes is recorded in the Permanent Minutes, Volume XXXVII, Pages 2100 - 2637.

SPECIAL ITEMS

1. U. T. Board of Regents - Regents' Rules and Regulations, Part One: Amendment to Chapter III, Section 6, Subsection 6.(12) [Tenure, Promotion, and Termination of Employment].--In order to clarify the procedures to be followed when academic positions must be reduced because of financial exigency, the Board amended the Regents' Rules and Regulations, Part One, Chapter III, Section 6 (Tenure, Promotion, and Termination of Employment) by separating the first and second sentences of Subsection 6.(12) as set out below:

Sec. 6. Tenure, Promotion, and Termination of Employment.

- 6.(12) The chief administrative officer of a component institution has the responsibility for determining when it shall be necessary to reduce academic positions, the titles of which are given in Subsection 1.8 of this Chapter, or academic programs or both, subject to approval by the appropriate Executive Vice Chancellor and the Chancellor of The University of Texas System.

When such reductions are necessary as a result of financial exigency, the procedure for the selection and notification of those academic positions that are to be terminated shall be governed by this Section, and neither the procedures specified in Subsection 6.3 of this Chapter nor the notice requirements of Subsections 6.23, 6.7, and 6.8 of this Chapter shall be applicable.

In this amendment, the first sentence becomes a separate paragraph of this Subsection in order to avoid any allegation that the detailed procedures for dealing with financial exigency are also applicable to situations addressed in the first sentence. This is consistent with the long-standing administrative interpretation and application of the Subsection.

2. U. T. Board of Regents: Approval to Restructure the Escrows of the (a) Board of Regents of The University of Texas System, The University of Texas Medical Branch at Galveston, Endowment and Hospital Revenue Bonds, Series 1973, (b) Board of Regents of The University of Texas System General Tuition Revenue Refunding Bonds, Series 1986, and (c) Board of Regents of The University of Texas System General Revenue Refunding Bonds, Series 1986, in Whole or in Part with Resolution Funding Corporation (REFCO) Securities; Appointment of McCall, Parkhurst & Horton, Dallas, Texas, and Vinson & Elkins, Austin, Texas, as Bond Counsel; Appointment of Ernst & Young, Tucson, Arizona, as Escrow Verification Agent; and Authorization for Executive Vice Chancellor for Asset Management to Complete Transactions.--Chairman Beecherl reported that, since the Material Supporting the Agenda was prepared, the Attorney General had issued an opinion which could impact the instruments used to

establish escrow funds for several bond issues of The University of Texas System. He stated that the recommendations were before the Board on yellow paper and called on Executive Vice Chancellor for Asset Management Patrick to outline the proposal.

Following a brief presentation by Executive Vice Chancellor Patrick regarding the anticipated cash savings to the U. T. System by restructuring the escrow accounts of selected bond issues through the substitution of Resolution Funding Corporation securities for direct U. S. Treasury obligations, the Board:

- a. Approved the sale of selected escrow securities and purchase of Resolution Funding Corporation (REFCO) interest component securities in substitution as authorized by the Escrow Agreement to each of the following bond issues:
 - (1) Board of Regents of The University of Texas System, The University of Texas Medical Branch at Galveston, Endowment and Hospital Revenue Bonds, Series 1973, provided gross savings are not less than \$50,000
 - (2) Board of Regents of The University of Texas System General Tuition Revenue Refunding Bonds, Series 1986, provided gross savings are not less than \$75,000
 - (3) Board of Regents of The University of Texas System General Revenue Refunding Bonds, Series 1986, provided gross savings are not less than \$200,000.
- b. Appointed the following firms to assist in the completion of the transaction:
 - (1) McCall, Parkhurst & Horton, Dallas, Texas, and Vinson & Elkins, Austin, Texas, as bond counsel
 - (2) Ernst & Young, Tucson, Arizona, as escrow verification agent.
- c. Authorized the Executive Vice Chancellor for Asset Management to take any and all steps necessary to carry out the intentions of the U. T. Board of Regents to effect the escrow substitution.

On July 25, 1990, the Office of the Attorney General of Texas released a letter approving the use of the interest component of Resolution Funding Corporation bonds as eligible securities for escrow accounts established to effect a legal defeasance of bonds outstanding. According to the letter, the requirements of Article 717k, V.A.T.C.S., as amended, are met by the securities previously described as "an obligation unconditionally guaranteed by the United States." Standard and Poor's Corporation has approved the use of these securities for escrow accounts and reconfirmed their rating as "AAA."

Savings to the U. T. System are gained as a result of the current increased yield afforded by the REFCO interest strips over direct U. S. Treasury obligations. The increased yield translates into a reduced investment in the escrow.

3. U. T. System: Adoption of Policy on Contracting with Minority and Female-Owned Small Business Firms.--The 71st Legislature, Regular Session, 1989, added Section 61.0571 to the Texas Education Code to require that institutions of higher education establish policies to encourage and assist minority and female-owned small businesses in bidding for contracts and open market purchases.

In order to bring uniformity to the procedures of The University of Texas System for contracting with minority and female-owned small businesses, the Board adopted the Policy on Contracting with Minority and Female-Owned Small Business Firms for the U. T. System as set forth on Pages 5 - 7.

Key elements of the policy, which apply to all procurement and contract activities, include:

- a. Adoption of the legislative definition of "minority and female-owned small business"
- b. Preparation and distribution of information on procurement procedures and policies to assist and encourage contracts with the U. T. System and component institutions
- c. Inclusion, whenever possible, of one or more minority and female-owned small businesses in multiple bid solicitations
- d. Alternating use of minority and female-owned small business lists, whenever possible, for purchases requiring only one bid or proposal
- e. Annual compilation and assessment of the number, types, and amounts of contracts with minority and female-owned small businesses and submission of the information to the U. T. Board of Regents.

This policy will also be implemented by inclusion in the U. T. System Business Procedures Manual and in each component institution's Handbook of Operating Procedures.

Regent Ratliff noted that this policy will serve to encourage qualified minority and female-owned small businesses to participate in the business affairs of the U. T. System. He added that the Board must be alert to the opportunity to allow these business interests access to the U. T. System contracting needs and to initiate positive action to overcome some of the historical reluctance that these firms have had in becoming involved with the U. T. System purchasing and contracting programs.

POLICY ON CONTRACTING WITH MINORITY AND
FEMALE-OWNED SMALL BUSINESS FIRMS

I. POLICY STATEMENT

A. Purpose

It is the policy of The University of Texas System to encourage minority and female-owned small businesses to bid for U. T. System and component institution contracts and open market purchases and to assist those businesses in that bidding.

B. Scope

This policy applies to all procurement and contract activities of the U. T. System and component institutions, including auxiliary enterprises.

C. Definitions

"Minority or female-owned small business" means a business enterprise:

1. That is independently owned and operated, formed for the purpose of making a profit, and has fewer than 100 employees or less than \$1,000,000 in annual gross receipts
2. At least 51% of which is owned or controlled by one or more persons who is socially and economically disadvantaged because of his or her identification as a member of certain groups, including women, Black Americans, Mexican Americans and other Americans of Hispanic origin, Asian Americans, and American Indians.

II. SYSTEM AND COMPONENT RESPONSIBILITIES

A. Procedures

In order to achieve this policy, the office or department exercising the central purchasing function in the U. T. System and each component institution will:

1. Prepare, publicize, and distribute information about procurement procedures and policies in a manner designed to encourage minority and female-owned small businesses to do business with the System or component
2. Maintain updated lists of minority and female-owned small businesses through communication with the U. T. System, the local minority business community in the component city, the State Purchasing and General Services Commission, and the Texas Department of Commerce Office of Minority Business Development

3. Consult and use on an alternating basis with other businesses providing the same goods or services the minority and female-owned small business lists for purchases requiring only one bid or proposal
4. Ensure, whenever possible, that one or more qualified minority and female-owned small business is included in solicitations requiring more than one bid or proposal
5. Specify personnel within the office or department to communicate with minority and female-owned small businesses to assist such companies in understanding purchasing procedures and to encourage their bidding or submitting proposals on goods and services for which they are qualified
6. Award tie bids to minority and female-owned small businesses wherever consistent with state and federal laws and State Purchasing and General Services Commission regulations
7. Adopt in conjunction with the U. T. System and other purchasing departments and offices information forms for minority and female-owned small businesses with pertinent qualifying data
8. Ensure that offices, departments, or divisions of the U. T. System or a component institution not required to handle contracts through the System's or component's central purchasing unit have access to the minority and female-owned business lists
9. Report to the U. T. System's Office of Business Affairs on an annual basis the number, types, and value of contracts awarded to minority and female-owned small businesses in the year preceding the determination and the ratio of the number and value of those contracts to the number and value of all contracts awarded by the U. T. System or component institution in that year.

B. Coordination and Evaluation

The U. T. System Office of Business Affairs, in conjunction with the chief business officer and central purchasing office or department of each component institution, will develop procedures for:

1. Sharing minority and female-owned small business lists between and among the U. T. System and the component institutions
2. Record-keeping and documenting U. T. System and component institutions contracting information concerning minority and female-owned small businesses

3. Coordinating between and among the U. T. System and component institutions in providing programs, seminars, or classes for small businesses in business operations and management
4. Undertaking periodic surveys of the effectiveness of this policy and recommending necessary methods of improvement
5. Providing other information as will encourage and assist minority and female-owned small businesses in contracting with the System and each component
6. Recommending methods of educating U. T. System and component personnel making procurement decisions about this policy and ensuring that all offices and departments of the U. T. System or a component institution not handling contracts through a central purchasing unit use minority and female-owned small business lists in the same manner required of the central purchasing unit.

C. U. T. System Administration

The Vice Chancellor for Business Affairs of the U. T. System will be responsible for administering U. T. System responsibilities described in this policy.

D. Component Administration

The chief business officers of each component institution will be responsible for administering component responsibilities described in this policy.

RECESS FOR COMMITTEE MEETINGS AND COMMITTEE REPORTS TO THE BOARD.--At 10:50 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 of those committees are set forth on the following pages.

REPORTS AND RECOMMENDATIONS OF STANDING COMMITTEES

REPORT OF EXECUTIVE COMMITTEE (Pages 8 - 10).--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 90-20).--Article 6252-9b of Texas Revised Civil Statutes Annotated requires the filing of financial disclosure statements by certain state officials with the Secretary of State by the last Friday in April of each year. Additionally, 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 of Texas Revised Civil Statutes Annotated 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 and found that these statements had been reviewed by the appropriate Executive Vice Chancellor, were in the form prescribed by the Secretary of State, and met the filing requirements of Texas law.

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

2. U. T. System: Authorization for Certain Component Institutions to Continue the Four-Installment Payment Plan for Tuition and Fees for an Indefinite Period of Time (Exec. Com. Letter 90-20).--At its June 1985 meeting, the U. T. Board of Regents adopted a four-installment payment plan for tuition and fees for all component institutions of The University of Texas System.

The 71st Legislature, Regular Session, 1989, passed House Bill 558 amending Section 54.007 of the Texas Education Code, which provided in part that the four-installment payment plan could be continued in use for the Fall Semester 1989 only. At its August 1989 meeting, the U. T. Board of Regents allowed six component institutions of the U. T. System to continue the four-installment payment plan.

The Sixth Called Session of the 71st Legislature adopted House Bill 47 which amended Section 54.007 of the Texas Education Code to allow governing boards of medical and dental units to provide a four-installment payment plan option for the payment of tuition and fees at those

units. State law no longer allows the four-installment option for general academic teaching institutions unless those institutions have a department or college of veterinary medicine.

In accordance with House Bill 47, the Board, upon recommendation of the Executive Committee, authorized the following component institutions of the U. T. System to extend the four-installment payment plan option for tuition and fees for an indefinite period of time:

The University of Texas Southwestern Medical Center at Dallas
The University of Texas Medical Branch at Galveston
The University of Texas Health Science Center at Houston
The University of Texas Health Science Center at San Antonio.

3. U. T. System: Authorization to Transfer the Management and Administration of the West Texas Lands Office to the Vice Chancellor for Business Affairs Effective September 1, 1990.--Chairman Beecherl reported that, since the Material Supporting the Agenda was prepared, an additional item had been posted with the Secretary of State for consideration by the Executive Committee.

Mr. Beecherl stated that at a U. T. Board of Regents briefing session on June 1, 1990, the Executive and Personnel and Audit Committees were asked to work with The University of Texas System Administration and a consultant to review personnel and organizational matters related to the management and administration of the West Texas Lands Office.

Pursuant to that request, Mr. Beecherl reported that the Executive and Personnel and Audit Committees met on July 31, 1990, to receive the report prepared by Mr. C. Lee Walton, Jr., Dallas, Texas, a consultant on this matter. As a result of that meeting, the Board adopted the recommendation of the Executive and Personnel and Audit Committees that, effective no later than September 1, 1990, the day-to-day management and supervision of the functions and personnel of the West Texas Lands Office become the responsibility of the Vice Chancellor for Business Affairs.

Currently, the Office of West Texas Lands reports to the Executive Vice Chancellor for Asset Management. It is expected that Mr. Patrick and Mr. Burck will coordinate and cooperate in bringing to the Board recommendations regarding those policy issues which impact upon the asset management aspects of the West Texas Lands such as lease sale timing, royalty payments in cash or in kind, changes in royalty terms, and commercial development of the lands.

Chairman Beecherl stated that this action will maximize certain expertise and qualifications of Mr. Burck related to the on-going functions of this office and will allow Mr. Patrick to devote more of his talents and abilities to the increasingly complex task of managing the investment strategies as the Board considers more nontraditional investment programs.

4. U. T. Medical Branch - Galveston - John Sealy Hospital - New Emergency Department and Trauma Center Facility - Services Building and Equipment (Project No. 601-658): Award of Equipment Contracts to Cleaver-Brooks Division of Aqua-Chem, Inc., Milwaukee, Wisconsin, and TRANS-VAC SYSTEMS, A Division of Contractors Engineers International, Inc., Georgetown, Texas (Exec. Com. Letter 90-19).--Upon recommendation of the Executive Committee, the Board:
- a. Awarded a contract to furnish and install incinerator systems and associated material handling equipment in the new Services Building to be constructed as part of the New Emergency Department and Trauma Center Facility for the John Sealy Hospital at The University of Texas Medical Branch at Galveston to the lowest responsible bidder, Cleaver-Brooks Division of Aqua-Chem, Inc., Milwaukee, Wisconsin, for Base Proposal B in the amount of \$5,192,450
 - b. Awarded a contract to furnish and install a trash and linen pneumatic conveying system in the new Services Building and Trauma Center, with connections to the existing John Sealy Hospital, to the lowest responsible bidder, TRANS-VAC SYSTEMS, A Division of Contractors Engineers International, Inc., Georgetown, Texas, for Base Proposal C in the amount of \$535,000.

Funding for this project is from The Sealy & Smith Foundation grant funds and is included in the FY 1990 Capital Budget.

5. U. T. Medical Branch - Galveston - Emergency Generators (Project No. 601-718): Award of Contract for Prepurchase of Generators to Waukesha-Pearce Industries, Inc., Houston, Texas (Exec. Com. Letter 90-19).--The Executive Committee recommended and the Board awarded a contract for the prepurchase of generators for the Emergency Generators project at The University of Texas Medical Branch at Galveston to the lowest responsible bidder, Waukesha-Pearce Industries, Inc., Houston, Texas, for the Base Bid and Alternate Bid No. 3 in the amount of \$615,794.

This contract provides for the purchase of seven new diesel powered generators. Bid proposals will be received in the near future for the installation of the new generators, purchase of a new natural gas powered generator, relocation of some existing generators, construction of facilities to house the generators, and installation of infrastructure related to the provision of emergency power.

Funding for this project is from The Sealy & Smith Foundation grant funds and is included in the FY 1990 Capital Budget. This project was approved by the Texas Higher Education Coordinating Board in January 1990.

REPORT AND RECOMMENDATIONS OF THE PERSONNEL AND AUDIT COMMITTEE (Pages 11 - 12).--Committee Chairman Roden reported that the Personnel 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 action set forth in the Minute Order which follows was recommended by the Personnel and Audit 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 Two: Approval of Amendments to Chapter VI, Section 11, Subsection 11.6 and Section 12, Subsection 12.2 Regarding the Administration and Investment of the Workers' Compensation Insurance Fund and the Unemployment Compensation Fund.--The Board amended the Regents' Rules and Regulations, Part Two, Chapter VI, Section 11, Subsection 11.6 and Section 12, Subsection 12.2 regarding the administration and investment of the Workers' Compensation Insurance Fund and the Unemployment Compensation Fund to read as set forth below:
 - 11.6 A percentage of annual payroll, as approved by the U. T. Board of Regents, shall be set aside to fund the Workers' Compensation Insurance Fund (W.C.I. Fund).
 - 11.61 Each institutional chief business officer shall be responsible for the transmission of amounts to be added to the W.C.I. Fund for all salaries paid, as instructed by the System Personnel Office, for receipt into the W.C.I. Fund no later than 15 days after the end of each month.
 - 11.62 The W.C.I. Fund must be deposited or invested in the same manner as other local institutional funds as specified in Part Two, Chapter III, Section 4 of these Rules and Regulations.
 - 12.2 The Unemployment Compensation Fund (U. C. Fund) is established by the U. T. Board of Regents to be deposited or invested in the same manner as other local institutional funds as specified in Part Two, Chapter III, Section 4 of these Rules and Regulations. The System Personnel Office shall administer funding by assessment on all salary sources other than State General Revenue Funds as provided in Section 12.24 below.
 - 12.21 The System will reimburse the State General Revenue Fund from the U. C. Fund for claims charge-backs paid by the State Comptroller for former employees paid from other funds.
 - 12.22 Claims charge-backs for former employees paid from State General Revenue Funds shall be referred to the State Comptroller for payment.
 - 12.23 The U. C. Fund shall at all times operate under principles agreed upon by the System and the U. S. Department of Health and Human Services.

- 12.24 Assessment rates shall be calculated to maintain the U. C. Fund balance within a range of \$1,215,000 to \$1,755,000 and to provide minimum balance fluctuations and maximum rate stability. Each institutional chief business officer shall be responsible for the transmission of such assessed amounts, as instructed by the System Personnel Office, for receipt into the U. C. Fund no later than 15 days after the end of each month.
- 12.25 Expenditures from the U. C. Fund shall be limited to direct costs in accordance with Federal Management Circular 73-8, Section J.7.

These amendments allow the Workers' Compensation Insurance Fund and the Unemployment Compensation Fund to be invested as provided in the Institutional Funds Investment Policy as approved by the U. T. Board of Regents in October 1989.

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 13 - 77).--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:

1. U. T. Board of Regents and U. T. Austin: Appointment of (a) Mr. L. R. (Bobby) French, Jr., Midland, Texas, as Regental Representative to Intercollegiate Athletics Council for Men and (b) Mrs. Betty Himmelblau, Austin, Texas, as Regental Representative to Intercollegiate Athletics Council for Women Effective September 1, 1990.--Upon motion of Regent Beecherl, seconded by Regent Roden, 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 term beginning September 1, 1990 and ending August 31, 1994:
 - a. Mr. L. R. (Bobby) French, Jr., Midland, Texas, to succeed Mr. Louis M. Pearce, Jr. on the Intercollegiate Athletics Council for Men
 - b. Mrs. Betty Himmelblau, Austin, Texas, to succeed Mrs. Carole Keeton Rylander on the Intercollegiate Athletics Council for Women.

2. U. T. Austin: Permission for Dr. William L. Fisher to Continue to Serve as a Member of the National Petroleum Council [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--Permission was granted for Dr. William L. Fisher, Director of the Bureau of Economic Geology and Professor of Geological Sciences at The University of Texas at Austin, to continue to serve as a member of the National Petroleum Council.

Dr. Fisher was originally appointed to the National Petroleum Council in 1988 and has been asked by Mr. James D. Watkins, Secretary of Energy, to continue to serve on the Council through November 27, 1991.

Dr. Fisher's appointment to this Council is of benefit to the State of Texas, creates no conflict with his regular duties at U. T. Austin, 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.

3. U. T. Austin: Initial Appointments to Endowed Academic Positions in the (a) College of Education, (b) College of Engineering, (c) College of Fine Arts, and (d) College of Liberal Arts Effective as Indicated.--The Board approved the following initial appointments to endowed academic positions at The University of Texas at Austin effective September 1, 1990, unless otherwise indicated:

a. College of Education

- (1) Dr. Donald T. Rippey, Professor, Department of Educational Administration, to the W. K. Kellogg Professorship of Community College Leadership
- (2) Dr. Alba A. Ortiz, Professor, Department of Special Education, to the Ruben E. Hinojosa Regents Professorship in Education
- (3) Dr. J. Lee Wiederholt, Chairman and Professor, Department of Special Education, to the Audrey Rogers Myers Centennial Professorship in Education

b. College of Engineering

Dr. Morris E. Fine, Emeritus Walter P. Murphy Professor of Materials Science and Engineering at Northwestern University, to the William J. (Bill) Murray, Jr. Endowed Chair of Engineering for the period February 1, 1991 to March 15, 1991

c. College of Fine Arts

Mr. Richard M. Isackes, Professor of Theatre at the University of Illinois at Urbana-Champaign, to The Lee Hage Jamail Regents Professorship in Fine Arts

d. College of Liberal Arts

Dr. David Braybrooke, Professor of Philosophy and Politics at Dalhousie University, Canada, to the Centennial Commission Chair in the Liberal Arts.

4. U. T. Austin: Approval of Exchange Agreement with Oita University, Oita City, Japan, and Authorization for the Executive Vice Chancellor for Academic Affairs to Execute Agreement.--Upon recommendation of the Academic Affairs Committee, the Board approved the Exchange Agreement set out on Pages 15 - 17 between The University of Texas at Austin and Oita University, Oita City, Japan.

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

This agreement will promote academic exchanges on the basis of mutual benefit at both faculty and student levels between U. T. Austin and Oita University and will initially involve the Lyndon B. Johnson School of Public Affairs. Each university will pay the salary and benefits of the faculty member participating in this agreement.

**EXCHANGE AGREEMENT BETWEEN
THE UNIVERSITY OF TEXAS AT AUSTIN (U.S.A.)
AND
OITA UNIVERSITY (JAPAN)**

Recognizing the importance of mutual understanding and good will between the people of the United States of America and Japan; the growing mutuality of academic interests between The University of Texas at Austin and Oita University; and the necessity for creating opportunities for our faculty and students to learn more about each other, we hereby agree to the following exchange program:

I. Exchange of Faculty

The exchange of visiting faculty is to be effected on the basis of mutual benefit, with the needs of each institution determined through mutual consultation. It is anticipated that each institution will send one faculty member abroad each year and will receive one in return. The program will begin in 1990.

Responsibilities and Opportunities

The responsibilities and opportunities of exchange faculty will be determined on the basis of mutual discussion and agreement, consistent with the rules, regulations, policies, and practices of both institutions.

Faculty members normally will be expected to have a combination of teaching responsibilities and research opportunities during their participation in the program.

Teaching could take place in either seminars or lecture courses, and would be in the faculty member's academic specialty and/or in language instruction, depending upon the interests of the individual faculty members and the needs of the host university. The language of instruction for teaching ideally would be that of the host country. If this is not possible, the exchange faculty will teach in his/her own native language, providing additional assistance to students as appropriate.

The host institution will provide visiting faculty with office space and with the opportunity to sit in on classes, attend lectures, engage in research, and use library facilities.

The exchange faculty ideally will participate in the host university's program for its academic year.

Expenses

Faculty remuneration and other benefits will be the responsibility of the sending institution.

Assistance in meeting travel and moving expenses to and from Oita and Texas, as well as extra cost-of-living expenses in each location, will be provided through a Japan-United States Friendship Commission grant. Each institution may expend its portion of this grant in ways that are most beneficial for the exchange.

The host institution will endeavor to provide housing facilities at minimal cost to the visiting faculty member. If this is not possible, the institution will provide assistance in finding appropriate housing at as low a cost as possible, with the cost of such housing the responsibility of the individual visiting faculty member.

Exchange Agreement
UT Austin/Oita University

II. Exchange of Students

The exchange of visiting students is to be effected on the basis of mutual benefit, with the needs of each institution determined through mutual consultation. It is anticipated that each institution will send one student abroad each year and will receive one in return. The program will begin in 1990.

Responsibilities and Opportunities

Each student is expected to devote full time to a course of academic study or to an internship developed by the host institution as a central element of its academic programs. Specific subjects to be studied are to be decided through mutual consultation, as are internship assignments. Transfer of academic credit will be determined by the student's home institution.

Each of the participating institutions will select the student that they send abroad on the basis of academic performance, language proficiency, and other factors agreed upon by both institutions.

Each institution, as appropriate, will provide opportunities for the exchange students to pursue additional language instruction.

Expenses

Assistance in meeting travel and moving expenses to and from Oita and Texas, as well as extra cost-of-living expenses in each location, will be provided through a Japan-United States Friendship Commission grant. Each institution may expend its portion of this grant in ways that are most beneficial for the exchange.

Payment of student tuition and fees, if required, will be in accordance with the rules, regulations, policies, and practices of both institutions.

Each student will pay his/her own room and board and other related expenses (e.g., health insurance).

This agreement is valid for three years from the date of its signature by the two participating institutions and is to be renewed upon expiration through consultation and mutual agreement. Details of the exchange for each year are to be specified through consultation and mutual agreement.

EXECUTED by the Board of Regents of The University of Texas System and Oita University, Oita City, Oita Prefecture, Japan on the day and year first above written, in duplicate copies, each of which shall be deemed an original.

THE UNIVERSITY OF TEXAS AT AUSTIN

BY: 
William H. Cunningham

TITLE: President

OITA UNIVERSITY, OITA CITY, OITA
PREFECTURE, JAPAN

BY: _____

TITLE: _____

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 _____, 1990 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

5. U. T. Austin: Approval of Agreement of Cooperation with the University of Queensland, Brisbane, Australia, and Authorization for the Executive Vice Chancellor for Academic Affairs to Execute Agreement.--Approval was given to the Agreement of Cooperation set out on Pages 18 - 21 by and between The University of Texas at Austin on behalf of the College of Pharmacy and the University of Queensland, Brisbane, Australia, on behalf of the Department of Pharmacy.

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

This agreement is designed to promote academic and research cooperation between U. T. Austin and the University of Queensland.

AGREEMENT OF COOPERATION

between

COLLEGE OF PHARMACY, THE UNIVERSITY OF TEXAS AT AUSTIN (USA)

and

DEPARTMENT OF PHARMACY, THE UNIVERSITY OF QUEENSLAND
BRISBANE (AUSTRALIA)

The University of Texas at Austin (UT Austin), for and on behalf of its College of Pharmacy, and the University of Queensland (UQ), for and on behalf of its Department of Pharmacy, enter into an agreement of cooperation through which shall be established a program of exchange and collaboration in areas of interest and benefit to both institutions. All cooperative programs undertaken through this agreement shall be subject to the approval by the appropriate officials of UT Austin and UQ and shall be in accordance with the policies of the respective universities and with the laws of the respective countries.

The UT Austin President and the UQ Deputy Vice Chancellor shall each designate a coordinator to oversee and facilitate the implementation of this agreement. These two coordinators shall create a coordinating committee composed of four members, two from each institution, having the following responsibilities:

- (a) to promote academic collaboration at both faculty and student levels;
- (b) to identify/define areas of possible interest and collaboration; and
- (c) to distribute to each institution information about the faculty, facilities, and other resources of the other institution.

The scope of activities under this agreement shall be determined by the funds regularly available at both institutions for the types of collaboration undertaken and by financial assistance obtained from external sources.

FACULTY EXCHANGES

1. This agreement includes the exchange of academic faculty/staff between UT Austin and UQ with the purpose of:
 - (a) teaching special or standard courses; and
 - (b) collaborating with each other on research projects or other activities.
2. The length of each exchange will be recommended by the coordinating committee and approved by the respective institutional coordinators of this agreement. Faculty remuneration and other benefits will be in accordance with compensation policies and practices of the two institutions and with the faculty exchange guidelines articulated by the institutional coordinators.
3. The coordinating committee shall facilitate the identification of appropriate special courses, teachers, and schedules.
4. Arrangements for collaboration with each other on research projects must be consistent with all rules, regulations, policies, and practices of both institutions.
5. Faculty members will be responsible for all their personal expenses incurred during the exchange.
6. The provision of accommodation for the faculty members on exchange will be the responsibility of the faculty members exchanged, but each university agrees to use its best efforts to secure suitable accommodation for the exchange visitor.
7. Visiting faculty members will be responsible to the dean/head of the academic unit to which they are attached in the host institution.

STUDENT EXCHANGES

8. It is agreed that UT Austin and UQ will exchange equal numbers of graduate/postgraduate students. The number of students exchanged, the courses of study or research, and the lengths of the exchanges will be recommended by the coordinating committee. The period of foreign study shall not exceed one year. The academic study or research performed by each student shall contribute to the requirements of the student's respective higher degree program so that the time to complete the program is not extended.
9. Exchange students already enrolled in graduate/postgraduate study at UT Austin or UQ will be admitted as non-award special students in the respective host universities for the period of the exchange.
10. Participating students from both universities shall pay applicable tuition and fees to their respective home institutions and then study at the respective host institutions without further payment of tuition and fees.
11. For the period of their study exchange students will be bound by the regulations of their host institution in the same manner as full-time regularly enrolled students. Exchange students will be enrolled at the host university as non-degree students.

12. Each institution will require that its students studying at the other institution have adequate health insurance coverage. For UT Austin students studying at UQ, part of this requirement will be met by the compulsory Overseas Student Health Cover levied by the Australian Government.
13. The obligations of UQ and UT Austin under this agreement are limited to exchange students only and do not extend to spouses or dependents.
14. Host institutions will make reasonable efforts to assist with location of suitable accommodations and with other matters of hospitality for visiting students, but will incur no financial responsibilities.

This agreement will become effective upon signature by representatives of the two universities and will be in effect until terminated. This agreement may be terminated upon six months' written notice, and in the event of such termination exchange students will be permitted to complete the period of study for which they are enrolled.

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

THE UNIVERSITY OF TEXAS AT AUSTIN

BY: William H. Cunningham

William H. Cunningham

TITLE: President

THE UNIVERSITY OF QUEENSLAND, BRISBANE,
AUSTRALIA

BY: _____

TITLE: _____

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 _____, 1990 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

6. U. T. Austin: Establishment of a Student Health Services Building Fee Effective with the Spring Semester 1991 (Catalog Change).--In order to keep pace with the changing health care needs of the student body and rapid advances in the medical delivery system, a plan for renovation and expansion of the Student Health Center at The University of Texas at Austin was developed in 1987. A student referendum in March 1990 widely supported the assessment of a new fee for this purpose.

In accordance therewith, the Board, upon recommendation of the Academic Affairs Committee, established a Student Health Services Building Fee at U. T. Austin effective with the Spring Semester 1991 at a rate of \$8.00 per semester or 12-week summer session, \$6.00 per 9-week summer session, or \$4.00 per 6-week summer session to finance the renovation, improvement, or replacement of the Student Health Center building.

It was ordered that the next appropriate catalog published at U. T. Austin be amended to conform to this action.

7. U. T. Austin: Authorization to Amend the Undergraduate Admissions Policy Effective August 1990 (Catalog Change).--Committee Chairman Barshop called on President Cunningham for comments related to the proposed changes to The University of Texas at Austin Undergraduate Admissions Policy.

President Cunningham noted that under the proposed changes, a transfer applicant must have 30 or more transferable semester credit hours with a cumulative grade point average of 3.00 or above to be fully admissible. Transfer applicants with 54 or more transferable semester credit hours and a cumulative grade point average of 2.50 to 2.99 will be subject to review by the Admission's Office and the school or college to which the applicant is seeking admission.

Dr. Cunningham pointed out that the proposed changes will provide admission standards for transfer applicants more in keeping with those now applicable to freshman applicants and will increase the likelihood for their academic success at the University. The changes are important elements of the enrollment management strategies of the University.

Upon recommendation of the Academic Affairs Committee, the Board amended the U. T. Austin Undergraduate Admissions Policy to read as set forth on Pages 23 - 25 effective August 1990.

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. Admit all Texas resident freshman applicants in the top 10% of their high school class irrespective of SAT or ACT scores. All applicants will be required to submit an SAT or ACT score for evaluation purposes.
- b. Admit all Texas resident freshman applicants with SAT scores of 1200 or greater or ACT scores of 29 or greater irrespective of standing in high school class.
- c. Admit all 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 1000 on the SAT or 24 on the ACT.
- d. Admit all Texas resident freshman applicants ranking in the second quarter of their high school graduating class if they attain a score of at least 1100 on the SAT or 27 on the ACT.
- e. Admit all Texas resident freshman applicants ranking in the lower one-half of their high school graduating class if they attain a score of at least 1200 on the SAT or 29 on the ACT.
- f. Individual review will be given to all Texas resident freshman applicants ranking in the top quarter but below the top 10% if they attain scores of 800-900 on the SAT or 18-23 on the ACT; to applicants ranking in the second quarter if they attain scores of 900-1090 on the SAT or 22-26 on the ACT; and to Texas resident freshman applicants ranking in the lower one-half if they attain test scores of 1100-1190 on the SAT or 27-28 on the ACT.
- g. Consistent with the Texas Equal Educational Opportunity Plan for Higher Education, individual review will be given routinely to the Texas resident freshman applications of all Black and Hispanic students ranking in the top half of their high school graduating class and not otherwise admitted.
- h. The review of applications under provisions (f) and (g) will be conducted by professionals and 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.

- i. Admit all nonresident freshman applicants in the top 25% of their high school class with a minimum SAT score of 1100 or minimum ACT score of 27 as permitted under State law. The President has the authority to raise these required scores if necessary.
- j. Admit all applicants who are holders of bona fide U. T. Austin scholarships designated by the President.
- k. Admit all resident and nonresident transfer applicants with 30 or more transferable semester credit hours of college credit and a minimum cumulative grade point average of 3.00; review all resident and nonresident 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.
- l. 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 no grades below "C" and at least one grade of "B" or higher 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.

- m. 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.
- n. 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.
- o. The application deadline for all seeking admission for the Fall Semester is March 1.
- p. 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.
- q. 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.

On behalf of the Board, Committee Chairman Barshop commended President Cunningham for the continued progress of U. T. Austin toward the difficult goal of reducing enrollment.

- 8. U. T. Dallas - Development Board: Approval of Nominees Thereto.--Three nominees for membership on the Development Board at The University of Texas at Dallas were approved for terms to expire in 1991, 1992, and 1993.

The names of the nominees will be reported for the record after they have been contacted and acceptances have been received.

9. U. T. Dallas: Approval of Amendments to the Constitution of the Student Association and Bylaws of the Student Senate.--In accordance with the Regents' Rules and Regulations, Part One, Chapter VI, Section 5, Subsection 5.12, the Board amended the Constitution of the Student Association at The University of Texas at Dallas to read as set forth on Pages 27 - 47 and approved the Bylaws of the Student Senate set forth on Pages 48 - 66 effective with the Fall Semester 1990.

The changes to the Constitution of the Student Association, which acknowledge the admission of lower division students to U. T. Dallas, are summarized below:

- a. Membership in the Student Association has been redefined and its legislative body, the Student Senate, has been expanded to include representation for lower division students.
- b. The time for election of Student Senate representatives has been altered to provide for elections in September as well as in April each year to allow lower division students to participate in student government as early as possible.
- c. The Student Senate, rather than the President of the Student Association, is given the responsibility to appoint or to make recommendations for the appointment of students to University committees.
- d. Procedures for replacing the Vice President of the Student Association have been changed from an election by the student body to election by the Student Senate from among its membership.

The Bylaws set forth the duties and responsibilities of the elected officers of the Student Association as well as those of Student Senate Committees. The election code and procedures governing removal from office are also incorporated in these Bylaws.

The revised Constitution and Bylaws will be included in the "Student Services and Activities" section of the U. T. Dallas Handbook of Operating Procedures.

7/11/90

CHAPTER 53. THE CONSTITUTION OF THE STUDENT ASSOCIATION
OF THE UNIVERSITY OF TEXAS AT DALLAS

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CONSTITUTION OF THE STUDENT ASSOCIATION
OF THE
UNIVERSITY OF TEXAS AT DALLAS

Statement of Purpose

It is the primary purpose of the Student Government of The University of Texas at Dallas, hereafter known as the Student Senate, to represent the Student Body, hereafter known as the Student Association, and provide a unified voice in student dealings with individuals and agencies outside of that Association. This includes, but is not limited to, the following:

1. Representing those ideals, goals, and programs which are of general interest to the Student Association, to the administration and other groups within and without the University structure.
2. Serving as a forum for the presentation of student interests and desires, determining which of those represents the opinions of a majority of the Student Association, and then acting as an agency to further the accomplishment of these goals.
3. Enhancing the intellectual life of the University, and ensuring that the opportunity is available for students to expose themselves to the widest possible range of contemporary thought and opinion.
4. Working with the administration and faculty to ensure that adequate programs are provided to meet the student's needs for sports, recreation, and entertainment.
5. Advising the administration of student opinion of proposed University programs.

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ARTICLE I
Student Senate
Subarticle A

Section 1. Composition

(1) At the undergraduate level, the Senate shall be chosen according to class (freshman, sophomore, junior, senior). Each undergraduate college shall be entitled to one senator to represent the junior class and one senator to represent the senior class. The number of freshman senators shall be equal to the number of undergraduate colleges within the University. The number of sophomore senators shall be equal to the number of undergraduate colleges within the University.

(2) At the graduate level, the Senate shall be composed of two graduate senators from each school within the University. The Senate shall include a number of graduate senators equal to twice the number of schools within the University to be elected on an at-large basis within the graduate class.

(3) The Chair of the Student Organization Forum (SOF) shall be a non-voting ex-officio member of the Student Senate. If the Student Organization Forum is not in existence, then a representative of student organizations shall be selected by the Senate to serve as a non-voting member.

(4) A member of the Executive Board of the Alumni Association of UTD may serve as a non-voting ex-officio member of the Student Senate.

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(5) The advisor(s) to the Student Senate shall be non-voting ex-officio member(s) of the Senate.

(6) The UTD members of the Student Advisory Group to the Board of Regents shall be non-voting ex-officio members of the Senate.

(7) The executive officers of the Student Senate shall include a President, a Vice President, a Secretary, a Treasurer, a Parliamentarian and a Communication Director who shall fulfill the qualifications set forth in Article III of this Constitution.

Section 2. Selection of Members

(1) The President and Vice President of the Student Association shall be chosen by an at-large election of the entire Student Association during the month of April of each year. Concurrent holding of these offices, or either of these offices and the office of senator, shall not be allowed.

(2) All senators except those representing the freshman and sophomore classes and the graduate at-large senators shall be elected during April of each year. Freshman, sophomore and graduate at-large senators shall be elected during the month of September of each year on an at-large basis within their classes.

a. An elected senator will be allowed to take his/her seat in which the powers and responsibilities of each are vested after meeting the requirements specified in the Bylaws of the Student Senate of UTD.

b. Concurrent holding of Senate seats by one student shall not be allowed.

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(3) The offices of Secretary, Treasurer, Parliamentarian, and Communication Director shall be filled by the Student Senate from among its membership by majority vote.

(4) The advisor(s) shall be member(s) of The University of Texas at Dallas Faculty and/or Administrative Staff, selected by the Executive Committee, approved by a two-thirds (2/3) vote of the Senate.

Section 3. Term of Office

The term of office for all executive officers and all graduate and undergraduate senators, except those representing the freshman and sophomore classes and those graduate students selected on an at-large basis, shall extend from the first day of May until the last day of April the following year. The term of office for freshman and sophomore senators and graduate at-large senators shall extend from the first day of October until the last day of September. Vacancies occurring in the Student Senate shall be filled in accordance with Article VI of this Constitution.

Subarticle B

Section 1. Presiding Officer

The President of the Student Association shall preside over all meetings of the Student Senate and may vote in the event of a tie vote. The Student Association Vice President shall preside over all meetings and/or portions of meetings in the absence of the

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President and shall exercise the option to vote on all matters before the Senate unless he/she is acting as chair of the meeting.

Section 2. Quorum

One-half of the current membership of the Student Senate, rounding up, shall constitute a quorum. The presence of three-fourths of the current membership of the Student Senate shall be necessary to vote on proposed amendments to this Constitution.

Section 3. Meetings

The Student Senate shall hold a regular meeting twice a month during the long semesters, and once a month during summer sessions.

ARTICLE II

Function and Powers

Subarticle A

Section 1. Legislative Power

The legislative power of the Student Association shall be vested in the Student Senate and shall be the highest level of elected Student Government of The University of Texas at Dallas.

Section 2. Powers and Responsibilities of the Student Senate

The Student Senate shall have the power and responsibility to:

- (1) Be the official representative of the Student Association.

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(2) In accordance with Part One, Chapter VI, Section 5.2 of the Rules and Regulations of the Board of Regents, express its opinion concerning any topic that is of interest to the Student Association and discuss any questions or matters within the scope of this Constitution, or relating to the powers and functions of any organizations provided for in this Constitution, and may make recommendations to any individual or group, or both, on any such matters or questions.

(3) Recommend or enact legislation.

(4) Appoint, or recommend the appointment of, from among the Student Association, the student members of all Student-Faculty Committees and other University-wide committees in accordance with the Rules and Regulations of the Board of Regents and the laws of the State of Texas. These members may be removed upon a two-thirds vote of the Senate.

a. Members of the Academic Senate Standing Committee on Student Life, or the committee which makes recommendations concerning the use of student union and student service fees, shall be appointed by the Student Senate.

(5) Confirm all appointments made by the Student Association President.

(6) Ensure the right of the Student Association members to address issues during the course of all meetings.

(7) Form special subcommittees to investigate and recommend solutions to situations deserving special attention.

(8) Fulfill other such duties as may be specified in the Bylaws of the Student Senate of UTD.

Section 3. Voting by Proxy

Voting by proxy on matters before the Student Senate or other bodies set forth in this Constitution shall not be allowed.

Section 4. Parliamentary Authority

Unless otherwise prescribed in this Constitution of the Student Association of The University of Texas at Dallas, Robert's Rules of Order newly revised shall serve as the official rules of procedure.

Subarticle B

Section 1. Powers and Responsibilities of the President

The executive powers shall be vested in a President. The President shall have the power and responsibility to:

- (1) Preside at all meetings of the Student Senate.
- (2) Recommend legislation to the Student Senate.
- (3) Execute all legislation passed by the Student Senate.
- (4) Execute and enforce all decisions rendered by the Student Judicial Board.
- (5) Unless otherwise prescribed in this Constitution, set the agenda for all Student Senate meetings.
- (6) Exercise the option of voting in the case of a tie vote.
- (7) Serve as a representative to the Academic Senate Standing Committee on Student Life, or the committee which makes recommendations concerning the use of student union and student service fees. If the composition of that committee is such that a representation is allocated according to the college in which the

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student members reside, and the President and Vice President are from the same college, only one of them shall serve on the aforementioned committee.

(8) Fulfill other such duties as may be specified in the Bylaws of the Student Senate of UTD.

Section 2. Powers and Responsibilities of the Vice President

The Vice President shall have the power and responsibility to:

(1) Assist the President in the execution of his/her duties.

(2) Perform the duties of the President in the case of his/her absence.

(3) Exercise the option to vote on all matters brought before the Senate unless he/she is acting as chair of the meeting.

(4) Become President, if the office of President should become vacant, for the remainder of the term of office in accordance with Article VI of this Constitution.

(5) Serve as Chairperson of the Student Senate Student Life Committee and act as a representative to the Academic Senate Standing Committee on Student Life, or the committee that makes recommendations concerning the use of student union and student service fees. If the composition of that committee is such that representation is allocated according to the college in which the student members reside, and the President and Vice President are from the same college, only one of them shall serve on the aforementioned committee.

(6) Be the official representative of non-degree students as defined by the Bylaws of the Student Senate of UTD.

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(7) Fulfill other such duties as may be specified in the Bylaws of the Student Senate of UTD.

Section 3. Secretary of the Student Senate

The Secretary of the Student Senate shall:

- (1) Be an elected member of the Student Senate.
- (2) Maintain a record of all proceedings of the Student Senate in conjunction with the Student Senate office clerical staff.
- (3) Assist the President and Vice President in the execution of their duties.
- (4) Oversee, under the direction of the Student Association President, all Senate correspondence.
- (5) Fulfill other such duties as may be specified in the Bylaws of the Student Senate of UTD.

Section 4. Treasurer of the Student Senate

The Treasurer of the Student Senate shall:

- (1) Be an elected member of the Student Senate.
- (2) Maintain the financial records of the Student Senate in conjunction with the Student Senate office clerical staff.
- (3) Publish by January 1 and June 1 of each year a financial statement which shall include amounts appropriated to each activity, total allocations to date, current balance to date, and other information the Student Senate may designate.
- (4) Serve as Chair of the Budget Committee.
- (5) Fulfill other such duties as may be specified in the Bylaws of the Student Senate of UTD.

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Section 5. Parliamentarian of the Student Senate

The Parliamentarian of the Student Senate shall:

- (1) Be an elected member of the Student Senate.
- (2) Render all decisions regarding parliamentary procedure in accordance with Article II, Subarticle A, Section 4, of this Constitution.
- (3) Assist the President and Vice President in the execution of their duties.
- (4) Serve as Chair of the Rules Committee.
- (5) Fulfill other such duties as may be specified in the Bylaws of the Student Senate of UTD.

Section 6. Communication Director of the Student Senate

The Communication Director of the Student Senate shall:

- (1) Be an elected member of the Student Senate.
- (2) Be responsible for the marketing of Student Senate activities to the members of the Student Association with the intent of increasing awareness and participation.
- (3) Serve as Chair of the Communications Committee.
- (4) Fulfill other such duties as may be specified in the Bylaws of the Student Senate of UTD.

Section 7. Executive Committee

The Executive Committee shall consist of the President, Vice President, Secretary, Treasurer, Parliamentarian, Communication Director, and the Chairperson of each Standing Committee.

(1) The UTD members of the Student Advisory Group to the Board of Regents shall serve as non-voting ex-officio members on the Executive Committee.

(2) Voting rights shall be allocated according to the number of persons on the Committee rather than the number of positions available.

ARTICLE III

Qualifications and Elections

Section 1. General Qualifications

No person shall be a candidate or hold office under the authority of this Constitution unless he/she shall:

(1) Be regularly enrolled at UTD for at least a minimum of nine hours on the undergraduate level or six hours on the graduate level.

(2) Hold a minimum cumulative grade point average of 2.5 and not be on disciplinary probation, scholastic or otherwise.

(3) Be a regularly enrolled student in the program from which he/she was elected and remain a member in the college from which he/she was elected in order to continue membership in the Student Senate.

Section 2. Voting

No person shall be entitled to vote in an election held under the authority of this Constitution unless he/she is a regularly enrolled member of the Student Association. Those defined as

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non-degree students in the Bylaws of the Student Senate of UTD shall be entitled to vote in University at-large elections.

Section 3. Elections

(1) All elections provided for in this Constitution shall be administered by the Rules Committee.

(2) To be elected President or Vice President of the Student Association, a candidate must receive forty percent of the votes cast for that office in a general Student Association election. If no candidate receives the required forty percent or there is a tie, there will be a run-off between the top two candidates. If two candidates receive at least forty percent and neither receives a majority, there will be a run-off between these two candidates.

(3) Write-in balloting shall not be accepted in any run-off election.

(4) All other elections shall be decided by a plurality of the votes cast, provided that in the event of a tie vote, a run-off election shall be held.

(5) Special elections may be called by the Student Senate by a two-thirds vote of the membership of the Student Senate or by the Rules Committee.

(6) All undergraduate seats not filled in the April election, or vacated prior to the September election, shall be open on an at-large basis within the undergraduate division during the September elections. All graduate seats not filled in the April election shall be open on an at-large basis within the graduate division during the September elections.

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ARTICLE IV

Standing Committees

Section 1. Standing Committees

The standing committees shall consist of the Student Senate Student Life Committee, the Rules Committee, the Budget Committee, the Student Communications Committee, the Student Services Committee, and the Multicultural Affairs Committee.

Section 2. Composition

Each committee shall be composed of at least one undergraduate and one graduate member.

Section 3. Chairperson

The Chairperson of each committee shall have the right to include items on the agenda of the Student Senate meetings subject to the Bylaws of the Student Senate of UTD.

Section 4. Committee Responsibilities

(1) The Student Life Committee shall be responsible for coordinating all Student Senate sponsored student activities.

(2) The Student Communications Committee shall be responsible for maintaining an awareness among the Student Association of the activities of the Student Senate.

(3) The Rules Committee shall establish election procedures and administer the conduct of all elections within the framework of this Constitution.

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(4) The Budget Committee shall be responsible for the preparation of the Senate budget and may administer the expenditure of the Student Senate funds under the outlines of the laws of the State of Texas, the Rules and Regulations of the Board of Regents, and the Handbook of Operating Procedures for this institution.

(5) The Student Services Committee shall be responsible for hearing, evaluating, and addressing areas of interest and concern related to the University in its role as a service-providing institution.

(6) The Multicultural Affairs Committee shall address and respond to multicultural concerns and issues.

(7) All committees shall be responsible for any other duties as may be enacted in the Bylaws of the Student Senate of UTD.

ARTICLE V

Student Judicial Board

Section 1. Duties

The Student Judicial Board shall arbitrate over matters of interpretation of this Constitution and acts of the Student Senate. Any member of the Student Senate may petition the Student Judicial Board concerning any matter heretofore mentioned. The Student Judicial Board shall decide, by unanimous consent of all its members, whether to hear a case and shall, by a simple majority, render a decision that shall be final and binding upon all concerned parties.

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Section 2. Composition

The Student Judicial Board shall be composed of five (5) members of the Student Association who do not sit on the Student Senate or hold any other elected or appointed office on campus. Of the five (5) members, there shall be at least one undergraduate and one graduate member, the remaining members to be selected from either group.

Section 3. Term of Office

Members of the Student Judicial Board shall serve for the duration of their current academic degree programs.

Section 4. Presiding Officer

The presiding officer of the Student Judicial Board shall be the Chairperson, and he/she shall be elected by the members of that body for his/her term of office.

Section 5. Selection Process

All members of the Student Judicial Board shall be selected by the Executive Committee and approved by a simple majority of the Student Senate.

Section 6. Other Duties

The Student Judicial Board shall act in any other such matters as directed by the President of The University of Texas at Dallas.

ARTICLE VI

Vacating an Office

Section 1. Removal from Office

(1) Any person serving under the provisions of this Constitution may, upon petition by the Executive Committee or by one-fourth of the Student Senate, be removed from office upon approval of two-thirds of the entire Student Senate.

(2) If at any time a person serving under the provisions of this Constitution can no longer meet the minimum requirements outlined for the office of this Constitution, that office automatically becomes vacant.

Section 2. Succession

If for any reason the Office of President should become vacant, the Vice President shall become President.

If the office of Vice President should become vacant, it shall be filled from among the current membership of the Senate in a method to be prescribed in the Bylaws of the Student Senate of UTD.

Section 3. Special Elections

Upon a vacancy occurring in any elected office, a special election may be held to fill that vacancy. Persons elected in special elections shall serve until the next regularly scheduled election for that office.

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Section 4. Recall Elections

Any elected person serving under the provisions of this Constitution shall be subject to an automatic recall election upon presentation of a petition bearing a number of signatures of the appropriate constituency specified in the Bylaws of the Student Senate of UTD.

(1) The petition must be submitted to the Student Association President, or if the office of President is in question, to any member of the Executive Committee.

(2) After receipt of the petition by the appropriate official, a recall election must be held in a timely manner.

(3) The election shall be conducted as if it were a regular election for that office. The member in question shall be a candidate by right and shall continue in office until the election results are certified by the Rules Committee.

Section 5. Student Judicial Board Vacancies

Vacancies on the Student Judicial Board shall be filled as specified in Article V of this Constitution.

ARTICLE VII

Ratification and Amendment

Section 1. Student Senate Initiated Amendments

Any member of the Student Senate may propose amendments to this

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Constitution. The proposed amendment must lay on the table for thirty days, after which the Student Senate must vote on the proposed amendment. If three-fourths of the total membership of the Student Senate favor the amendment, it must be submitted to the Student Association for approval or disapproval.

Section 2. Student Association-Initiated Amendment

If members of the Student Association equal to at least fifty percent (50%) of the certified vote count from the last regular Spring election petition the Student Senate to amend the Constitution, the Student Senate must call an election within thirty (30) days for approval or disapproval of said amendment.

Section 3. Ratification

Amendments to this Constitution shall become effective after ratification by two-thirds of the Student Association voting on said amendments in an election after certification by the Chair of the Rules Committee that such amendments have been duly ratified and after approval by the Board of Regents of The University of Texas System through its prescribed procedures.

Section 4. Permanent Copy

Such amendments shall be attached to the permanent copy of this Constitution preserved in the records of the Student Senate.

Section 5. Deletion and Substitution

Amendments by deletion and substitution are allowed.

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CHAPTER 55. BYLAWS OF THE STUDENT SENATE
OF THE UNIVERSITY OF TEXAS AT DALLAS

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CHAPTER 55. BYLAWS OF THE STUDENT SENATE
OF THE UNIVERSITY OF TEXAS AT DALLAS

ARTICLE I
DEFINITIONS

1. Student is any person whose name appears on the UTD Registrar's list and is attending classes during the current semester.
2. Non-degree students are those specified by the University as non-degree students.
3. Unexcused Absences are those absences not excused in advance by the President/Vice President.
4. Candidate is any student endeavoring to become an elected official in the Student Senate and who meets the qualifications in Article III of the Constitution of the Student Association.
5. Agent is any UTD student who campaigns for a candidate, where the candidate either directly or indirectly knows of and accepts the support rendered.
6. Campaign(ing) is any statement, literature, object, or activity which supports a candidate or furthers the interests of a candidate and is initiated by the candidate or one of his or her agents.

ARTICLE II

DUTIES AND RESPONSIBILITIES OF THE SENATE

Section 1. Duties of Senators

Senators shall have the power and responsibility to:

- (1) Attend all meetings of the Senate.
- (2) Serve on at least one of the Senate standing committees.
- (3) Hold office hours of at least three (3) hours per week.
- (4) Assist in Senate supported projects such as opinion surveys, Student Typing Room, elections, fund raising, Registration Assistants, parties, and special events.
 - (a) Each Senator shall be required to maintain the Student Typing Room and the Student Senate bulletin boards for at least one week during the academic year.
 - (b) Each Senator shall be required to participate in the Student Senate Registration Assistants Project.

ARTICLE III

DUTIES AND RESPONSIBILITIES OF OFFICERS

Section 1. President of the Student Association

The President of the Student Association shall have the power and responsibility to:

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- (1) Maintain twenty (20) office hours per week. Time used to attend meetings of university committees may be applied toward the required hours.
- (2) Schedule all Senate meetings and provide notice of the time, date, and place of such meetings to the members of the Senate.
- (3) Set the agenda for all Senate meetings. Senators may include items on the agenda upon one week prior notification to the President.
- (4) When appropriate, authorize expenditure of up to fifty dollars of Senate funds.
- (5) Manage the day-to-day operation of the Senate offices.

Section 2. Vice President of the Student Association

The Vice President of the Student Association shall have the power and responsibility to:

- (1) Maintain twenty (20) office hours per week. Time used to attend meetings of university committees shall be applied toward the required hours.
- (2) Organize and manage the Student Senate Registration Assistants Project.

Section 3. Secretary of the Senate

The Secretary of the Senate shall have the power and responsibility to:

- (1) Maintain the minutes of all Senate meetings.

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- (2) Submit the minutes of each Senate meeting to the President within four (4) class days of the conclusion of each regularly scheduled Senate meeting. Copies of these minutes shall also be forwarded to the members of the Senate, Director of Student Life and the Vice President for Administration and Student Affairs.

Section 4. Treasurer of the Senate

The Treasurer of the Senate shall have the power and responsibility to:

- (1) Provide, when requested by the Senate, a status report of the Senate budget.

Section 5. Parliamentarian of the Senate

The Parliamentarian of the Senate shall have the power and responsibility to:

- (1) Provide, when requested by any member of the Senate, advice concerning proper parliamentary procedure.

Section 6. Communication Director of the Senate

The Communication Director of the Senate shall have the power and responsibility to:

- (1) Oversee all advertisements of Senate sponsored projects.
- (2) Work in conjunction with Senate committees to market all activities of the Student Association.

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ARTICLE IV

DUTIES AND RESPONSIBILITIES OF SENATE COMMITTEES

Section 1. Record of Meetings

All committees shall meet regularly and maintain a written record of each meeting. This record shall be communicated to the Senate prior to or during each meeting and will be kept on file in the Senate offices.

Section 2. Senate Budget Committee

The Senate Budget Committee shall have the power and responsibility to:

- (1) Prepare the Senate budget request for submission to the Director of Student Life.

Section 3. Senate Rules Committee

The Senate Rules Committee shall have the power and responsibility to:

- (1) Organize and manage all Senate elections.

Section 4. Senate Student Life Committee

The Senate Student Life Committee shall have the power and responsibility to:

- (1) Organize and manage Senate sponsored social activities.

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Section 5. Senate Student Services Committee

The Senate Student Services Committee shall have the power and responsibility to:

- (1) Organize and manage all Senate sponsored service providing activities.
- (2) Maintain an awareness of all University sponsored services and keep the Senate informed as to the efficiency of such services.

Section 6. Senate Student Communications Committee

The Senate Student Communications Committee shall have the power and responsibility to:

- (1) In conjunction with the standing committees of the Senate, market the activities of the individual committees and the Senate as a whole.

Section 7. Senate Multicultural Affairs Committee

The Senate Multicultural Affairs Committee shall have the power and responsibility to:

- (1) Work in conjunction with the Office of Student Life to address multicultural concerns.

Section 8. Executive Committee

The Executive Committee of the Senate shall have the power and responsibility to:

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- (1) Notify the Senate in the event the President and/or Vice President are not performing the duties outlined in the Constitution and these Bylaws.

ARTICLE V

CORRESPONDENCE

Section 1. Maintenance of Records

All correspondence of Senators and the officers of the Senate acting in their official capacity as members of the Student Senate shall be submitted to the Secretary of the Senate and maintained on file in the Senate offices.

ARTICLE VI

STUDENT SENATE ELECTION CODE

Section 1. Qualifications for Obtaining and Holding Office

- (1) President and Vice President
 - (a) Must be enrolled for at least nine (9) hours on the undergraduate level or six (6) hours on the graduate level during regular school sessions.
 - (b) Must hold a cumulative grade point average of 2.5 or higher.
 - (c) Must have attended and completed courses at UTD during the regular semester (fall or spring) immediately prior to the semester in which the

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election will be held.

(2) Senators

- (a) Must be enrolled for at least nine (9) hours on the undergraduate level or six (6) hours on the graduate level.
- (b) Must hold a cumulative grade point average of 2.5 or higher.
- (c) Must be a regularly enrolled student in the program from which he/she was elected.

Section 2. Candidates Rights and Responsibilities

(1) Filing for Office

- (a) Before candidates may begin campaigning, they must file for office in the Student Senate office.
 - (i) Filing consists of signing a form prepared by the Rules Committee which states the person's intention to run for office, specifies the particular office and seat which the candidate is seeking, states the candidate's school and contains a statement in which the person agrees to abide by these campaign rules and decisions of the Rules Committee.
 - (ii) Candidates may file for only one position.
- (b) Each candidate must post a \$15.00 bond to be held as security for compliance with Section 3 of this article. The bond is returned to the candidate on

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the fourth class day following the election if there is no violation of campaign conduct.

(c) Any Rules Committee member who runs for office must resign from the Rules Committee.

(2) Financial Disclosures

(a) In accordance with Subsection (5) of this Section, candidates are required to keep accurate records of all campaign expenditures. Receipts must be maintained for all money expended and for all professional services rendered. This does not include labor from a volunteer staff.

(b) The financial record must show the amount and purpose of each expenditure.

(c) The financial records are to be transcribed on a form prepared by the Rules Committee and are due in the Student Senate office within two (2) school days of the conclusion of the election which determines the winner of the race.

(d) The Rules Committee reserves the right to release financial information to the public.

(e) The value of mechanically reproduced copies shall be assessed at the campaign orientation meeting.

(3) Campaign Conduct

(a) This election code is designed to ensure fair elections. Any candidate found to be deliberately in violation of this code shall be subject to

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- sanctions by the Rules Committee. Sanctions may include but are not limited to: monetary sanctions, temporary or permanent suspension from campaigning, and, in some cases, removal from the race.
- (b) All candidates and their agents will refrain from making deceptive or misleading statements during their candidacy. Candidates and their agents will also refrain from any act reasonably calculated to be libelous or to compromise the rights of any student, faculty member, or student organization.
 - (c) Candidates are responsible for the campaign conduct of their agents.
 - (d) There shall be no transferral of funds between candidates.
 - (e) All campaign material must bear the Student Activities date stamp.
 - (f) Items to be bulk-copied should receive the stamp before copying.
 - (i) Certain items may be exempted from this rule upon approval of the Rules Committee.
 - (g) A copy of each different sign or handbill which is to be bulk-copied must be filed with the Student Activities Office.
 - (h) No campaign material or activity may impede either pedestrian or vehicular traffic.

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- (i) All campaign material must be removed within three (3) school days of the conclusion of the election which determines a winner for the race.
 - (j) Candidates who file separately may campaign jointly if they so choose.
 - (k) Campaigning shall not be allowed within twenty (20) feet of ballot boxes on the day(s) of the election.
- (4) Campaign Regulations
- (a) Candidates and their agents may not:
 - (i) Use sound-amplifying equipment on campus without written permission from the Office of Student Life.
 - (ii) Claim the endorsement of any student organization unless the highest ranking officer files an endorsement with the Student Senate office.
 - (b) A sign may not be attached to
 - (i) a shrub or plant;
 - (ii) a tree, except by string to its trunk;
 - (iii) a permanent sign installed for another purpose;
 - (iv) a fence or chain on its supporting structure;
 - (v) a brick, concrete, or masonry structure; or
 - (vi) statuary, monument, or similar structure.
 - (c) A sign may not be posted
 - (i) on or adjacent to a fire hydrant;
 - (ii) on or between a curb and a sidewalk; or

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(iii) in a University building, except on a
bulletin board.

(5) Campaign Spending Limits

(a) Presidential and vice presidential candidates are
limited to \$150.00 per candidate in campaign
expenditures.

(b) Senatorial candidates are limited to \$100.00 per
candidate in campaign expenditures.

Section 3. Election Provisions

(1) The Rules Committee will conduct a drawing at the
conclusion of the filing period to determine the ballot
positions of all candidates.

(2) Voting procedure

(a) Voting in all elections will be by secret ballot.

(b) Improperly marked ballots are void.

(c) Write-in candidates are allowed during senatorial
elections only.

(d) Absentee voting may be allowed after the filing
deadline.

(3) The candidate may be present at the time the Rules
Committee opens the ballot boxes and during the official
count.

Section 4. Disputes and Violations

(1) The Rules Committee has discretionary power to determine

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- and impose the penalties specified in Subsection (8) of this Section for election code violations.
- (2) Any person or organization who is injured by a candidate's actions must notify that candidate and both parties must make an attempt to negotiate a fair settlement of the dispute. Only failing this may either party lodge a formal written complaint with the Rules Committee.
 - (3) Any candidate may request a written advisory opinion from the Rules Committee within twenty-four (24) hours after the final results are tabulated. Candidates in the race in question are allowed to bring one representative with them to the recount.
 - (4) The Rules Committee may dismiss a complaint without a hearing under the following circumstances:
 - (a) The complaint is not filed within three (3) class days after the dispute arose.
 - (b) It lacks jurisdiction on the subject or over any party involved.
 - (c) No relief for the grievance can be granted.
 - (d) The complaint is ill-founded.
 - (e) The complainant has not suffered and is not likely to suffer from the action in question.
 - (f) No adequate attempt has been made by either of the parties to settle the dispute among themselves.

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- (5) If a hearing is warranted, the Rules Committee will issue a written notice to both parties, stating the time and the place of the hearing.
- (6) At the time the Rules Committee issues notice of the hearing it may also issue a temporary order which remains in effect until a decision is reached in the hearing, or until rescinded by the Rules Committee.
- (7) If the Rules Committee determines after a hearing that the election code has been violated by a candidate or the candidate's agents, it may:
 - (a) Order forfeiture of the candidate's security bond.
 - (b) Enjoin the candidate and the candidate's agents from part or all of their campaign activities for a duration to be set by the Rules Committee.
 - (c) Remove a candidate from the race.
 - (d) Any combination of the above.
- (8) Any willful violation of a Rules Committee opinion, decision, ruling, or order by a candidate will be sufficient ground to disqualify that candidate from the race.
- (9) All decisions and rulings by the Rules Committee will be issued in writing.

Section 5. Filing/Election Dates

- (1) April Elections
 - (a) Filing shall begin on the Monday prior to spring

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break and shall conclude at 12:00 p.m. three (3) school days prior to the beginning of the scheduled election.

- (b) A campaign orientation meeting will be held on the first Wednesday after spring break to answer any questions and review the election code with candidates or potential candidates.
 - (c) The election will be held during the second full school week in April.
 - (d) If a runoff election is necessary, it must begin within ten (10) days of the last day of the regular election.
- (2) September Elections
- (a) Filing shall begin on the first day of regular registration for the fall semester and shall conclude at 12:00 p.m. three (3) school days prior to the election date.
 - (b) A campaign orientation meeting will be held within two (2) weeks of the beginning of classes.
 - (c) The election will be held during the final week of September.
- (3) Late filing shall not be allowed.

Section 6. Changes to Election Code

No part of this election code may be changed or altered from

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the beginning of the filing period until the election results have been determined.

ARTICLE VII
REMOVAL FROM OFFICE

Section 1. Senate

Any Senator who accumulates three (3) unexcused absences from regularly scheduled Senate meetings automatically shall be removed from office.

Section 2. Committee

Any committee member who accumulates three (3) unexcused absences from regularly scheduled committee meetings automatically shall be removed from the committee.

Section 3. Recall Elections

Any elected representative of the Student Association will be subject to a recall election upon presentation of a petition bearing a number of signatures equal to or greater than 15% of the representative's constituency.

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ARTICLE VIII
AMENDMENT AND RATIFICATION

Section 1. Procedures

These Bylaws may be amended at any regular meeting of the Student Senate upon approval of two-thirds (2/3) of the entire membership of the Senate provided amendment has been submitted in writing at the previous regularly scheduled meeting of the Senate.

ARTICLE IX
APPROVAL OF BYLAWS

Section 1. Adoption

These Bylaws shall become adopted upon a two-thirds (2/3) approval of the entire membership of the Senate and will supersede any previous Bylaws or Guidelines of the Senate.

Section 2. Effective Date

In accordance with Part One, Chapter VI, Sec. 5 of the Rules and Regulations of the Board of Regents, The University of Texas System, changes to these Bylaws shall not become effective until transmitted to the Vice President for Administration and Student Affairs and all administrative and regental approvals have been obtained.

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10. U. T. El Paso: Dr. Thomas McLean Appointed Initial Holder of the John T. MacGuire Professorship in Mechanical and Industrial Engineering in the College of Engineering Effective September 1, 1990.--The Board, upon recommendation of the Academic Affairs Committee, appointed Dr. Thomas McLean, Professor and Director of the Industrial Engineering Program, as the initial holder of the John T. MacGuire Professorship in Mechanical and Industrial Engineering in the College of Engineering at The University of Texas at El Paso effective September 1, 1990.

11. U. T. Pan American: Establishment of Parking Permit Classifications and Parking Permit and Enforcement Fees Effective with the Fall Semester 1990 (Catalog Change).--In order to comply with U. T. System regulations and requirements of the Texas Education Code, Section 54.503, approval was given to establish parking permit classifications and parking permit and enforcement fees at The University of Texas - Pan American effective with the Fall Semester 1990 as set out below:

<u>Parking Classifications</u>	<u>1990-91 Fees</u>
Class A - Reserved Parking for Full Time Faculty and Staff (If employee's salary is \$15,000 or less)	\$48.00 36.00
Class B - Reserved Parking for Faculty and Staff, Excluding Teaching Assistants and Work/Study Student Employees	24.00
Class C - General Parking for Faculty, Staff, and Students	12.00
Class D - General Parking with Some Restrictions for Students Residing in Residence Halls	No Charge
Class H - Handicapped Reserved Parking for Disabled Faculty, Staff, and Students	No Charge
<u>Enforcement Fees</u>	
Citation (per violation)	5.00
Immobilizer (per violation)	20.00

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

It was ordered that the next appropriate catalog published at U. T. Pan American be amended to conform to this action.

12. U. T. San Antonio: Approval of a Teaming Agreement with BDM International, Inc. (A Ford Aerospace Company), McLean, Virginia.--Upon recommendation of the Academic Affairs Committee, the Board approved the Teaming Agreement set out on Pages 68 - 76 by and between The University of Texas at San Antonio and BDM International, Inc. (A Ford Aerospace Company), McLean, Virginia.

The purpose of this Teaming Agreement is to establish a working relationship to develop a proposal entitled "Specialized Research and Development Support" that will be submitted to the United States Air Force. BDM International, Inc. will be the prime contractor and U. T. San Antonio will act as a subcontractor. U. T. San Antonio will provide technical support services, the primary scope of which will include technology transfer and human resources to meet future missions.

Each party will bear the respective costs, risks, and liabilities incurred by it as a result of its obligations and efforts.

TEAMING AGREEMENT

BETWEEN

BDM INTERNATIONAL, INC.

AND

THE UNIVERSITY OF TEXAS AT SAN ANTONIO

THIS AGREEMENT is made and entered into this _____ day of _____, 1990 by and between BDM International, hereinafter referred to as the "Prime Contractor" or BDM, and University of Texas at San Antonio hereinafter referred to as the "Subcontractor" or UTSA.

WHEREAS, the Prime Contractor intends to submit a proposal to Aeronautical Systems Division/PMSA hereinafter referred to as the "Government," for Specialized Research Development Support hereinafter referred to as the "Program"; and

WHEREAS, the Prime Contractor and the Subcontractor desire to define their mutual rights and obligations during the submittal of said proposal and any subsequent contract resulting therefrom, consistent with Federal/State laws governing restraint of trade or competition as applicable;

NOW THEREFORE, to effectuate the foregoing, the Prime Contractor and the Subcontractor in consideration of the mutual covenants hereinafter contained, agree as follows:

1. Relationship of the Parties

The Proposal will be based on BDM being the Prime Contractor to the Government of any resultant contract, and UTSA being a Subcontractor to the Prime Contractor for the furnishing of support to be utilized in the above Program. The Prime Contractor will provide the Proposal Manager and in the event of contract award, the Program Manager.

2. Mutual Obligations

Each party will exert its best efforts to produce a proposal(s) which will cause the award of the Program to the team as constituted herein.

a. The Prime Contractor will recognize and identify the Subcontractor in its proposal and use its best efforts to secure Government consent to use of the proposed Subcontractor for this Program. The Prime Contractor will keep the Subcontractor fully advised of any change which may affect the Subcontractor's area of responsibility. The Prime Contractor, however, shall have the right to determine the final contents of the proposal.

b. During the effective term of this Agreement, the parties agree that they will not participate in any manner in other teaming efforts that are competitive to this Teaming Agreement, and they will not compete independently (including the independent submission of a proposal to the Government or any other party for the Program). The term "participate" as used herein includes (but is not limited to) the interchange of technical data with competitors. However, this Agreement shall not preclude either party from bidding or contracting independently from the other on any Government or industry program which may develop or arise in the general area of business related to this Agreement.

c. In the event the Prime Contractor is awarded the contract for this Program, the Prime Contractor and the Subcontractor agree to negotiate in good faith and proceed in a timely manner to execute a mutually acceptable subcontract for the work to be performed by the Subcontractor. The Subcontractor areas of participation shall be as described in Exhibit A to this Teaming Agreement, with details to be determined upon release of the Solicitation by the Government.

3. Limitation of Applicability of the Agreement

This Agreement shall apply only to the proposals relating to this Program and to no other effort undertaken by the Prime Contractor or the Subcontractor jointly or separately. The parties hereto shall be deemed to be independent contractors, and the employees of one shall not be deemed to be employees of the other.

4. Subcontractor's Responsibility to Provide Information and Support

The Subcontractor will provide all proposal material and technical support pertinent to the work assigned. The Subcontractor shall provide the Prime Contractor, as part of its cost proposal, a completed Standard Form 1411 with supporting schedules in sufficient detail to permit the Prime Contractor's evaluation. Cost format and Work Breakdown Structure shall be specified by the Prime Contractor. If requested by the Prime Contractor, the Subcontractor will assure the availability of management and technical personnel to assist the Prime Contractor in any discussions and negotiations with the Government. All information and support provided by the Subcontractor will be provided in accordance with the deadlines determined by the Prime Contractor.

5. Anticipated Subcontract Content

Without restricting the terms and conditions of the subcontract, the contemplated subcontract will contain provisions passing down all contract provisions that are required by the Federal Acquisition Regulations (FAR) and those terms and conditions of the prime contract which must be passed on to the Subcontractor in order to comply with such prime contract. The subcontract will be negotiated at a fair and reasonable price(s) established after cost or price analysis in accordance with the requirement of the applicable Government procurement regulations. Further, price consideration for the work to be performed will be based on the Subcontractor's proposal and the Prime Contractor's negotiations with the Government. It is understood between the Prime Contractor and the Subcontractor that any such subcontract will be subject to the consent of the properly constituted Contracting Authority of the United States Government, regardless of the provisions hereof.

6. Limitation of Right to Reimbursement, Payment, or Compensation

Each party to this Agreement will bear the respective costs, risks, and liabilities incurred by it as a result of its obligations and efforts under this Agreement. Therefore, neither the Prime Contractor nor the Subcontractor shall have any right to any reimbursement, payment, or compensation of any kind from each other during the period prior to the award and execution of any resulting subcontract between the Prime Contractor and the Subcontractor for the Program and work described in this Agreement.

7. Recruitment

It is expressly agreed and understood that neither party will solicit personnel of the other party who are engaged in the pursuit of this Program for the purpose of inducing them to join their employ during the course of this Agreement and any resultant subcontract hereunder and for a period of one (1) year after termination thereof.

8. Limitations on Use of Data and Information

a. The parties anticipate that under this Agreement it may be necessary for either party to transfer to the other information of a proprietary nature. Proprietary information should be clearly identified in writing by the disclosing party at the time of disclosure. Oral disclosure, when necessary, shall be clearly identified as proprietary at the time of the disclosure and shall be reduced to writing within 30 days.

b. Each of the parties agrees that it will use the same reasonable efforts to protect such information as are used to protect its own proprietary information. Disclosures of such information shall be restricted

to those individuals who are directly participating in the proposal and subcontract efforts identified herein.

c. Neither party shall make any reproduction, disclosure, or use of such proprietary information except as follows:

- 1) Such data furnished by the Subcontractor may be used by the Prime Contractor in performing its obligations under this Agreement.
- 2) Such data furnished by the Prime Contractor may be used by the Subcontractor in performing its obligations under this Agreement.
- 3) Such data may be used in accordance with any written authorization received from the disclosing party.
- 4) Such data may be disclosed as required by state or federal laws.

d. The limitations on reproduction, disclosure, or use of proprietary information shall not apply to, and neither party shall be liable for reproduction, disclosure, or use of proprietary information with respect to which any of the following conditions exist:

- 1) If the information has been developed independently by the party receiving it, or has been lawfully received from other sources, including the Government, provided such other source did not receive it due to a breach of this Agreement or any other agreement.
- 2) If the information is published by the party furnishing it or is disclosed by the party furnishing it to others, including the Government, without restriction, or it has been lawfully obtained by the party receiving it from other sources, including the Government, or if such information otherwise comes within the public knowledge or becomes generally known to the public.
- 3) If any part of the proprietary information has been or hereafter shall be disclosed in a United States patent issued to the party furnishing the proprietary information hereunder, after the issuance of said patent, the limitations on such proprietary information as is disclosed in the patent shall be only that afforded by the United States Patent Laws.

e. Neither the execution and delivery of this Agreement, nor the furnishing of any proprietary information by either party shall be construed as granting to the other party either expressly, by implication, estoppel, or otherwise, any license under any invention or patent, hereafter owned or controlled by the party furnishing same.

f. Notwithstanding the expiration of the other portions of this Agreement, the obligations and provisions of this paragraph 8 shall continue for a period of eighteen (18) months from the date of this Agreement.

g. Each party will designate in writing one or more individuals within its organization as the only point(s) for receiving proprietary or confidential information exchanged between the parties pursuant to this Agreement.

9. Rights in Inventions

Inventions shall remain the property of the originating party. In the event of joint inventions, the parties shall establish their respective rights by negotiations between them. In this regard, it is recognized and agreed that the parties may be required to and shall grant licenses or other rights to the Government to inventions, data, and information under such standard provisions which may be contained in the Government prime contract contemplated by this Agreement, provided, however, such license or other rights shall not exceed those required by said contract.

10. Public Release of Information

The Subcontractor shall not issue a news release, public announcement, advertisement, or any other form of publicity concerning his efforts in connection with this Agreement without obtaining prior written approval from the Prime Contractor. In the event such approval is granted, any resulting form of publicity shall give full consideration to the role and contributions of the Prime Contractor.

11. Designation of Responsible Individuals

All communications relating to this Agreement shall be directed to the specific person designated to represent the Prime Contractor and the Subcontractor on this Program. Each of the parties to this Agreement shall appoint one technical and one contractual representative. These appointments shall be kept current during the period of this Agreement. Communications which are not properly directed to the persons designated to represent the Prime Contractor and the Subcontractor shall not be binding upon the Prime Contractor or the Subcontractor.

a. FOR THE PRIME CONTRACTOR:

Technical

BDM International, Inc.
Attn: Dr. J. E. Milligan
1501 BDM Way
McLean, VA 22102

Contractual

BDM International, Inc.
Attn: Mr. Stephen J. Fitzpatrick
1501 BDM Way
McLean, VA 22102

b. FOR THE SUBCONTRACTOR:

Technical

University of Texas
at San Antonio
College of Sciences &
Engineering
Office of the Dean
Attn: Dr. W. A. Alter III
San Antonio, TX 78285

Contractual

University of Texas
at San Antonio
Attn: Mr. M. Dan Williams
V.P. for Business Affairs
San Antonio, TX 78285

12. Expiration of Agreement

This Agreement, which is effective upon the date of its execution hereof, shall automatically expire and be deemed terminated effective upon the date of the happening or occurrence of any one of the following events or conditions, whichever shall first occur; except for the conditions expressed in paragraphs 7 and 8 hereof:

- a. Official Government announcement or notice of the cancellation of the Program.
- b. The receipt by the Prime Contractor of written notice from the Government that it will not award to it the contract for this Program.
- c. The receipt of written notice from the Government that it has awarded the contract for this Program to someone other than the Prime Contractor.
- d. The receipt of official Government notice that the proposed Subcontractor will not be approved as a subcontractor under a contract to the Prime Contractor on this Program, or that

substantial areas of the Subcontractor's proposed responsibility have been eliminated from the requirements.

- e. Award of a subcontract by the Prime Contractor to the Subcontractor for its designated portion of the Program.
- f. Mutual agreement of the parties to terminate the Agreement.
- g. The expiration of a one (1) year period commencing on the date of this Agreement except as such period may be extended by mutual agreement of the parties.
- h. The Subcontractor fails to provide timely and acceptable input to the proposal in accordance with Paragraph 4 of this Agreement.

13. Assignment

This Agreement may not be assigned or otherwise transferred by either party, in whole or in part, without the express prior written consent of the other party.

14. Access to Classified Information

Access to security information classified "Top Secret," "Secret," or "Confidential" shall be governed by the provisions of FAR 52-204.02 (APR 1984).

15. Limitations on the Nature of the Agreement

This Agreement does not constitute or create a joint venture, pooling arrangement, partnership, or formal business organization of any kind, other than a contractor team arrangement as set forth in FAR 9.601(b), and the rights and obligations of the parties shall be only those expressly set forth herein. Neither party shall have authority to bind the other except to the extent authorized herein. Nothing herein shall be construed as providing for the sharing of profits or losses arising out of the efforts of any of the parties.

16. Applicability of State Law

This agreement shall be governed by and interpreted under the laws of the Commonwealth of Virginia, except as it applies to tasks conducted by UTSA, when laws of the State of Texas shall govern the responsibilities of UTSA.

17. Scope of the Agreement

This Agreement contains the entire agreement of the parties and cancels and supersedes any previous understanding or agreement related to this Program, whether written or oral. All changes or modifications to this Agreement must be agreed to in writing between the parties.

EXECUTED by the Board of Regents of The University of Texas System and BDM International, Inc. on the day and year first above written, in triplicate copies, each of which shall be deemed an original.

THE UNIVERSITY OF TEXAS AT SAN ANTONIO

By: _____
M. Dan Williams

Title: Vice President for Business Affairs

BDM INTERNATIONAL, INC.

By: _____
Lawrence R. Lotspelch

Title: Vice President, Business Operations

FORM APPROVED:

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

By: _____

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 _____, 1990, 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.

Exhibit A

STATEMENT OF WORK

University of Texas at San Antonio will provide technical support services, the primary scope of which will include, but not be limited to, technology transfer and human resources to meet future missions.

A revision of the Statement of Work will be negotiated upon the release of the Prime RFP, which is scheduled for June 1990.

13. U. T. San Antonio and U. T. Institute of Texan Cultures - San Antonio: Approval to Increase Enforcement Fees and Parking Permit Fees Effective with the Fall Semester 1990 (Catalog Change).--In order to meet anticipated maintenance costs and possible future expansion of parking lots, the Board approved increases in enforcement fees at The University of Texas at San Antonio and parking permit fees for The University of Texas Institute of Texan Cultures at San Antonio effective with the Fall Semester 1990 as set out below:

	<u>1990-91</u> <u>Fees</u>
<u>Enforcement Fees - U. T. San Antonio</u>	
Class A Violations	
Student Vehicles	\$27.00
Faculty/Staff Vehicles	42.00
Motorcycles	13.00
Class B Violations	50.00
Class C Violations	
First Violation	10.00
Second Violation	15.00
Third Violation	20.00
Fourth and Subsequent Violations	25.00
<u>Parking Permits - U. T. Institute of Texan Cultures - San Antonio</u>	
Class A (reserved)	\$30.00
Class B (staff)	18.00
Class C (motorcycles)	6.00

It was ordered that the next appropriate catalog published at U. T. San Antonio be amended to reflect this action.

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE (Pages 78 - 86).--Committee Chairman Blanton reported that the Health Affairs Committee had met in open session to consider those items 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. Southwestern Medical Center - Dallas: Appointment of Initial Holders to Endowed Academic Positions - (a) Fred J. Bonte, M.D., to the Effie and Wofford Cain Distinguished Chair in Diagnostic Imaging for the Period September 1, 1990 Through August 31, 1993, (b) J. Donald Capra, M.D., to the Edwin L. Cox Distinguished Chair in Immunology and Genetics Effective September 1, 1990, (c) Dr. Ronald W. Estabrook to the Cecil H. and Ida M. Green Chair in Biomedical Science for the Period September 1, 1990 Through August 31, 1997, and (d) Jean D. Wilson, M.D., to the Charles Cameron Sprague Distinguished Chair in Biomedical Science for the Period September 1, 1990 Through August 31, 1997.--Upon recommendation of the Health Affairs Committee, the Board approved the following initial appointments to endowed academic positions at The University of Texas Southwestern Medical Center at Dallas effective as indicated:

- a. Fred J. Bonte, M.D., Professor of Radiology, to the Effie and Wofford Cain Distinguished Chair in Diagnostic Imaging for the period September 1, 1990 through August 31, 1993

See Page 141 related to the establishment of this Chair.

- b. J. Donald Capra, M.D., Professor of Microbiology and Internal Medicine, to the Edwin L. Cox Distinguished Chair in Immunology and Genetics effective September 1, 1990

See Page 142 related to the establishment of this Chair.

- c. Dr. Ronald W. Estabrook, Professor of Biochemistry, to the Cecil H. and Ida M. Green Chair in Biomedical Science for the period September 1, 1990 through August 31, 1997

See Page 142 related to the establishment of this Chair.

- d. Jean D. Wilson, M.D., Professor of Internal Medicine, to the Charles Cameron Sprague Distinguished Chair in Biomedical Science for the period September 1, 1990 through August 31, 1997.

See Page 144 related to the redesignation of this Chair.

2. U. T. Medical Branch - Galveston: Approval of Initial Holders to Endowed Academic Positions - (a) James A. Belli, M.D., to The John Sealy Centennial Chair in the Department of Radiation Therapy, (b) Dr. William J. Winslade to The James Wade Rockwell Professorship in the Philosophy of Medicine, (c) David N. Herndon, M.D., to the Jesse H. Jones Distinguished Chair in Burn Surgery, (d) Steven J. Blackwell, M.D., to the Stephen R. Lewis, M.D. Professorship in Plastic Surgery, (e) Marvin W. Kronenberg, M.D., to The John Sealy Centennial Chair in Cardiology in the Department of Medicine, and (f) Dr. Mary Virginia Fenton to the Rebecca Sealy Centennial Chair in the School of Nursing Effective as Indicated.--Approval was granted for the following initial appointments to endowed academic positions at The University of Texas Medical Branch at Galveston effective as indicated:
- a. James A. Belli, M.D., Professor and Chairman of the Department of Radiation Therapy, to The John Sealy Centennial Chair in the Department of Radiation Therapy effective October 1, 1990
 - b. Dr. William J. Winslade, Professor in the Departments of Preventive Medicine and Community Health and Psychiatry and Behavioral Sciences, to The James Wade Rockwell Professorship in the Philosophy of Medicine effective October 1, 1990
 - c. David N. Herndon, M.D., Professor in the Department of Surgery, to the Jesse H. Jones Distinguished Chair in Burn Surgery effective October 1, 1990
 - d. Steven J. Blackwell, M.D., Professor in the Department of Surgery, to the Stephen R. Lewis, M.D. Professorship in Plastic Surgery effective October 1, 1990
 - e. Marvin W. Kronenberg, M.D., Professor in the Departments of Internal Medicine and Radiology, to The John Sealy Centennial Chair in Cardiology in the Department of Medicine effective August 1, 1990
 - f. Dr. Mary Virginia Fenton, Professor and Dean of the School of Nursing, to the Rebecca Sealy Centennial Chair in the School of Nursing effective immediately.
3. U. T. Health Science Center - San Antonio: Permission for Dr. Miguel A. Medina to Serve on the National Advisory Council on Health Professions Education of the Health Resources and Services Administration [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--Permission was given for Dr. Miguel A. Medina, Professor and Assistant Dean for Student Affairs in the Graduate School of Biomedical Sciences at The University of Texas Health Science Center at San Antonio, to serve on the National Advisory Council on Health Professions

Education of the Health Resources and Services Administration in Washington, D. C., for a term effective immediately and ending January 31, 1992. All expenses related to his appointment will be paid by the Department of Health and Human Services.

Dr. Medina's appointment to this Council is of benefit to the State of Texas, creates no conflict with his position at the U. T. Health Science Center - 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.

4. U. T. Health Science Center - San Antonio: Dr. Mary Ann Matteson Appointed Initial Holder of the Thelma and Joe Crow Endowed Professorship Effective Immediately.-- The Board, upon recommendation of the Health Affairs Committee, appointed Dr. Mary Ann Matteson, Assistant Professor in the U. T. Nursing School - San Antonio, as initial holder of the Thelma and Joe Crow Endowed Professorship at The University of Texas Health Science Center at San Antonio effective immediately.

See Page 145 related to the establishment of this Professorship.

5. U. T. M.D. Anderson Cancer Center: Approval of Agreement to Cooperate with The University of Catania, Catania, Italy, and Authorization for the Executive Vice Chancellor for Health Affairs to Execute Agreement.-- Approval was given to the agreement to cooperate set forth on Pages 81 - 85 by and between The University of Texas M.D. Anderson Cancer Center and The University of Catania, Catania, Italy.

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

This agreement encourages cooperation by establishing joint educational programs in hematology/oncology and related disciplines for physicians, scientists, and health care providers and is intended to provide broad linkages through and within which individual program agreements can be negotiated and activated.

Committee Chairman Blanton noted that during the recent Economic Summit of Industrialized Nations in Houston Prime Minister Giulio Andreotti of Italy met with President LeMaistre for the expressed purpose of developing relations between U. T. M.D. Anderson Cancer Center and The University of Catania. Dr. LeMaistre commented briefly on the Prime Minister's unanticipated visit and pointed out that this agreement meets the Italian government's plans to encourage relationships with American institutions.

AFFILIATION AGREEMENT

THIS AGREEMENT is made and entered into by and between The University of Texas M.D. Anderson Cancer Center and The University of Catania and is effective March 1, 1990.

WHEREAS, The University of Texas M.D. Anderson Cancer Center is an accredited academic component of The University of Texas System charged with the responsibility for establishing and maintaining highest quality interdisciplinary programs of patient care, research and education leading to the successful understanding, treatment, and ultimate prevention of cancer and allied diseases. AND

WHEREAS, The University of Catania, with its Institute of Hematology, is a major academic, research, and patient care center with interests similar to those of The University of Texas M.D. Anderson Cancer Center;

NOW, THEREFORE, recognizing that collaborative efforts will be of benefit to the communities served and will contribute to an enduring institutional linkage for technical cooperation and assistance, the institutions described above do execute and enter into this AFFILIATION AGREEMENT, formalizing their intent to establish joint educational programs in hematology/oncology and related disciplines for physicians, scientists, and health care providers to better serve the needs of their patients and the community. This AFFILIATION AGREEMENT is intended to provide broad linkages through which and within which individual program agreements can be negotiated and activated. Such programs include, but are not restricted to:

Exchange Education Programs for Faculty, Staff, and Students:

Training and skills updating of faculty in disciplines of mutual interest and need.

Interinstitutional exchange programs for clinical trainees and basic science trainees at the post-graduate level for special programs in both patient care and research.



THE UNIVERSITY OF CATANIA
THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER

Organization and execution of faculty and allied health personnel exchanges, as determined by the two institutions for mutual interest and benefit.

Establishment of joint/collaborative research programs of either basic or clinical nature.

Joint/Cross Appointments of Faculty and Staff:

In order to facilitate and/or enhance programs established in the above areas the institutions, under this AFFILIATION AGREEMENT and within the requirements of the individual institutions and subject to the particular demands of the institutions, may elect to jointly appoint faculty or staff.

Program Affiliations:

This general AFFILIATION AGREEMENT shall be identified as the parent document for any program affiliation executed between the two above named institutions.



THE UNIVERSITY OF CATANIA
THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER

In keeping with the missions established by the individual institutions and with the intent of enhancing services provided by both institutions, this AFFILIATION AGREEMENT is established by institutional officials as indicated by authorizations and signatures below. EXECUTED on this 28th day of February, 1990, effective as of the date first written above.

This AFFILIATION AGREEMENT will be reviewed within no longer than five (5) years from its effective date and modified, terminated, or renewed as appropriate. Each individual PROGRAM AGREEMENT executed under this AFFILIATION will be reviewed annually and modified, terminated, or renewed as appropriate.

ATTEST:

For

For

THE UNIVERSITY OF CATANIA

THE UNIVERSITY OF TEXAS
M.D. ANDERSON CANCER CENTER

Charles A. LeMaistre, M.D.
President

Prof. Elio Cacciola, M.D.
Director, Institute Of Hematology



APPROVED:

APPROVED:

Prof. Gaspare Rodolico, M.D.
Rector
University of Catania

Charles B. Mullins, M.D.
Executive Vice Chancellor
for Health Affairs
The University of Texas System



CERTIFICATE OF APPROVAL

I hereby certify that the foregoing Agreement was approved by the Board of Regents of The University of Texas System on the 9th day of August, 1990, 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

AMENDMENT TO AFFILIATION AGREEMENT

The University of Texas M. D. Anderson Cancer Center and The University of Catania, Catania, Italy executed an Affiliation Agreement ("Agreement") on August 9, 1990. The parties now desire to amend the Affiliation Agreement as provided in the sections below. This Amendment is effective upon approval by the Executive Vice Chancellor for Health Affairs of The University of Texas System.

I. Amended Sections: These sections are amended as follows:

Michael A. Title: The title of the Agreement is amended to read "AGREEMENT TO COOPERATE."

Michael B. Joint/Cross Appointments of Faculty and Staff: In order to facilitate and/or enhance programs established in the above areas the institutions, under this AGREEMENT TO COOPERATE and within the requirements of the individual institutions and subject to the particular demands of the institutions, may elect to jointly appoint faculty or staff. Joint/cross appointments shall be approved in writing by the Executive Vice Chancellor for Health Affairs of the University of Texas System prior to implementation and approved by the Board of Regents of the University of Texas System.

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

II. New Section: The following section entitled "Term and Termination" is incorporated into the AGREEMENT TO COOPERATE:

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

Amendment to Affiliation Agreement
The University of Catania, Catania, Italy

Termination shall be without penalty. If this AGREEMENT TO COOPERATE is terminated, neither The University of Texas M. D. Anderson Cancer Center nor The University of Catania, Catania, Italy shall be liable to the other for any monetary or other losses that may result.

OTHERWISE, the terms and provisions of the original Agreement by and between the parties hereto shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed by their authorized representatives.

ATTEST:

For



THE UNIVERSITY OF CATANIA
CATANIA, ITALY
IS DIRETTORE
Prof. Elio Cacciola
Elio Cacciola M.D.
Prof. Elio Cacciola, M.D.
Director, Institute of
Hematology

For

THE UNIVERSITY OF TEXAS
M. D. ANDERSON CANCER
CENTER
Charles A. LeMaistre M.D.
Charles A. LeMaistre, M.D.
President



CONTENT APPROVED:

By: *[Signature]*
Office of General Counsel
The University of Texas System

APPROVED:

By: *[Signature]*
Charles B. Mullins, M.D.
Executive Vice Chancellor
for Health Affairs
The University of Texas System

Date: 6/21/90

Date: 7/10/90

CERTIFICATE OF APPROVAL

I hereby certify that the foregoing Amendment was approved by the Board of Regents of The University of Texas System on the 9th day of August, 1990, and that the person whose signature appears above is authorized to execute such agreement on behalf of the Board.

[Signature]
Executive Secretary Board of Regents
The University of Texas System
Amendment to Affiliation Agreement
The University of Catania, Catania, Italy

6. U. T. M.D. Anderson Cancer Center: Comments by Regent Jack S. Blanton Regarding Faculty Appointments to Professional Organizations.--At the conclusion of the Health Affairs Committee meeting, Committee Chairman Blanton noted that the following seven faculty members at The University of Texas M.D. Anderson Cancer Center were recently elected president or president-elect of prestigious professional associations:

Charles M. Balch, M.D., President-elect of the Society of Surgical Oncology

Leland W. K. Chung, M.D., President-elect of the Society for Basic Urologic Research

Gerald D. Dodd, M.D., President-elect of the American Cancer Society

Dr. Isaiah J. Fidler, President-elect of the International Society of Differentiation

Helmuth Goepfert, M.D., President of the American Society for Head and Neck Surgery

Oscar M. Guillamondegui, M.D., President-elect of the Society of Head and Neck Surgeons

J. Taylor Wharton, M.D., President-elect of the American Radium Society.

Mr. Blanton stated that the election of these faculty members to such major offices acknowledges their stature among their peers and is a compliment to the U. T. M.D. Anderson Cancer Center.

REPORT AND RECOMMENDATIONS OF THE FINANCE AND FACILITIES COMMITTEE (Pages 87 - 132).--Committee Chairman Moncrief reported that the Finance and Facilities Committee had met in open session to consider those items 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 Finance and Facilities Committee and approved in open session and without objection by the U. T. Board of Regents:

I. FINANCE MATTER

1. U. T. System: Approval of Chancellor's Docket No. 53 (Catalog Change).--Upon recommendation of the Finance and Facilities Committee, the Board approved Chancellor's Docket No. 53 in the form distributed by the Executive Secretary. It is attached following Page 204 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.

Regent Ratliff abstained from voting on items within the Docket related to Exxon Corporation and Southwest Texas Electric Cooperative due to a possible conflict of interest.

II. FACILITIES MATTERS

1. U. T. Arlington - Preston Hall - Renovation: Authorization for Project; Approval for Submission to the Coordinating Board; Appointment of Friberg Associates, Inc., Fort Worth, Texas, as Project Engineer to Prepare Final Plans; Authorization to Advertise for Bids and for Executive Committee to Award Contracts; and Additional Appropriation Therefor.--The Board, upon recommendation of the Academic Affairs and Finance and Facilities Committees:
 - a. Authorized a project for the renovation of Preston Hall at The University of Texas at Arlington at an estimated total project cost of \$1,046,400
 - b. Authorized submission of the project to the Texas Higher Education Coordinating Board
 - c. Appointed the firm of Friberg Associates, Inc., Fort Worth, Texas, as Project Engineer to prepare final plans and specifications

- d. Subject to approval of the Coordinating Board, authorized the Office of Facilities Planning and Construction to advertise for bids upon completion of final review
- e. Authorized the Executive Committee to award all contracts associated with this project within the authorized total project cost
- f. Appropriated \$146,400 from U. T. Arlington General Use Fees. Permanent University Fund Bond Proceeds in the amount of \$900,000 were appropriated in the FY 1991 Capital Budget, Reserve Allocations for Repairs, approved by the U. T. Board of Regents in June 1990.

Preston Hall, which was constructed in 1927, is one of the oldest buildings on the U. T. Arlington campus and as such adds a sense of institutional continuity and tradition and provides classrooms for the English, History, Political Science, and Journalism Departments.

The existing air conditioning system was installed in 1966 and is a two-pipe fan coil unit system which has been a continuous source of maintenance problems. Water damage to ceilings, walls, floors, and carpets has been caused by leaking and rusted-out piping.

This project will involve complete removal of the existing air conditioning system and the installation of a new system that will comply with recently established energy conservation standards. Additionally, the project will include asbestos removal, construction of mechanical equipment rooms within the building, repair or replacement of damaged floors, walls and ceilings, new carpet, resealing and caulking windows, modifying exits and stairs for code compliance, and installation of a fire alarm system and emergency lighting.

- 2. U. T. Arlington: Approval in Principle for Construction and Operation of a Child Care Facility by the Young Women's Christian Association of Metropolitan Dallas (YWCA), Dallas, Texas; Authorization for Final Negotiation of Ground Lease with YWCA; and Authorization for the Executive Vice Chancellor for Academic Affairs to Execute Ground Lease and Any Required Ancillary Documents.-- Following a brief overview by President Nedderman, the Finance and Facilities Committee recommended and the Board:

- a. Concurred in principle to the construction and operation of a child care facility by the Young Women's Christian Association of Metropolitan Dallas (YWCA), a nonprofit corporation headquartered in Dallas, Texas, on The University of Texas at Arlington campus under a long-term ground lease
- b. Authorized final negotiation of the ground lease by representatives of U. T. Arlington and The University of Texas System Administration

- c. Assuming final agreement on a ground lease in substantially the form set out on Pages 90 - 130, authorized the Executive Vice Chancellor for Academic Affairs to execute said ground lease agreement and any required ancillary documents.

Key provisions of the ground lease are as follows:

- a. The U. T. Board of Regents will lease a tract of approximately one acre out of the U. T. Arlington campus (Leased Premises) to the YWCA for a term of 25 years.
- b. The YWCA will provide financing, construction, operation, and maintenance of an 8,000 square foot facility to house a licensed child care facility for children of U. T. Arlington students, faculty and staff.
- c. The YWCA will indemnify the U. T. Board of Regents and U. T. System employees and agents from all liability, claims and actions of every kind arising out of or connected with the use or occupancy of the Leased Premises. YWCA will secure casualty, liability, and workers' compensation insurance covering the Leased Premises in amounts to be negotiated and specified in the lease.
- d. All improvements to the Leased Premises revert to the U. T. Board of Regents at the expiration of the lease at no cost to the U. T. Board of Regents. The lease would grant the U. T. Board of Regents the right to purchase all improvements on the Leased Premises (subject to any required approvals by the Texas Higher Education Coordinating Board or any other agency) after the fifth year of the lease term at a price calculated in accordance with the lease.
- e. The U. T. Board of Regents will have the option to require the YWCA, at its sole cost, to demolish all improvements upon expiration or abandonment of the lease unless the U. T. Board of Regents has taken possession of the facilities. The lease may be terminated upon the occurrence of uncured defaults by YWCA.
- f. Considerations to the U. T. Board of Regents include a \$10 per year base rent, shared use of facilities by U. T. Arlington for its educational activities and operations as mutually agreeable, and use of the facilities as a learning laboratory for U. T. Arlington staff and students via a standard affiliation agreement.

DRAFT

GROUND LEASE AGREEMENT

by and between

**THE BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM
FOR THE USE AND BENEFIT OF THE
UNIVERSITY OF TEXAS AT ARLINGTON**

OWNER

and

**THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN DALLAS**

LESSEE

Dated: As of _____, 1990

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DRAFT

GROUND LEASE AGREEMENT

THE STATE OF TEXAS S
 S
COUNTY OF TARRANT S

This Lease Agreement ("Lease") is entered into as of the _____ day of _____, 19____, by and between THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS for the use and benefit of THE UNIVERSITY OF TEXAS AT ARLINGTON ("Owner"), and THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF METROPOLITAN DALLAS ("Lessee").

ARTICLE 1

LEASE OF PROPERTY

Section 1.01. Premises Leased. Owner, in consideration of the rents, covenants, agreements and conditions herein set forth which Lessee hereby agrees shall be paid, kept and performed, does hereby lease unto Lessee, and Lessee does hereby rent and lease from Owner, the real property described on Exhibit A, attached hereto (the "Land") together with all of Owner's rights, interests, estates, and appurtenances thereto, all improvements thereon, and all other rights, titles, interests, and estates, if any, of the Owner in other portions of the Land and adjacent streets and roads.

Section 1.02. Premises Defined. The Land leased hereby is a portion out of the campus of The University of Texas at Arlington, an institution of higher education of the State of Texas (hereinafter referred to as "U.T. Arlington"). All of the Land and the properties, rights, and interests leased to Lessee pursuant to Section 1.01, together with all improvements now or hereafter constructed thereon, are hereinafter collectively referred to as the "Premises."

Section 1.03. Habendum. TO HAVE AND TO HOLD the Premises, together with all and singular the rights, privileges, and appurtenances thereunto attaching or in anywise belonging, exclusively unto Lessee, its successors and assigns, for the term set forth in Article 2, subject to termination as herein provided, and subject to and upon the covenants, agreements, terms, provisions, and limitations herein set forth.

ARTICLE 2

TERM OF LEASE

Unless sooner terminated as herein provided, this Lease shall be and continue in full force and effect for a term ("Term") commencing on the date hereof and ending at midnight, September 1, 2016 (the "Expiration Date").

ARTICLE 3

RENT AND ADDITIONAL CONSIDERATION

Section 3.01. Rent. During the Term of this Lease, Lessee covenants to pay Owner rental in an amount equal to \$10.00 per year ("Rent"). Such rental shall be due and payable in advance beginning on the date hereof and continuing annually thereafter or may be prepaid.

Section 3.02. Additional Consideration.

(a) Lessee will execute an affiliation agreement with U. T. Arlington to facilitate use of Lessee's improvements as a learning laboratory for students of U. T. Arlington.

(b) The parties agree to the composition of a Liaison Committee of three representatives appointed by the President of U. T. Arlington and three representatives appointed by Lessee to meet at least four times a year to discuss and make recommendations to the President of U. T. Arlington and to the YWCA Board of Directors concerning the mutual goals of Lessee and U. T. Arlington.

(c) Owner and Lessee shall cooperate to obtain funds from grants, foundations and other private sources for the purpose of obtaining funds for scholarships and other activities of the child care center which will help to reduce the fees paid by faculty, staff and students of U. T. Arlington in using the services of Lessee.

ARTICLE 4

IMPOSITIONS, UTILITIES, NET LEASE

Section 4.01. Impositions Defined. The term "Impositions" shall mean all taxes, assessments, use and occupancy taxes, water and sewer charges, rates and rents, charges for public utilities, excises, levies, license and permit fees, and other charges by any public authority, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever, which shall or may during the Term be assessed, levied, charged, confirmed or imposed by any public authority upon or accrued or become a lien on (i) the Premises or any part thereof; (ii) the buildings or improvements now or hereafter comprising a part thereof; (iii) the appurtenances thereto or the sidewalks, streets, or vaults adjacent thereto; (iv) the rent and income received by or for the account of Lessee from any sublessees or for any use or occupation of the Premises; (v) such franchises, licenses, and permits as may be pertinent to the use of the Premises; or (vi) any documents to which the Lessee is a party creating or transferring an interest or estate in the Premises. Impositions shall not

include any income tax, capital levy, estate, succession, inheritance or transfer taxes, or similar tax of Owner; any franchise tax imposed upon any owner of the fee of the Premises; or any income, profits, or revenue tax, assessment, or charge imposed upon the rent or other benefit received by Owner under this Lease by any municipality, county, state, the United States of America, or any other governmental body, subdivision, agency, or authority (hereinafter all of the foregoing governmental bodies are collectively referred to as "Governmental Authorities"). If at any time during the Term the present method of taxation shall be so changed that the whole or any part of the taxes, assessments, levies, impositions or charges now levied, assessed or imposed on real estate and improvements thereon shall be discontinued and in whole or partial substitution therefor, taxes, assessments, levies, impositions, or charges shall be levied, assessed, and/or imposed wholly or partially as a capital levy or otherwise on the rents received from said real estate or the rents received herein or any part thereof, then such substitute taxes, assessments, levies, impositions, or charges, to the extent so levied, assessed, or imposed, shall be deemed to be included within the term Impositions.

Section 4.02. Lessee's Obligation. During the Term Lessee will pay as and when the same shall become due all Impositions, except those specifically reserved as the responsibility of the Owner elsewhere in this Article 4. Impositions that are payable by Lessee for the tax year in which this Lease commences as well as during the year in which the Term ends shall be apportioned so that Lessee shall pay its proportionate share of the Impositions payable by Lessee for such periods of time. Where any Imposition that Lessee is obligated to pay may be paid pursuant to law in installments, Lessee may pay such Imposition in installments as and when such installments become due. Lessee shall, if so requested, deliver to Owner evidence of due payment of all Impositions Lessee is obligated to pay hereunder, concurrently with the making of such payment.

Section 4.03. Tax Contest. Lessee may, at its sole cost and expense, contest the validity or amount of any Imposition for which it is responsible, in which event the payment thereof may be deferred, as permitted by law, during the pendency of such contest, if diligently prosecuted. Fifteen (15) days prior to the date any contested Imposition shall become due, Lessee shall deposit with Owner or, at the election of Lessee, such bank or trust company having its principal place of business in Dallas County, Texas, selected by Lessee and reasonably satisfactory to Owner (the "Imposition Trustee"), an amount sufficient to pay such contested item, together with any interest and penalties thereon and the estimated fees and expenses of any Imposition Trustee, which amount shall be applied to the payment of such items when the amount thereof shall be finally determined. In lieu of such cash deposit, Lessee may deliver to Owner a surety company bond in form and

substance, issued by a company satisfactory to Owner, or other security reasonably satisfactory to Owner. Nothing herein contained, however, shall be construed to allow any Imposition to remain unpaid for such length of time as would permit the Premises, or any part thereof, to be sold or seized by any Governmental Authority for the nonpayment of the same. If at any time, in the judgment of Owner reasonably exercised, it shall become necessary to do so, Owner may, after written notice to Lessee, under protest if so requested by Lessee, direct the application of the amounts so deposited or so much thereof as may be required to prevent a sale or seizure of the Premises or foreclosure of any lien created thereon by such item. If the amount deposited exceeds the amount of such payment, the excess shall be paid to Lessee, or, in case there should be any deficiency, the amount of such deficiency shall be promptly paid on demand by Lessee to Owner (provided Owner has advanced such amount), and, if not so paid, such amount shall be a debt of Lessee to Owner, together with interest thereon at a rate per annum equal to the prime rate of interest from time to time announced by Morgan Guaranty Bank of New York, plus two percent (2%) per annum, but not in excess of the maximum lawful rate (the "Contract Rate"), from the date advanced until paid. Lessee shall promptly furnish Owner with copies of all proceedings and documents with regard to any tax contest, and Owner shall have the right, at its expense, to participate therein.

Section 4.04. Evidence Concerning Impositions. The certificate, advice, bill, or statement issued or given by the appropriate officials authorized by law to issue the same or to receive payment of any Imposition of the existence, nonpayment, or amount of such Imposition shall be prima facie evidence for all purposes of the existence, nonpayment, or amount of such Imposition.

Section 4.05. Rendition. Lessee shall have the right to render the Premises for each Governmental Authority imposing Impositions thereon, if any, and may, if Lessee shall so desire, endeavor at any time or times to obtain a lowering of the valuation of the Premises for any year for the purpose of reducing ad valorem taxes thereon and, in such event, Owner will, at the request of Lessee, cooperate in effecting such a reduction, provided the Owner shall not be required to incur any expense in connection therewith without its prior consent.

Section 4.06. Utilities. Lessee shall pay all charges for gas, electricity, light, heat, air conditioning, power, telephone and other communication services, and all other utilities and similar services rendered or supplied to the Premises, and all water rents, sewer service charges, or other similar charges levied or charged against, or in connection with, the Premises.

Section 4.07. Net Lease. Owner shall not be required to make any expenditure, incur any obligation, or incur any liability of

any kind whatsoever in connection with this Lease or the financing of the Premises. It is expressly understood and agreed that this is a completely net lease intended to assure Owner the rentals herein reserved on an absolute net basis.

ARTICLE 5

IMPROVEMENTS

Section 5.01. Existing Improvements. Lessee acknowledges that it is leasing the real property currently constituting a part of the Premises "AS IS, WHERE IS, WITH ALL FAULTS" and that Owner is making no representations or warranties as to the condition of the Land or any improvements.

Section 5.02. Construction of New Improvements.

(a) Lessee shall have the right, from time to time and at any time, at its sole cost and risk, subject to the subsequent provisions of this Section 5.02, to remove any improvements or portions of improvements situated upon the Land and to construct replacement improvements therefor, if Lessee so elects, provided that any such replacement improvements are constructed in accordance with the Construction Standards (hereafter defined). As used hereafter, the term "Improvements" shall mean any buildings, structures, or other improvements located at any time upon the Land, in whole or in part.

(b) Lessee shall have the right to remove any Improvements that are situated upon the land as of the effective date of this Lease. Lessee shall be free to construct replacement Improvements at such time as:

(1) Lessee has furnished to Owner for Owner's review plans and specifications for the replacement Improvements;

(2) Lessee provides to Owner reasonably satisfactory evidence that an independent third party has made the judgment that the replacement Improvements will generate sufficient cash flow to make this project viable, it being specifically agreed that the execution by Lessee of a promissory note, deed of trust or mortgage, and other documents evidencing that Lessee has obtained an interim construction loan for construction of such replacement Improvements shall be conclusive evidence that an independent third party has made such judgment; and

(3) Lessee has delivered to Owner a Performance Bond in form reasonably satisfactory to Owner, executed by a surety licensed for business in Texas (the "Performance Bond"). The above referenced Performance Bond shall remain in full force and effect until completion of the replacement Improvements in question. Upon completion of such replacement Improvements (which shall be

evidenced by a certificate of occupancy issued by the City of Arlington, Texas for the building, or if such certificates are not then generally given by the City of Arlington, Texas for improvements such as the replacement Improvements, then by a certificate of substantial completion by the project architect therefor), any Performance Bond executed in connection with constructing such replacement Improvements shall be of no further force or effect and shall be returned to the guarantor executing the same.

(c) Lessee may remove any existing replacement Improvements from time to time situated in whole or in part upon the Land, provided that Lessee plans to construct new replacement Improvements and that, prior to demolishing any such existing replacement Improvements, Lessee shall deliver to Owner plans or notice of the proposed Improvements for approval, unless such Improvements are ordinary repairs and/or maintenance.

Section 5.03. Alterations. At any time and from time to time during the Term, Lessee may perform such alteration, renovation, repair, refurbishment, and other work with regard to any Improvements as Lessee may elect, provided that the same is done in accordance with the Construction Standards.

Section 5.04. Construction Standards and Liens.

(a) Any and all Improvements shall be constructed, and any and all alteration, renovation, repair, refurbishment, or other work with regard thereto shall be performed, in accordance with the following "Construction Standards" (herein so referenced):

(1) All such construction or work shall be performed in a good and workarlike manner in accordance with good industry practice for the type of work in question;

(2) All such construction or work shall be done in compliance with all applicable building codes, ordinances, and other laws or regulations of Governmental Authorities having jurisdiction (the "Building Regulations");

(3) No such construction or work shall be commenced until there shall have been first obtained all licenses, permits, and authorizations required of all Governmental Authorities having jurisdiction;

(4) Lessee shall have obtained and shall maintain in force and effect the insurance coverage required in Article 7 with respect to the type of construction or work in question; and

(5) After commencement, such construction or work shall be prosecuted with due diligence to its completion.

(6) Lessee covenants and agrees that any Improvements it constructs on the Premises will be constructed and the Premises will be graded in such a way as to drain properly and not be subject to foreseeable flooding. Lessee shall not be responsible for constructing any storm drainage improvements beyond those necessary to insure that water on the Premises drains properly, nor shall Lessee be responsible for payment of any costs or expenses with respect to improving streets or sidewalks adjoining the Premises.

(b) Lessee shall have no right, authority, or power to bind Owner or any interest of Owner in the Premises for any claim for labor or for material or for any other charge or expense incurred in construction of any Improvements or performing any alteration, renovation, repair, refurbishment, or other work with regard thereto, nor to render Owner's interest in the Premises liable for any lien or right of lien for any labor, materials, or other charge or expense incurred in connection therewith, and Lessee shall in no way be considered as the agent of Owner in the construction, erection, or operation of any such Improvements. If any liens or claims for labor or materials supplied or claimed to have been supplied to the Premises shall be filed, Lessee shall promptly pay or bond such liens to Owner's reasonable satisfaction or otherwise obtain the release or discharge thereof.

Section 5.05. Ownership of Improvements. During the Term of this Lease, including any extension thereof, all Improvements to the extent located on the Land shall be solely the property of Lessee. Upon the expiration of the Term (including any extension thereof) or the earlier termination of this Lease, whether by reason of default on the part of Lessee, or for any other reason whatsoever, the Improvements, and all parts thereof, and any other Improvements erected on the Land by Lessee in the future during the Term of this Lease, shall merge with the title to the Land, free of any provisions of Article 2 hereof with respect to the rights of Permitted Mortgagees holding Permitted Mortgages, as both such terms are hereinafter defined (except that title to the Improvements shall vest in any Permitted Mortgagee who receives a New Lease pursuant to Section 12.01 (c) (4) hereof), and free of the rights of tenants under subleases claiming under or through Lessee (except for purchase money security interests in equipment and except for trade fixtures and personal property of sublessees of space in the Improvements that can be removed without damage to the Improvements). All loose equipment and equipment that may be removed without damage to the structure may be retained and removed from the Premises by the Lessee prior to expiration or termination of the Term. Subject to the provisions of Articles 9 and 10 hereof, Lessee shall deliver up the Leased Premises to Owner in reasonably good condition, actual wear and tear excepted. Upon the termination of this Lease, Lessee, at Owner's request, will execute a recordable instrument evidencing the termination of this Lease and stating the termination date.

Section 5.06. Expansion of Facilities. Owner and Lessee agree that it is appropriate and desirable to increase the size of the child care facility on the Premises to serve a larger number of children as demand dictates. Therefore, upon mutual agreement of the parties that there exists sufficient demand to justify expansion of the child care facility, it is understood that an addition may be built either on the Premises or upon additional land made available by Owner to Lessee adjoining the Premises. Any such addition to the facility must meet the requirements outlined in this Article 5. Owner shall reserve, during the Term of this Lease, a sufficient and appropriate adjoining portion of the U. T. Arlington campus to be used for future expansion of the Project facilities.

Section 5.07 Owner's Option to Require Demolition. Owner shall have the option to require Lessee to demolish the Improvements and clear the land of all rubble and debris at Lessee's sole cost and expense upon the occurrence of either (a) the "Abandonment" (as hereinafter defined) of the Premises by Lessee, or (b) the Expiration Date, provided that:

(1) Owner has not exercised the option to purchase Lessee's interest in the Premises, as provided for in Article 16 hereof;

(2) Lessee has not donated its interest in the Premises to Owner and Owner has accepted them after obtaining any approvals required by law; and

(3) Prior to the Expiration Date, Lessee has not submitted a written proposal to Owner requesting that Owner enter into a renewal of this Lease or an amendment to this Lease upon reasonable terms and conditions which would give Lessee the right to own and operate the Project for a period of time beyond the Expiration Date and Owner and Lessee have not executed such a renewal or amendment to extend the time period for Lessee's ownership and operation of the Project within one hundred twenty (120) days after the Expiration Date.

As used herein, the term "Abandonment" shall mean (i) Lessee's voluntary surrender of the Premises to Owner prior to the Expiration Date, or (ii) Lessee's failure to operate and maintain the Premises as required under Article 7 for a period of at least two consecutive years; provided, however, that Lessee shall not be deemed to have "abandoned" the Premises for purposes of Section 5.07 if any Permitted Mortgagee exercises its rights to succeed to Lessee's leasehold interest or to enter into a New Lease of the Premises.

Owner shall give Lessee written notice of its exercise of such option to require demolition no later than thirty (30) days after the occurrence of either (a) the "Abandonment" of the Premises by the Lessee as hereinabove defined, or (b) the Expiration Date if

none of the events specified in subparagraphs (1), (2) and (3) of this Section 5.07 has occurred. If Owner fails to give such notice within said time period, Owner shall be deemed to have waived its option to have Lessee demolish the Improvements. Lessee shall demolish the Improvements and clear the Land of all rubble and debris within two hundred seventy (270) days after the receipt of such notice.

ARTICLE 6

SPECIAL COVENANTS OF OWNER AND LESSEE

Section 6.01. Promotion of Project. Owner hereby covenants and agrees that it shall cooperate with Lessee, and shall cause the administration of U. T. Arlington to cooperate with Lessee, in promoting the use of the Project (as described in Section 6.03 hereof) by the officers, employees, faculty, staff and students of U. T. Arlington and shall take no action which could have an unreasonably adverse impact upon the use or operation of the Project. In connection with the foregoing, Owner's obligation to promote the use of the Project shall include the following:

(a) Owner shall allow Lessee to participate in the registration procedure whereby students register for classes in the forthcoming semester and shall allow Lessee to provide each student with information regarding the child care services available. Should the registration procedure at any time in the future become computerized so that any student wishing to pre-register or register for classes in the forthcoming semester may do so through the use of computer software, an option shall be provided to each registrant through the computerized or automated system whereby each registrant is aware of the child care services available.

(b) Owner shall not block nor change the configuration of the existing streets in such a manner as to deny adequate access comparable to that currently in place leading to the Premises.

(c) Owner shall include a description of the Project in promotional materials relating to U. T. Arlington including, without limitation, a designation of the site of the Project on all maps promulgated by Owner, and a description of the Project in U. T. Arlington's Catalog.

Section 6.02. Use of the Premises. Lessee covenants that it will use the Premises only for the development and operation of the Project (hereinafter defined), limited to uses now or hereafter customarily related to or connected with the operation of a child care center. Lessee covenants that it will operate the Project with such personnel and during such hours as shall be (i) appropriate to the demand for the services offered by Lessee, and (ii) in compliance with all federal, state and local laws and regulations affecting Lessee's operations on the Premises. Owner

and Lessee covenant and agree that the Project shall be for the use and benefit of the officers, staff, students, faculty, employees and guests of Owner, and is, therefore, related to the performance of the duties and functions of a public institution of higher education of the State of Texas. While officers, staff, students, faculty, employees and guests of Owner shall be granted priority at all times in registration for all services, it is expressly understood that enrollment may be opened to other persons entitled to utilize the services of the YWCA if, (i) on that date which is fourteen (14) days after the first day of classes for any academic semester at U. T. Arlington, the Project facility is not operating at ninety percent (90%) capacity, or (ii) Owner and Lessee agree, pursuant to the recommendation of the Liaison Committee, to otherwise open enrollment. Enrollment and registration policies shall be subject to review by the Liaison Committee.

Section 6.03. Construction by Lessee. Lessee agrees, at its sole cost and expense, to construct the Project on the Premises substantially in accordance with the floor plan identified as Exhibit B attached hereto, and general concept plans which have heretofore been approved by Owner and Lessee. The Project (herein so called) shall be a child care center of approximately 8000 square feet, initially licensed to serve between 165 and 185 children. Lessee agrees to complete such construction and open the Project on or before September 1, 1991. Lessee shall deliver to Owner final plans and specifications in respect thereto for review and further approval by The University of Texas System Office of Facilities Planning and Construction (OFPC). Such approval, if given by OFPC, shall be given in writing within fifteen (15) business days of the receipt of the plans and specifications and shall not be unreasonably withheld. Review by OFPC shall be in accordance with the standards customarily applied to construction projects within The University of Texas System. Owner agrees that it will not use its right to grant or withhold any such approval as a means to obtain increased Rent or to extract other economic concessions from Lessee. Rather, Owner agrees to make its decision, as to whether to grant or withhold approvals of any proposed changes in the plans and specifications, solely on its evaluation of whether, if a proposed change is made, the Project will be constructed in a manner consistent with the construction of a high quality child care facility and compatible with the architectural design of the surrounding buildings. Owner will cooperate with Lessee to enable Lessee to obtain any necessary zoning changes or necessary approval of governmental authorities or other parties for easements, utilities, party wall agreements and other matters reasonably necessary to enable Lessee to construct and operate the Project. Lessee covenants that from and after the commencement of construction of the Project, Lessee will cause such construction to be prosecuted with due diligence, in a good and workerlike manner, substantially in accordance with all plans and specifications theretofore approved by Owner and Lessee and in accordance with all Building Regulations and will cause such

construction to be completed free of any Lien except Permitted Mortgages.

The plans and specifications for the Project shall provide that the exterior of the building to be constructed thereunder shall be constructed in such a style and of such materials as to be comparable in appearance and quality to the exterior finish of the other buildings in the adjoining area of the U. T. Arlington campus.

During the construction of the Project facilities, the work of the Lessee shall be subject to inspection by OFPC representatives and by authorized personnel of U. T. Arlington in order to verify compliance with safety, fire and building codes, determine compliance with approved construction plans and specifications or such other inspections as may be necessary in the opinion of the Owner.

Notwithstanding the foregoing provisions of this Section 6.03 or any other covenant or agreement of Lessee herein contained regarding the obligation of Lessee to construct the Project, Lessee's obligations hereunder with respect to the construction of the Project are expressly contingent upon Lessee obtaining suitable financing upon terms and conditions acceptable in all respects to Lessee. Should Lessee fail to obtain suitable construction financing within forty-five (45) days from the date of this Lease, the obligations of each party hereto shall cease and this Lease shall henceforth become void and of no further force and effect.

Section 6.04. Signs. Owner hereby covenants and agrees that Lessee shall be allowed to construct two lighted directional signs which shall direct vehicles to the Project and indicate the available services, provided such signs are aesthetically compatible with the campus of U. T. Arlington and provided that such signs are approved by the Vice President for Business Affairs for U. T. Arlington. Lessee shall also be granted the right in connection with the construction of such signs, to lay conduit for electricity along existing roads or rights-of-way from the Project to the location of such signs.

Section 6.05. Competing Facilities. Owner hereby covenants and agrees, as a material inducement to Lessee and in consideration of Lessee's agreements set forth herein, that it or any third party on its behalf or with its consent will not construct, operate or maintain any additional child care facilities on or in conjunction with the campus of U. T. Arlington during the Term of this Lease; provided, however, that if Owner gives Lessee written notice of Owner's desire to locate additional child care facilities at the U. T. Arlington campus, and Lessee does not, within ninety (90) days after Owner's notice, deliver to Owner written notice of Lessee's election to either expand the Project or to construct and operate an additional separate child care facility under terms and

conditions mutually agreeable to the parties, then Owner shall be free to construct and operate additional child care facilities at U. T. Arlington either directly or through a third party.

ARTICLE 7

USE, MAINTENANCE, AND REPAIRS

Section 7.01. Use.

(a) Subject to the terms and provisions hereof, Lessee shall have the right to use and enjoy the Premises in a lawful manner for the purposes specified in Section 6.02 hereof.

(b) Lessee shall not use or occupy, permit the Premises to be used or occupied, nor do or permit anything to be done in or on the Premises in a manner which would in any way make void or voidable any insurance then in force with respect thereto, which would make it impossible to obtain the insurance required to be furnished by Lessee hereunder, which would constitute a public or private nuisance, or which would violate any present or future, ordinary or extraordinary, foreseen or unforeseen, laws, regulations, ordinances, or requirements of any Governmental Authority having jurisdiction.

(c) Lessee shall not use the Premises or permit the Premises to be used so as to cause, suffer or allow any contamination of soils, ground water, surface water or natural resources on or adjacent to the Premises resulting from any cause, including but not limited to spills or leaks of oil, gasoline, hazardous materials, hazardous wastes or other chemical compounds. Lessee shall at all times during the Term of this Lease comply with applicable state, federal and local laws, regulations and guidelines for the use, handling, storage and disposal of hazardous materials. Lessee shall be solely responsible for cleanup of any contamination and for any fines or penalties resulting from violation of the provisions of this Section 7.01(c).

Section 7.02. Maintenance and Repairs.

(a) Subject to Lessee's rights under Article 5, Lessee shall take good care of the Premises, make all repairs thereto, interior and exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen, and shall maintain and keep the Premises in first-class order, repair, and condition at all times.

(b) Lessee will not do, permit or suffer any waste, damages, disfigurement, or injury to or upon the Premises or any part thereof, but this Section 7.02 (b) shall not be construed as limiting Lessee's rights under Article 5.

(c) Owner shall have no obligation to maintain or repair the Premises, but shall maintain Owner's adjoining property to prevent damage to the Premises.

ARTICLE 8

INSURANCE AND INDEMNITY

Section 8.01. Building Insurance. Lessee will, at its cost and expense, keep and maintain in force the following policies of insurance:

(a) Insurance on the Improvements against loss or damage by fire and against loss or damage by any other risk now and from time to time insured against by "extended coverage" provisions of policies generally in force on improvements of like type in Tarrant County, Texas, and in builder's risk completed value form during construction, in amounts sufficient to provide coverage for the full insurable value of the Improvements; the policy for such insurance shall have a replacement cost endorsement or similar provision. "Full insurable value" shall mean actual replacement value (exclusive of cost of excavation, foundations, and footings below the surface of the ground or below the lowest basement level), and such full insurable value shall be confirmed from time to time at the request of Owner by one of the insurers.

(b) Boiler and pressure apparatus insurance to the limit of not less than \$10,000,000 with respect to any one accident, such limit to be increased if requested by Owner by an amount which may be reasonable at the time. If the Improvements shall be without a boiler plant, no such boiler insurance will be required.

(c) Workers' Compensation Insurance as to Lessee's employees involved in the construction, operation, or maintenance of the Premises in compliance with applicable law.

(d) Such other insurance against other insurable hazards which at the time are commonly insured against in the case of improvements similarly situated, due regard being given to the height and type of the Improvements, their construction, location, use, and occupancy.

Section 8.02. Liability Insurance. Lessee shall secure and maintain in force comprehensive general liability insurance, including contractual liability specifically applying to the provisions of this Lease and completed operations liability, with limits of not less than \$1,000,000 with respect to bodily injury or death to any number of persons in any one accident or occurrence and with respect to property damage in any one accident or occurrence.

Section 8.03. Policies. All insurance maintained in accordance with the provisions of this Article 8 shall be issued by

companies reasonably satisfactory to Owner and all Permitted Mortgagees (hereafter defined), and shall be carried in the name of both Owner and Lessee, as their respective interests may appear, and shall contain a mortgagee clause acceptable to the Permitted Mortgagees. All property policies shall expressly provide that any loss thereunder may be adjusted with Lessee and Permitted Mortgagee having first lien priority, who shall agree to receive and disburse all proceeds as set forth in Section 9.04. All liability insurance policies shall name Owner as an additional named insured and shall include contractual liability endorsements. Lessee shall furnish Owner and each Permitted Mortgagee with duplicate originals or copies certified as being true and correct of all insurance policies required under this Article 8, and shall furnish and maintain with each of such parties, at all times, a certificate of the insurance carrier certifying that such insurance shall not be cancelled without at least fifteen (15) days advance written notice to each of such parties.

Section 8.04. Lessee's Indemnity. Lessee shall indemnify and hold harmless Owner, and Owner's officers, employees and agents (the "Indemnified Parties"), from all claims, suits, actions, and proceedings ("Claims") except those arising from the actions of Owner, which may be brought or instituted on account of or growing out of any and all injuries or damages, including death, to persons or property relating to the use or occupancy of the Premises and all losses, liabilities, judgments, settlements, costs, penalties, damages, and expenses relating thereto, including but not limited to attorneys' fees and other costs of defending against, investigating, and settling the Claims. Lessee shall assume on behalf of the Indemnified Parties and conduct with due diligence and in good faith the defense of all Claims against any of the Indemnified Parties, whether or not Lessee is joined therein; provided, however, without relieving Lessee of any of its obligations under this Section, the Owner, at its election, may defend or participate in the defense of any or all of the Claims through the Attorney General of Texas or with attorneys or representatives of their own choosing. Maintenance of the insurance referred to in this Article 8, shall not affect Lessee's obligations under this Section 8.04, and the policy limits of such insurance shall not constitute a limit on the Lessee's liability under this Section; provided, however, that Lessee shall be relieved of its obligation of indemnity to the extent, and only to the extent, of the amount actually recovered from one or more of the insurance carriers of Lessee or Owner and either (i) paid to Owner or (ii) paid for Owner's benefit in reduction of any liability, penalty, damage, expense, or charge actually imposed upon, or incurred by, Owner in connection with the Claims. Lessee shall have the right to contest the validity of any Claims, in the name of Owner or Lessee, as Lessee may deem appropriate, provided that the expenses thereof shall be paid by Lessee, or Lessee shall cause the same to be paid by its insurer. Should Owner sublease space in the Improvements, then the indemnity set forth in this

Section 8.04 shall not be construed to limit any indemnity given by Owner as subtenant thereunder, to Lessee, as sublessor thereunder, pursuant to Owner's and Lessee's sublease for space in the Improvements, nor shall the indemnity set forth herein apply to Owner's and Lessee's relationship as subtenant and sublessor under such sublease. The obligations of Lessee under this Section 8.04 shall survive the expiration of the Term or the earlier termination of this Lease.

Section 8.05. Subrogation. Anything in this Lease to the contrary notwithstanding and to the extent authorized by the Constitution and laws of the State of Texas, Owner and Lessee each hereby waive any and all rights of recovery, claims, actions, or causes of action against the other, its agents, officers, and employees for any injury, death, loss, or damage that may occur to persons or the Building, or any part thereof, or any personal property of such party therein, by reason of fire, the elements, or any other cause which is insured against under the terms of the policies of casualty insurance or workers' compensation insurance that Lessee is required to provide hereunder, or under any policies of insurance maintained by Owner, to the extent, and only to the extent, of any proceeds actually received by Owner or Lessee respectively, with respect thereto, regardless of cause or origin, including negligence of either party hereto, its agents, officers, or employees, and each party covenants that no insurer shall hold any right of subrogation against the other. Should Owner sublease space in the Improvements, then the waivers set forth in this Section 8.05 shall not be construed to limit any waivers given by Owner as subtenant thereunder, to Lessee, as sublessor thereunder, pursuant to Owner's sublease for space in the Improvements, nor shall waivers set forth herein apply to Owner's and Lessee's relationship as subtenant and sublessor under such sublease.

Section 8.06. Coverage. All insurance described in this Article 8 may be obtained by Lessee by endorsement or equivalent means under any blanket insurance policies maintained by Lessee, provided that the coverage and other terms of such insurance otherwise comply with this Article 8.

ARTICLE 9

DAMAGE OR DESTRUCTION

Section 9.01. Lessee to Give Notice. In the event of any damage to or destruction of the Project or any part thereof, Lessee will give written notice thereof to Owner and any Permitted Mortgagee, generally describing the nature and extent of such damage or destruction.

Section 9.02. Restoration. In the event of any damage to or destruction of the Project which does not result in the termination of this Lease pursuant to Section 9.03 below, this Lease shall

continue in full force and effect and Lessee agrees that it will, at its expense, commence the work of restoring the Project to its condition immediately prior to such casualty, subject to delays caused or arising out of any matter described or referred to in Section 14.12 of this Lease, and will prosecute the restoration to completion with due diligence and continuity.

Section 9.03. Election to Terminate. In the event any destruction of the Project shall occur during the Term to the extent that it is not economically feasible to restore the project and continue this Lease in effect for the remainder of the Term, Lessee shall have the option to terminate this Lease. The determination as to whether it is economically feasible to restore the Project shall be made solely by Lessee. Lessee shall give written notice to Owner within one hundred twenty (120) days after the date of the casualty causing such damage stating whether Lessee has elected to terminate this Lease or whether Lessee has elected to repair and restore such damage. If Lessee elects to terminate this Lease, Lessee shall, upon written request by the Owner, demolish any remaining Improvements, clear the Land of all rubble and debris and clean the Land, at Lessee's sole cost. If Lessee does not give such notice within said one hundred twenty (120) day period, then Lessee shall be deemed to have elected to repair and restore and this Lease shall continue in full force and effect.

Section 9.04. Application of Insurance Proceeds.

(a) In the event Lessee elects not to restore the Project and to terminate this Lease as provided in Section 9.03, the insurance proceeds received on account of any such damage or destruction, after paying or otherwise providing for all liabilities and other sums secured by any Permitted Mortgage, as defined in Section 12.01 hereof, shall be paid in the following order of priority: (i) there shall be paid to Owner an amount equal to the amount reasonably required to demolish the damaged or destroyed Project, to remove the rubble and clean the Premises, provided that such amount shall not be paid to Owner if Lessee has demolished and cleared the Premises at Lessee's cost pursuant to Owner's request under Section 9.03 hereof; (ii) there shall next be paid to Owner an amount equal to the value of the Premises as determined by mutual agreement of Owner and Lessee as if the Premises were vacant and unimproved and available for its best and most economic lawful use, but as encumbered by this Lease (or if Owner and Lessee cannot agree as to such value, such value shall be determined by arbitration); and (iii) the remainder of the proceeds shall be paid to Lessee.

(b) Subject to the terms of any Permitted Mortgage, insurance proceeds paid or payable on account of any damage to or destruction of the Project or any part thereof (other than destruction resulting in the termination of this Lease pursuant to Section 9.03. hereof) shall be delivered to the Permitted Mortgagee, or if there is no such Permitted Mortgagee, to the Lessee, and shall be

disbursed by such party from time to time as the restoration of the Project progresses. Upon submission to the Owner of satisfactory evidence that the restoration of the Project has been completed, that the cost thereof has been paid in full and that there are no Liens which have not been released or bonded around, the balance, if any, of such proceeds shall, subject to the terms of any Permitted Mortgage, be paid to Lessee.

ARTICLE 10

CONDEMNATION

Section 10.01. No Taking by Owner. Owner hereby covenants and agrees that during the Term it will not exercise or attempt to exercise its power of condemnation over any portion or all of the Premises.

Section 10.02. Total Taking. Should the entire Premises be taken (which term, as used in this Article 10, shall include any conveyance in avoidance or settlement of eminent domain, condemnation, or other similar proceedings) by any Governmental Authority, corporation, or other entity under the right of eminent domain, condemnation, or similar right, then Lessee's right of possession under this Lease shall terminate as of the date of taking possession by the condemning authority, and the award therefor will be distributed as follows: (i) first, to the payment of all reasonable fees and expenses incurred in collecting the award; and (ii) second, the balance of the award shall be equitably apportioned between Owner and Lessee, based on the then respective fair market values of Owner's interest in the Premises (appraised by reference to all relevant factors including the income stream derivable by Owner under this Lease and the then present value of Owner's reversionary interest in the entire Premises after expiration of the originally stated Term) and Lessee's interest in the Premises (appraised by reference to all relevant factors, including the income stream derivable by Lessee from the Premises for the remainder of the originally stated Term) with any award to Lessee payable to Lessee and any Permitted Mortgagees as their interests may appear. If Owner and Lessee are unable to agree on the respective fair market values of their interests in the Premises, then the matter shall be submitted to arbitration as provided in Section 15.03. After the determination and distribution of the condemnation award as herein provided, the Lease shall terminate.

Section 10.03. Partial Taking. Should a portion of the Premises be taken by any Governmental Authority, corporation, or other entity under the right of eminent domain, condemnation, or similar right, this Lease shall nevertheless continue in effect as to the remainder of the Premises unless, in Lessee's reasonable judgment, so much of the Premises shall be so taken as to make it economically unsound to use the remainder for the uses and purposes

contemplated hereby, whereupon this Lease shall terminate as of the date of taking of possession by the condemning authority in the same manner as if the whole of the Premises had thus been taken, and the award therefor shall be distributed as provided in Section 10.02. In the event of a partial taking where this lease is not terminated, the Rent payable during the remainder of the Term after taking of possession by the condemning authority shall be reduced on a just and proportionate basis having due regard to the relative value and square footage of the portion of the Premises thus taken as compared to the remainder thereof and taking into consideration the extent, if any, to which Lessee's use of the remainder of the Premises shall have been impaired or interfered with by reason of such partial taking. If Owner and Lessee are unable to agree as to a just reduction in Rent, the matter shall be submitted to arbitration as provided in Section 15.03.

Section 10.04. Award on Partial Taking. In the event of a partial taking where this Lease is not terminated, and as a result thereof Lessee will need to restore, repair, or refurbish the remainder of the Premises in order to put them in a usable condition, then (a) the award shall first be apportioned as provided in Section 10.02, considering the respective interests of Owner and Lessee in the portion of the Premises taken, (b) the portion allocable to Owner shall be paid to Owner, and (c) the portion of the award payable to Lessee shall be deposited with the Permitted Mortgagee having first lien priority (or if there be none, to Owner) and disbursed for payment of such restoration, repair and refurbishment work in accordance with the provisions of Section 9.04. If a portion of the Premises is taken and no repair or restoration work is required because thereof, the award therefor shall be apportioned as provided in Section 10.02, considering the respective interests of Owner and Lessee in the portion of the Premises taken.

Section 10.05. Temporary Taking. If the whole or any portion of the Premises shall be taken for temporary use or occupancy, the Term shall not be reduced or affected and Lessee shall continue to pay the Rent in full. Except to the extent Lessee is prevented from so doing pursuant to the terms of the order of the condemning authority, Lessee shall continue to perform and observe all of the other covenants, agreements, terms, and provisions of this Lease.

In the event of any temporary taking, Lessee shall be entitled to receive the entire amount of any award therefor unless the period of temporary use or occupancy shall extend beyond the expiration of the Term, in which case such award, after payment to Owner therefrom for the estimated cost of restoration of the Premises to the extent that any such award is intended to compensate for damage to the Premises, shall be apportioned between Owner and Lessee as of the day of expiration of the Term in the same ratio that the part of the entire period for such compensation is made falling before the day of expiration and that part falling

after, bear to such entire period. If the portion of the award payable to Lessee is made in a lump sum or is payable to Lessee other than in equal monthly installments, Owner shall have the right to collect such portion thereof as shall be sufficient to meet (i) the payments due to Owner from Lessee under the terms of this Lease during the period of such temporary use or occupancy (and the amounts so collected shall be credited to Lessee's obligations hereunder), and (ii) the estimated cost of restoration of the Premises, if such taking is for a period not extending beyond the expiration of the Term, which amount shall be made available to Lessee when and if, during the Term, Lessee shall obtain possession and shall proceed to restore the Premises as nearly as may be reasonably possible to the condition existing immediately prior to such taking.

Section 10.06. Mortgagee's Rights. Any Permitted Mortgagee shall, if it so desires, be made a party to any condemnation proceeding.

Section 10.07. Voluntary Dedication. Lessee shall have no right to voluntarily devote or dedicate any portion of the Premises to public use without Owner's prior written consent.

Section 10.08. Notice of Taking; Cooperation. Lessee shall immediately notify Owner and each Permitted Mortgagee of the commencement of any eminent domain, condemnation, or other similar proceedings with regard to Premises. Owner and Lessee covenant and agree to fully cooperate in any condemnation, eminent domain, or similar proceeding in order to maximize the total award receivable in respect thereof.

ARTICLE 11

ASSIGNMENT AND SUBLETTING

Section 11.01. Lessee's Right to Assign.

(a) Lessee may assign its rights hereunder with Owner's prior written approval, which approval shall not be unreasonably withheld or delayed in any case; Owner's right to approve any assignee of Lessee's rights under this Lease shall be limited to approval of the character, reputation, financial strength and proven ability of the proposed assignee to operate a high-quality child care facility, and other factors shall not be considered. Upon Owner's written approval of any proposed assignee of Lessee's rights under this Lease, Lessee shall be relieved of liability, and such assignee shall become the new Lessee. Notwithstanding the forgoing, Owner's consent shall not be required for any assignment of this Lease to any assignee which is a partnership, joint venture, or other entity in which Lessee or any party controlling, controlled by, or under common control with Lessee, is a general partner or joint venturer, or exercises managerial control of such

entity (the persons or entities described in the preceding clause are herein called "Affiliated Transferees"). No such assignment to an Affiliated Transferee shall relieve the prior Lessee of liability hereunder unless such Affiliated Transferee is approved in writing by Owner in the same manner as for other proposed assignees. Owner shall indicate its written approval or disapproval of any proposed assignee within thirty (30) days after Lessee gives to Owner notice of the proposed assignment, including the identity of proposed assignee and reasonably sufficient information as to the proposed assignee in order to enable Owner to evaluate such assignee's character, reputation, and financial strength; if Owner fails to indicate its approval or disapproval within such thirty (30) day period, it shall be deemed that Owner has approved the requested assignment. Any assignment of Lessee's rights under this Lease that are not in accordance with this Section 11.01 (a) shall be void.

(b) Notwithstanding any provisions of Section 11.01(a) to the contrary, Lessee shall not assign all or any portion of its rights hereunder to any entity other than a nonprofit entity without the prior written approval of the Owner, which approval shall be granted at the sole discretion of the Owner and in conjunction with such amendments to Article 3 of this Lease as may be mutually agreeable to Owner and the proposed for-profit assignee. Any assignments of Lessee's rights under this Lease that are not in accordance with this Section 11.02(b) are void.

(c) The provisions of Section 11.01 (a) and (b) shall not be applied or construed so as to limit, in any manner, Lessee's rights under Article 12 hereof, and should any Permitted Mortgagee succeed to Lessee's rights hereunder and in and to the leasehold estate hereby created, whether by foreclosure or by conveyance or assignment in lieu thereof, the same shall not constitute a Default hereunder, and Owner hereby expressly consents to any such Permitted Mortgagee's succession to the interest of the Lessee hereunder and in and to the leasehold estate hereby created.

Section 11.02. Lessee's Right to Sublease.

(a) Lessee's rights to sublease the Premises shall be subject to the same terms and restrictions as Lessee's right to assign the Lease set forth in Section 11.01 above.

(b) As used in this Lease the term "sublease" shall include any leases, licenses, occupancy agreements, franchises or other similar rights, agreements, or arrangements of whatever nature relating to the use or occupancy of any part of the Premises.

(c) Lessee shall have the right, with the prior approval of the President or Vice President for Business Affairs of U. T. Arlington, to rent portions of the facility to nonprofit and community groups during times that the facility is not being fully

utilized for child care services. Rental policies shall be subject to review by the Liaison Committee.

ARTICLE 12

LESSEE'S FINANCING

Section 12.01. Lessee's Right to Encumber. Lessee shall have the right, from time to time and at any time, after written notice to Owner, but without Owner's consent or joinder, to encumber its interest in this Lease and the leasehold estate hereby created with one or more deeds of trust, mortgages, or other lien instruments to secure any borrowings or obligations of Lessee, provided that such borrowings or obligations shall be incurred only for the purpose of obtaining funds to be used for the development, construction, operation, expansion, repair or maintenance of the Premises. Any such mortgages, deeds of trust, and/or other lien instruments, and the indebtedness secured thereby, provided that Owner has been given notice thereof as set forth in Section 12.02, are herein referred to as "Permitted Mortgages", and the holder or other beneficiary thereof are herein referred to as "Permitted Mortgagees". No lien of Lessee upon its interest in this Lease and the leasehold estate hereby created shall encumber or affect in any way the interest of Owner hereunder or in and to the Premises, except insofar as Owner is obligated to take certain actions as to Permitted Mortgagees as provided in this Article 12.

Section 12.02. Mortgagee Protective Provisions. If Lessee encumbers its interest in this Lease and the leasehold estate hereby created with liens as above provided, then Lessee shall notify Owner thereof, providing with such notice the name and mailing address of the Permitted Mortgagee in question, Owner shall, upon request, acknowledge receipt of such notice, and for so long as the Permitted Mortgage in question remains in effect the following shall apply:

(a) Owner shall give to the Permitted Mortgagee a duplicate copy of any and all notices which Owner gives to Lessee pursuant to the terms hereof, including notices of Default, and no such notice shall be effective until such duplicate copy is actually received by such Permitted Mortgagee, in the manner provided in Section 15.01.

(b) There shall be no cancellation, surrender, or modification of this Lease by joint action of Owner and Lessee without the prior written consent of the Permitted Mortgagee.

(c) If a Default should occur hereunder, then Owner specifically agrees that:

(1) Owner shall not enforce or seek to enforce any of its rights, recourse, or remedies, including but not limited to

termination of this Lease or Lessee's right to possession hereunder, until a notice specifying the event giving rise to such Default has been received by the Permitted Mortgagee, in the manner provided in Section 15.01, and if the Permitted Mortgagee proceeds to cure the Default within a period of thirty (30) days after receipt of such notice or, as to events of Default which by their very nature cannot be cured within such time period, the Permitted Mortgagee, to the extent it is able to do so, commences curing such Default within such time period and thereafter diligently pursues such cure to completion, then any payments made and all things done by the Permitted Mortgagee to effect such cure shall be as fully effective to prevent the exercise of any rights, recourse, or remedies by Owner as if done by Lessee;

(2) If the Default is a non-monetary Default that a Permitted Mortgagee cannot reasonably cure without being in possession of the Premises, then for so long as the Permitted Mortgagee is diligently and with continuity attempting to secure possession of the Premises (whether by foreclosure or other procedures), provided the Permitted Mortgagee cures any monetary Defaults as well as any other Defaults that are reasonably susceptible of then being cured by the Permitted Mortgagee, then Owner shall allow the Permitted Mortgagee such time as may be reasonable necessary under the circumstances to obtain possession of the Premises in order to cure such Default, and during such time Owner shall not enforce or seek to enforce any of its rights, remedies or recourse hereunder;

(3) If the Default is a non-monetary Default of such a nature that it is not reasonably susceptible of being cured by the Permitted Mortgagee (as, for example, a non-permitted assignment by Lessee), then Owner shall not enforce or seek to enforce any of its rights, remedies, or recourse hereunder so long as Permitted Mortgagee pays all Rent then due and thereafter keeps the monetary obligations of Lessee hereunder current and complies with those other provisions of this Lease which, by their nature, Permitted Mortgagee may then reasonably comply with; and

(4) Should the Lease be terminated for any reason other than expiration of the stated Term, then the Permitted Mortgagee shall have the right and option, exercisable by delivering notice to Owner not later than sixty (60) days after receipt from Owner of written notice of such termination (which notice Owner agrees to give) to elect to receive, in its own name or in the name of its nominee or assignee, a New Lease (herein so called) of the Premises for the unexpired balance of the Term on the same terms and conditions as herein set forth, having the same priority as this Lease, and Owner agrees to execute such New Lease provided such Permitted Mortgagee shall undertake forthwith to remedy any then uncured Default reasonably susceptible by its nature of being remedied by such Permitted Mortgagee, including the payment of any amount due hereunder.

(d) No Permitted Mortgagee shall be or become liable to Owner as an assignee of this Lease until such time as such Permitted Mortgagee, by foreclosure or other procedures, shall either acquire the rights and interests of Lessee under this Lease or shall actually take possession of the Premises, and upon such Permitted Mortgagee's assigning such rights and interests to another party or upon relinquishment of such possession, as the case may be, such Permitted Mortgagee shall have no further such liability.

Any Permitted Mortgagee acquiring Lessee's rights and interests in this Lease shall be free to assign such rights and interests to any person, partnership, joint venture, or other entity controlling, controlled by or under common control with such Permitted Mortgagee without regard to the limitations set forth in Section 11.01, provided that the provisions of this Section 12.02 (d) allowing such unrestricted assignment are not used by such Permitted Mortgagee in bad faith to circumvent the requirements of Section 11.01; any other assignment shall be subject to the limitations of Section 11.01 hereof.

Section 12.03. Modifications. If any prospective Permitted Mortgagee requires modifications to this Lease as a condition to granting a Permitted Mortgage, Owner shall not unreasonably withhold its consent to such modifications, provided that Owner shall not be required to consent to any such modification pertaining to Rent or other consideration, the Term, or any other material economic provision of this Lease, nor to any modification which would materially decrease Owner's rights or increase its burdens or obligations hereunder. Any cost incurred by Owner in connection with any such proposed modification shall be borne by Lessee.

ARTICLE 13

WARRANTY OF PEACEFUL POSSESSION

Owner covenants that Lessee, on paying the Rent and performing and observing the covenants and agreements herein contained and provided to be performed by Lessee, shall and may peaceably and quietly have, hold, occupy, use, and enjoy the Premises during the Term, and may exercise all of its rights hereunder, subject only to the provisions of this Lease and applicable governmental laws, rules, and regulations; and Owner agrees to warrant and forever defend Lessee's right to such occupancy, use, and enjoyment and the title to the Premises against the claims of any and all persons whomsoever lawfully claim the same, or any part thereof, by, through or under Owner, but not otherwise, subject only to provisions of this Lease and all applicable governmental laws, rules, and regulations.

ARTICLE 14

DEFAULT AND REMEDIES

Section 14.01. Default. Each of the following shall be deemed a "Default" by Lessee hereunder and a material breach of this Lease:

(a) Whenever Lessee shall fail to pay any installment of Rent or any other sum payable by Lessee to Owner or any third party under this Lease on the date upon which the same is due to be paid, and such default shall continue for thirty (30) days after Lessee shall have been given a written notice specifying such default;

(b) Whenever Lessee shall fail to keep, perform, or observe any of the covenants, agreements, terms, or provisions contained in this Lease that are to be kept or performed by Lessee other than with respect to payment of Rent or other liquidated sums of money and Lessee shall fail to commence and take such steps as are necessary to remedy the same within thirty (30) days after Lessee shall have been given a written notice specifying the same, or having so commenced, shall thereafter fail to proceed diligently and with continuity to remedy the same;

(c) Whenever an involuntary petition shall be filed against Lessee under any bankruptcy or insolvency law or under the reorganization provisions of any law of like import or whenever a receiver of Lessee, or of all or substantially all of the property of Lessee, shall be appointed without acquiescence, and such petition or appointment is not discharged or stayed within sixty (60) days after the happening of such event; or

(d) Whenever Lessee shall make an assignment of its property for the benefit of creditors or shall file a voluntary petition under bankruptcy or insolvency law, or seek relief under any other law for the benefit of debtors.

Section 14.02. Remedies. If a Default occurs, then subject to the rights of any Permitted Mortgagee as provided in Section 12.02, Owner may at any time thereafter prior to the curing thereof and without waiving any other rights hereunder or available to Owner at law or in equity (Owner's rights being cumulative), do any one or more of the following:

(a) Owner may terminate this Lease by giving Lessee written notice thereof, in which event this Lease and the leasehold estate hereby created and all interest of Lessee and all parties claiming by, through or under Lessee shall automatically terminate upon the effective date of such notice with the same force and effect and to the same extent as if the effective date of such notice were the day originally fixed in Article 2 hereof for the expiration of the Term; and Owner, its agents or representatives, shall have the

right, without further demand or notice, to reenter and take possession of the premises and remove all persons and property therefrom with or without process of law, without being deemed guilty of any manner of trespass and without prejudice to any remedies for arrears of Rent or existing breaches hereof. In the event of such termination, Lessee shall be liable to Owner for damages in an amount equal to (i) the discounted present value of the amount by which the Rent reserved hereunder for the remainder of the stated Term exceeds the then net fair market rental value of the Premises for such period of time, plus (ii) all expenses incurred by Owner enforcing its rights hereunder.

(b) Owner may terminate Lessee's right to possession of the Premises and enjoyment of the rents, issues, and profits therefrom without terminating this Lease or the leasehold estate created hereby, reenter and take possession of the Premises and remove all persons and property therefrom with or with process of law, without being deemed guilty of any manner of trespass and without prejudice to any remedies for arrears of Rent or existing breaches hereof, and lease, manage, and operate the Premises and collect the rents, issues, and profits therefrom all for the account of Lessee, and credit to the satisfaction of Lessee's obligations hereunder and net rental thus received (after deducting therefrom all reasonable costs and expenses of repossessing, leasing, managing, and operating the Premises). If the net rental so received by Owner exceeds the amounts necessary to satisfy all of Lessee's obligations under this Lease, nevertheless Owner shall retain such excess. In no event shall Owner be liable for failure to so lease, manage, or operate the Premises or collect the rentals due under any subleases and any such failure shall not reduce Lessee's liability hereunder. If Owner elects to proceed under this Section 14.02(b), it may at any time thereafter elect to terminate this Lease as provided in Section 14.02(a).

(c) Should a Default occur at a time when Owner is holding any Performance Bond as contemplated by Section 5.02(b), then Owner shall, in addition to the foregoing rights, also be entitled to proceed against such Performance Bond.

ARTICLE 15

MISCELLANEOUS

Section 15.01. Notices. Any notice provided for or permitted to be given hereunder must be in writing and may be given by (i) depositing same in the United States Mail, postage prepaid, registered or certified, with return receipt requested, addressed as set forth in this Section 15.01; (ii) delivering the same to the party to be notified; or (iii) sending a prepaid telex or telegram, so addressed. Notice given in accordance herewith shall be effective upon receipt at the address of the addressee, as evidenced by the executed postal receipt or other receipt for

delivery. For purposes of notice the addresses of the parties hereto shall, until changed, be as follows:

OWNER: The University of Texas at Arlington
P. O. Box 19125
Arlington, Texas 76019
Attn: Office of the Vice President
for Business Affairs

With a Copy to:

The Board of Regents of the
University of Texas System
601 Colorado Street
Austin, Texas 78701
Attn: Executive Vice Chancellor
for Academic Affairs

And a Copy to:

Office of General Counsel
University of Texas System
201 Colorado Street
Austin, Texas 78701
Attn: Vice Chancellor and General Counsel

LESSEE:

Young Women's Christian Association
of Metropolitan Dallas
4621 Ross Avenue
Dallas, Texas 75204
Attn: Dr. Mary Sias, Executive Director

With a Copy to:

Strasburger & Price
Attorneys at Law
1700 Pacific Avenue
1300 First City Center
Dallas, Texas 75201
Attn: Beth Tiggelaar

The parties hereto shall have the right from time to time to change their respective addresses for purposes of notice hereunder to any other location within the United States by giving a notice to such effect in accordance with the provisions of this Section 15.01.

Section 15.02. Performance of Other Party's Obligations.
If either party hereto fails to perform or observe any of its covenants, agreements, or obligations hereunder for a period of

thirty (30) days after notice of such failure is given by the other party, then the other party shall have the right, but not the obligation, at its sole election (but not as its exclusive remedy), to perform or observe the covenants, agreements, or obligations which are asserted to have not been performed or observed at the expense of the failing party and to recover all costs or expenses incurred in connection therewith, together with interest thereon at the Contract Rate from the date expended until repaid. Notwithstanding the foregoing, if either party determines, in its reasonable good faith judgment that an emergency involving imminent danger of injury or death to persons or damage to property in excess of \$100,000.00, exists due to the other party's failure to observe or perform its covenants, agreements, and obligations hereunder, then such party may immediately perform or observe the covenants, agreements and obligations which give rise to such emergency at the expense of the failing party. Any performance or observance by a party pursuant to this Section 15.02 shall not constitute a waiver of the other party's failure to perform or observe.

Section 15.03. Arbitration. This Section shall only apply where express provision is made in this Lease for settlement of a dispute or determination of a matter by arbitration. If a party desires to submit a dispute or matter to arbitration, such party shall so notify the other party and in such notice shall designate the first arbitrator. With ten (10) days after the giving of such notice, the other party shall designate, in a written notice, the second arbitrator. If the party entitled to do so fails to timely designate the second arbitrator, then the first arbitrator shall proceed to determine the matter or dispute. If a second arbitrator is designated the arbitrators shall meet within five (5) days after the designation of the second arbitrator, and if within ten (10) days thereafter they have not agreed upon the matter in issue, they shall appoint a third arbitrator; if the two arbitrators are unable to agree upon a third within five (5) days after the expiration of the aforesaid ten (10) day time period, a third arbitrator shall be selected by the Owner and Lessee if they can agree thereon within a further period of (5) days. If the parties do not so agree, then either party on behalf of both may request such appointment by the United States District Judge for the Northern District of Texas, who is then senior in service. A decision of the arbitrators so chosen shall be given within a period of ten (10) days after the appointment of the third arbitrator. A decision in which any two arbitrators shall have concurred shall be binding and conclusive on the parties hereto, or if no two arbitrators concur, then the average of the two closest mathematical determinations shall constitute the decision of all three arbitrators and shall be similarly binding and conclusive, as to matters which are subject to mathematical resolution. If any arbitrator shall fail, refuse, or become unable to act, a new arbitrator shall be appointed following the same method as was originally followed with respect to the arbitrator to be replaced. Owner and Lessee shall pay the

fees and expenses of the arbitrator appointed by them, and the fees and expenses of the third arbitrator and all other expenses of arbitration shall be borne equally by the parties. All hearings and proceedings held and all investigations and actions taken by the arbitrators shall take place in Tarrant County, Texas. Any arbitrator designated to serve in accordance with provision of this Section 15.03 shall be qualified to appraise real estate in Arlington, Texas, of the type contemplated by this Lease, shall not have any financial interest (other than payment of a reasonable fee for serving as an arbitrator) in the outcome of the dispute or matter in question, shall be a member of the American Institute of Real Estate Appraisers or any successor association or body of comparable standing if such Institute is not then in existence, and shall have been actively engaged in the appraisal of real estate in Arlington, Texas for a period of not less than five (5) years immediately preceding such arbitrator's appointment.

Section 15.04. Amendments and Non-Waiver. No amendments, variations, modifications, or changes herein or hereof shall be binding upon any party hereto unless set forth in a writing executed by it or by a duly authorized officer or agent. No waiver by either party of any breach or default of any term, condition, or provision hereof, including without limitation the acceptance by Owner of any Rent at any time or in any manner other than as herein provided, shall be deemed a waiver of any other or subsequent breaches or defaults of any kind, character, or description under any circumstance. No waiver of any breach or default of any term, condition, or provision hereof shall be implied from any action of any party, and any such waiver, to be effective, shall be set out in a written instrument signed by the waiving party.

Section 15.05. Governing Law. This Lease shall be construed and enforced in accordance with the laws of the State of Texas.

Section 15.06. Number and Gender; Captions; References. Pronouns, wherever used herein and of whatever gender, shall include natural persons and corporations and associations of every kind and character, and the singular shall include the plural wherever and as often as may be appropriate. Article and Section headings in this Lease are for convenience of reference and shall not affect the construction or interpretation of this Lease. Whenever the terms "hereof", "hereby", "herein", or words of similar import are used in this Lease they shall be construed as referring to this Lease in its entirety rather than to a particular section or provision, unless the context specifically indicates to the contrary. Any reference to a particular "Article" or "Section" shall be construed as referring to the indicated article or section of this Lease.

Section 15.07. Approval of Ancillary Documents. Owner agrees that in the event it becomes necessary or desirable for Owner to approve in writing any ancillary documents concerning the Premises

or concerning the construction, operation or maintenance of the Improvements or to alter or amend any such ancillary agreements between Owner and Lessee or to give any approval or consent of Owner required under the terms of this Lease, Owner hereby authorizes, designates and empowers the following officers of U. T. Arlington to execute any such agreement, approvals or consents necessary or desirable: the President or Vice President for Business Affairs of U. T. Arlington or their successors in function.

Section 15.08. Severability. If any provision of this Lease or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable, and the basis of the bargain between the parties hereto is not destroyed or rendered ineffective thereby, the remainder of this Lease, or the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby.

Section 15.09. Attorneys' Fees. If litigation is ever instituted by either party hereto to enforce, or to seek damages for the breach of, any provision hereof, the prevailing party therein shall be promptly reimbursed by the other party for all attorneys' fees which a court of competent jurisdiction shall order the other party to pay to the prevailing party in connection with such litigation.

Section 15.10. Surrender of Premises; Holding Over. Upon termination or the expiration of this Lease, Lessee shall peaceably quit, deliver up, and surrender the Premises, and, except as otherwise specifically provided in Section 9.03, in good order, repair, and condition. Upon such termination or expiration Owner may, without further notice, enter upon, reenter, possess and repossess itself of the Premises by force, summary proceedings, ejectment, or otherwise, and may dispossess and remove Lessee from the Premises and may have, hold, and enjoy the Premises and all rental and other income therefrom, free of any claim by Lessee with respect thereto. If Lessee does not surrender possession of the Premises at the end of the Term, such action shall not extend the Term, Lessee shall be a tenant at sufferance, and during such time of occupancy Lessee shall pay to Owner, as damages, an amount equal to twice the amount of Rent that was being paid immediately prior to the end of the Term. Owner shall not be deemed to have accepted a surrender of the Premises by Lessee, or to have extended the Term, other than by execution of a written agreement specifically so stating.

Section 15.11. Relation of Parties. It is the intention of Owner and Lessee to hereby create the relationship of landlord and tenant, and no other relationship whatsoever is hereby created. Nothing in this Lease shall be construed to make Owner and Lessee

partners or joint venturers or to render either party hereto liable for any obligation of the other.

Section 15.12. Force Majeure. As used herein "Force Majeure" shall mean the occurrence of any event (other than failure to obtain financing for, failure to refinance, or cessation of disbursements under existing financing for, the purchase, construction, demolition, repair, or ownership of the Land or Improvements or lawsuits between parties comprising Lessee) which prevents or delays the performance by Owner or Lessee of any obligation imposed upon it hereunder (other than the payment of Rent) and the prevention or cessation of which event is beyond the reasonable control of the party having the obligation to perform. If Lessee shall be delayed, hindered, or prevented from performance of any of its obligations (other than to pay Rent) by reason of Force Majeure (and Lessee shall otherwise be in default hereunder) the time for performance of such obligation shall be extended for the period of such delay, provided that the following requirements are complied with by Lessee: (i) Lessee shall give prompt written notice of such occurrence to Owner, and (ii) Lessee shall diligently attempt to remove, resolve, or otherwise eliminate such event, keep Owner advised with respect thereto, and shall commence performance of its obligations hereunder immediately upon such removal, resolution, or elimination. Anything contained in or inferable from this Lease to the contrary notwithstanding, Lessee shall not be relieved by any event of Force Majeure from Lessee's obligations to pay Rent hereunder, nor shall the Term be extended thereby.

Section 15.13. Non-Merger. Except upon expiration of the Term or upon the earlier termination of this Lease pursuant to an express right to do so set forth herein and notwithstanding the fact that fee title to the land and to the leasehold estate hereby created may, at any time, be held by the same party, there shall be no merger of the leasehold estate hereby created unless the owner thereof executes and files for record in the Office of the County Clerk of Tarrant County, Texas a document expressly providing for the merger of such estates.

Section 15.14. Entireties. This Lease constitutes the entire agreement of the parties hereto with respect to its subject matter, and all prior agreements with respect thereto are merged herein. Any agreements entered into between Owner and Lessee of even date herewith are not, however, merged herein.

Section 15.15. Limitation on Owner's Liability. Owner's liability for failure to perform any of its obligations hereunder is hereby expressly limited to Owner's interest in and to the Premises. Should Owner fail to pay any sum required to be paid by Owner hereunder, or fail to perform any obligation required to be performed by Owner hereunder, any judicial proceedings brought by Lessee against Owner shall be limited to proceeding against Owner's

rights and interest in and to the Premises and any improvements comprising a part thereof, and no attachment, execution, or other writ or process shall be sought, issued, or levied upon any assets, properties, or funds of Owner, other than against Owner's interest in and to the Premises.

Section 15.16. Recordation. Owner and Lessee will execute an instrument in recordable form constituting a short form of this Lease, which shall be filed for record in the Office of the County Clerk of Tarrant County, Texas.

Section 15.17. Successors and Assigns. This Lease shall constitute a real right and covenant running with the Premises, and, subject to the provisions hereof pertaining to Lessee's rights to assign, sublet, or encumber, this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Whenever a reference is made herein to either party, such reference shall include the party's successors and assigns.

Section 15.18. Inspection. Owner shall have the right to enter upon the Premises at all reasonable times to inspect same.

Section 15.19. Owner's Joinder. Owner agrees to join with Lessee in the execution of such applications for permits and licenses from any Governmental Authority as may be reasonably necessary or appropriate to effectuate the intents and purposes of this Lease, provided that no such application shall constitute an encumbrance of or with respect to the Premises, and Owner shall not incur or become liable for any obligation as a result thereof.

Section 15.20. No Third Parties Benefited. Except as herein specifically and expressly otherwise provided with regard to notices, opportunities to cure defaults, right to execute a new lease, and certain other enumerated rights granted to Permitted Mortgagees, the terms and provisions of this Lease Agreement are for the sole benefit of Owner and Lessee, and no third party whatsoever is intended to benefit herefrom.

Section 15.21. Survival. Any terms and provisions of this Lease pertaining to rights, duties, or liabilities extending beyond the expiration or termination of this Lease shall survive the expiration of the Term or the earlier termination of this Lease.

Section 15.22. Limitation on Lessee's Liability. At any time that there exist complete and rentable Improvements (other than those in existence on the date hereof) having a value of \$250,000 or more, as reasonably shown by an appraisal made by a member of the American Institute of Real Estate Appraisers or any successor association or body of comparable standing, then Lessee's liability for failure to perform any of its obligations hereunder (except for liability arising out of fraud, willful misconduct or gross

negligence of Lessee, or Lessee's officers, employees, agents or subcontractors) shall be limited to Lessee's interest in and to this Lease and the leasehold estate hereby created and any judicial proceedings brought by Owner against Lessee shall be limited to proceeding against Lessee's rights and interests in and to this Lease and the leasehold estate hereby created, and no attachment, execution, or other writ of process shall be sought, issued, or levied upon any other assets, properties, or funds of Lessee. If, however, at any time any Improvements having such a value are demolished, razed, or otherwise removed from the Land, then until such time as new Improvements are constructed in their place having a value of \$250,000 or more, as above provided the limitation on liability as to Lessee above set forth shall not be effective. From time to time when requested by Lessee, Owner shall execute a written instrument acknowledging that the provisions of this Section 15.22 limiting Lessee's liability are then in effect (if such is the case), which acknowledgement may be conditioned upon Owner's right to withdraw such acknowledgement in the event that Improvements having the requisite value are removed from the Premises.

Section 15.23. Transfer of Owner's Interest. Owner may freely transfer and/or mortgage its interest in the Premises and under this Lease from time to time and at any time, provided that any such transfer or mortgage is expressly made subject to the terms, provisions, and conditions of this Lease, including specifically but without limitation Owner's rights under Article 15, and the transferee or mortgagee agree: to be bound by the provisions hereof (in the case of a mortgagee, such agreement being contingent upon the mortgagee actually succeeding to the Owner's interest in the Premises and hereunder by virtue of a foreclosure or conveyance in lieu thereof), including specifically but without limitation, the rights of any Permitted Mortgagee to receive a New Lease as provided for in Section 12.02(c)(4).

Section 15.24. Use of Owner's Name. Lessee shall not use Owner's name in any advertising or promotional material relating to the Premises without Owner's prior written consent, but Lessee may make reference to the Lease and to Owner in legally operative documents, as is reasonably necessary.

ARTICLE 16

OWNER'S RIGHT TO PURCHASE PREMISES

Section 16.01. Owner's Right to Acquire Premises. Owner shall have the right to purchase the entirety of Lessee's Interest in the Premises and this Lease as provided in this Section 16.01.

(a) At any time after the expiration of the fifth (5th) year of the Term of this Lease, and subject to the approval of the Texas Higher Education Coordinating Board, or its successor in function,

and any other agency of the State of Texas from which approval is then required, Owner shall have the option, but not the obligation, exercisable upon one hundred eighty (180) days prior written notice to Lessee, to purchase the Premises including all Improvements and terminate this Lease. The cash purchase price payable to Lessee for the Premises and the cancellation of this Lease shall be equal to the greater of (i) the then "Fair Market Value" of the building, permanent equipment (playground) and the business, as determined in accordance with Section 16.01(b) below; or (ii) the Minimum Purchase Price, as defined in Section 16.01(c) below.

(b) As used in this Section 16.01, "Fair Market Value" shall mean the price that a ready and willing purchaser of the Lessee's interest in the Premises would pay to a ready and willing seller of property comparable to Lessee's interest in the Premises if such property were exposed for sale on the open market for a reasonable period of time. Fair Market Value shall be determined based upon an independent appraisal conducted by an appraiser qualified to appraise both the value of the real estate and the child care center business. The fees and expenses of any jointly selected independent appraiser shall be borne equally by the parties. If Owner and Lessee are unable to agree upon a single appraiser, each shall then at its own sole cost, by written notice to the other, appoint one appraiser. The two appraisers appointed by the Lessee and the Owner shall appoint a third appraiser, the fees and expenses of which third appraiser shall be borne equal by the parties. The Fair Market Value of the Premises and the Project shall be the average of the two of the three appraisals which are closest in amount and the third appraisal shall be disregarded.

(c) For the purposes of calculating the price for Owner's purchase of the Premises under Section 16.01(a) above, the "Minimum Purchase Price" shall be defined as the greater of either (i) the sum of Six Hundred Ninety-Seven Thousand Nine Hundred Fifty and No/100 Dollars (\$697,950.00), or (ii) the total principal balance owed by Lessee on the Permitted Mortgages at the date of closing of Owner's purchase, as certified by the Permitted Mortgagees.

Section 16.02. Closing. If pursuant to the provisions of this Article 16, Owner exercises its right to purchase from Lessee the Lessee's Interest in the Premises, the closing thereof shall take place at a mutually selected location in the County of Tarrant, Texas on a day which is within one hundred eighty (180) days after the receipt of Owner's notice of exercise of its option to purchase. At such closing Lessee shall execute, acknowledge and deliver to Owner such instruments of transfer and shall take such other action as shall be necessary or reasonably appropriate to effect a transfer of the Lessee's Interest to Owner free and clear of all liens, claims, and other encumbrances (except only those specifically approved of by Owner) and otherwise to completely divest Lessee of any and all interests therein. Coincident with such execution, acknowledgement, delivery, and the taking of such

other action, Owner shall pay to Lessee the consideration for such acquisition, as set forth herein, in cash or in such other consideration as may be agreeable to the parties.

IN WITNESS WHEREOF, this Lease is executed by Owner and Lessee as of the day and year first above written.

OWNER:

THE BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM FOR THE
USE AND BENEFIT OF THE UNIVERSITY
OF TEXAS AT ARLINGTON

ATTEST:

Arthur H. Dilly
Executive Secretary

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

LESSEE:

YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN DALLAS

By: _____
Mary E. Sias, Ph.D.
Executive Director

APPROVED AS TO CONTENT:

APPROVED AS TO FORM:

Wendell H. Nedderman
President, U. T. Arlington

Max J. Werkenthin
Office of General Counsel

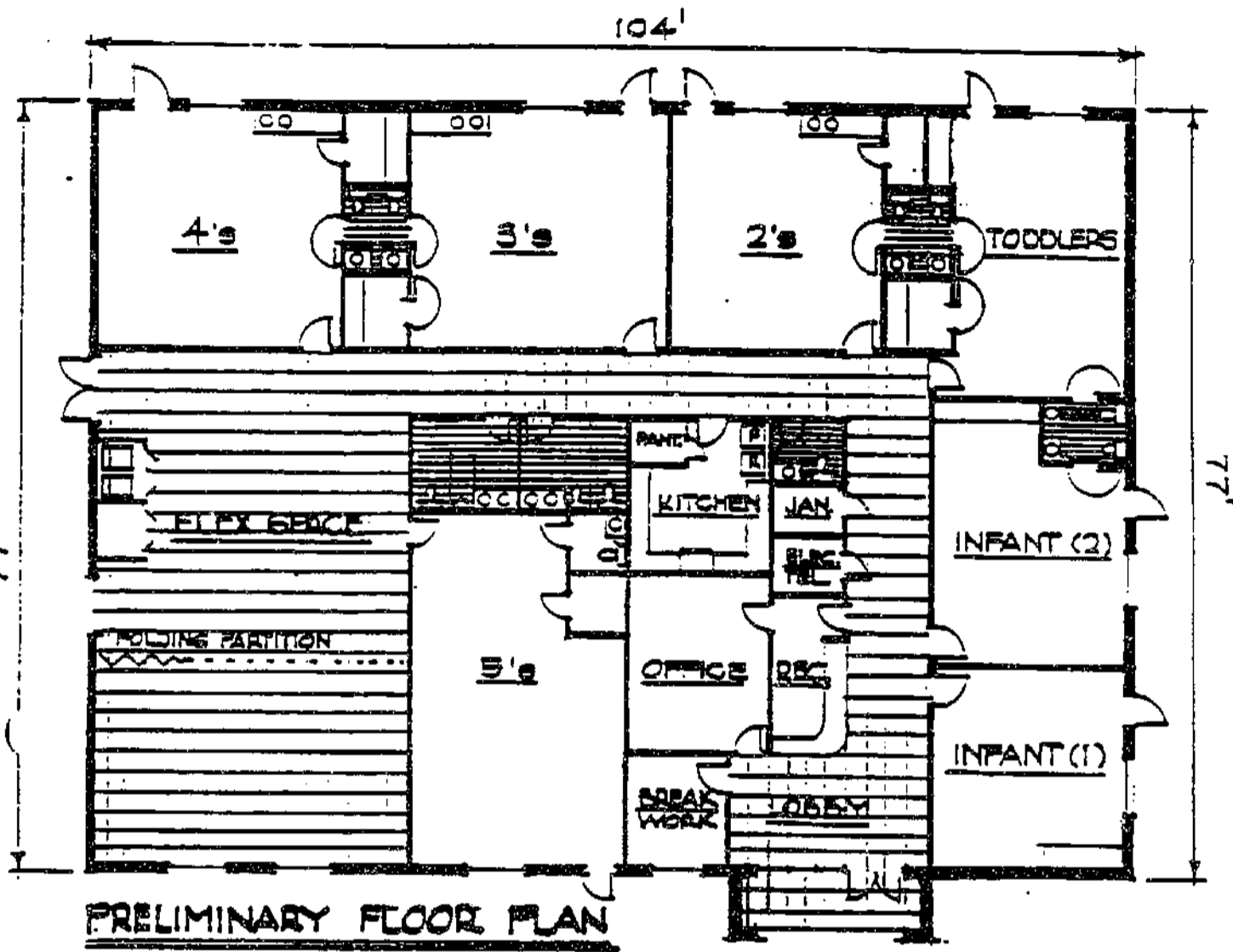
EXHIBITS:

Exhibit A - Legal Description of the Land
Exhibit B - Floor Plan (no elevation)

EXHIBIT "A"

Legal Description of the Land
(to be supplied after surveying)

EXHIBIT "B"



ELEVATION
TO BE DELETED
FROM THIS PLAN



VIDAUD+ASSOCIATES INCORPORATED
5220 SPRING VALLEY ROAD, SUITE 605
DALLAS, TEXAS 75240

DAY CARE FACILITY STUDY

SHEET

1 OF 1

D&T: 12/14/00

3. U. T. Austin - Texas Union Building - Renovation (Project No. 102-727): Approval of Preliminary Plans; Authorization to Prepare Final Plans; and Approval for Submission to the Coordinating Board.--Upon recommendation of the Finance and Facilities Committee, the Board:

- a. Approved preliminary plans for the renovation of the Texas Union Building at The University of Texas at Austin at an estimated total project cost of \$8,000,000
- b. Authorized the Project Architect to prepare final plans and specifications to be presented to the U. T. Board of Regents for consideration at a future meeting
- c. Authorized submission of the project to the Texas Higher Education Coordinating Board.

Total project funding will be from Revenue Financing System Debt Proceeds to be repaid from Student Union fees.

This project is included in the U. T. System Capital Improvement Program approved by the U. T. Board of Regents in June 1989 and the FY 1991 Capital Budget.

4. U. T. Health Science Center - Houston: Approval for the Executive Vice President for Administration and Finance to Sell the Former Dental Science Institute Building Located at 1018 Blodgett Street, Houston, Harris County, Texas, and Authorization for the Executive Vice President to Execute All Documents Related Thereto.--Approval was given for the Executive Vice President for Administration and Finance at The University of Texas Health Science Center at Houston to sell the former Dental Science Institute Building located at 1018 Blodgett Street, Houston, Harris County, Texas, for its appraised value.

Further, the Executive Vice President was authorized to execute all documents pertaining to the sale following approval by the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Business Affairs, and the Office of General Counsel.

The former Dental Science Institute Building, which was built in 1927, originally served as the site of the Texas Dental College. The building is approximately one and one-half miles north of the U. T. Health Science Center - Houston campus and has been vacant and boarded up for the past two years. Both the remote location and the cost of remodeling preclude future use of this site. A sale before winter would eliminate any potential liabilities associated with vagrants and fire, as well as the need for continued security services.

5. U. T. M.D. Anderson Cancer Center - Dorothy H. Hudson Memorial Garden (Project No. 703-700): Approval of Design Concept of Sculpture to be Placed in the Garden.--During the design of the Dorothy H. Hudson Memorial Garden at The University of Texas M.D. Anderson Cancer Center, the concept of a sculpture as the focal point of the garden was deemed appropriate.

A subcommittee of the 50th Anniversary Committee selected a sculpture by Ms. Rose Van Vranken on the basis of her ability to capture the essence of the U. T. M.D. Anderson Cancer Center in her representation described as "a semi-abstract flame sculpture that symbolizes the passing on of knowledge and hope for the future."

In accordance therewith, the Board approved the design concept of Ms. Van Vranken's sculpture to be placed in the Dorothy H. Hudson Memorial Garden at U. T. M.D. Anderson Cancer Center.

The estimated cost of the sculpture, including installation, is \$100,000 which will be funded from U. T. M.D. Anderson Cancer Center gift funds.

REPORT AND RECOMMENDATIONS OF THE LAND AND INVESTMENT COMMITTEE (Pages 132 - 195).--Committee Chairman Ratliff reported that the Land and Investment 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 Land and Investment Committee and approved in open session and without objection by the U. T. Board of Regents.

I. PERMANENT UNIVERSITY FUND

INVESTMENT MATTER

Report on Clearance of Monies to the Permanent University Fund for May and June 1990 and Report on Oil and Gas Development as of June 30, 1990.--The following reports with respect to (a) certain monies cleared to the Permanent University Fund for May and June 1990 and (b) Oil and Gas Development as of June 30, 1990, were submitted by the Executive Vice Chancellor for Asset Management:

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Permanent University Fund	May 1990	June 1990	Cumulative Through June of this Fiscal Year (1989-1990)	Cumulative Through June of Preceding Fiscal Year (1988-1989)	Per Cent Change
Royalty					
Oil	\$ 4,456,145.23	\$4,231,867.32	\$ 44,508,757.46	\$ 38,134,314.18	16.72%
Gas	1,308,007.18	1,446,364.15	15,850,854.98	17,182,284.47	-7.75%
Sulphur	0.00	0.00	193,919.75	234,567.65	-17.33%
Water	71,656.85	87,658.28	706,552.85	730,068.12	-3.22%
Brine	6,193.86	3,882.40	50,923.91	28,333.97	79.73%
Trace Minerals	0.00	0.00	0.00	0.00	--
Rental					
Oil and Gas Leases	35,370.15	128,317.59	819,614.29	791,002.49	3.62%
Other	(24,548.00)	6,480.00	18,003.65	6,129.29	--
Sale of Sand, Gravel, Etc.	400.00	11,015.00	25,830.50	35,330.25	-26.89%
Total University Lands Receipts Before Bonuses	5,853,225.27	5,915,584.74	62,174,457.39	57,142,030.42	8.81%
Bonuses					
Oil and Gas Lease Sales	0.00	0.00	2,160,415.16	2,554,807.73	-15.44%
Amendments and Extensions to Mineral Leases	0.00	0.00	160.00	641.11	-75.04%
Total University Lands Receipts	5,853,225.27	5,915,584.74	64,335,032.55	59,697,479.26	7.77%
Gain or (Loss) on Sale of Securities	10,514,898.26	2,058,631.96	55,962,744.06	118,822,743.89	-52.90%
TOTAL CLEARANCES	<u>\$16,368,123.53</u>	<u>\$7,974,216.70</u>	<u>\$120,297,776.61</u>	<u>\$178,520,223.15</u>	<u>-32.61%</u>

Oil and Gas Development - June 30, 1990
Acreage Under Lease - 686,593

Number of Producing Acres - 540,566

Number of Producing Leases - 2,155

II. TRUST AND SPECIAL FUNDS

Gifts, Bequests and Estates

1. U. T. Arlington, U. T. Austin, U. T. El Paso, and U. T. Pan American: Acceptance of Trust Distributions from The James H. and Minnie M. Edmonds Educational Foundation, Houston, Texas, and Establishment of (a) The James H. and Minnie M. Edmonds Educational Foundation Scholarship Fund, (b) James H. and Minnie M. Edmonds Scholarship, (c) The James H. and Minnie M. Edmonds Scholarship Endowment, and (d) The James H. and Minnie M. Edmonds Educational Foundation Scholarship Fund.--The Land and Investment Committee recommended and the Board accepted trust distributions from The James H. and Minnie M. Edmonds Educational Foundation, Houston, Texas, and established the quasi-endowments as set forth below:

<u>Component</u>	<u>Endowment Title</u>	<u>Approximate Distribution</u>
The University of Texas at Arlington	The James H. and Minnie M. Edmonds Educational Foundation Scholarship Fund	\$ 264,689
The University of Texas at Austin	James H. and Minnie M. Edmonds Scholarship	\$1,588,137
The University of Texas at El Paso	The James H. and Minnie M. Edmonds Scholarship Endowment	\$ 264,689
The University of Texas - Pan American	The James H. and Minnie M. Edmonds Educational Foundation Scholarship Fund	\$ 264,689

Income earned from the Scholarships at U. T. Arlington and U. T. Pan American will be used to award annually one or more scholarships to a needy student enrolled in that component institution for the first time or a continuing student in good standing.

Income earned from the Scholarship at U. T. El Paso will be used to award scholarships to needy individual undergraduate and graduate students for necessary expenses.

The income earned from the Scholarship at U. T. Austin will be used to award scholarships to students of any academic major or classification on the basis of financial need.

2. U. T. Austin: Acceptance of Gifts from Mr. William F. Ray, Boston, Massachusetts, ASARCO, Inc., New York, New York, and Various Donors for Addition to the Jack S. Blanton, Sr. Chair in Australian Studies in the College of Liberal Arts and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--The Board, upon recommendation of the Land and Investment Committee, accepted a \$10,000 gift from Mr. William F. Ray, Boston, Massachusetts, a \$10,000 gift from ASARCO, Inc., New York, New York, and \$1,500 in gifts from various donors for a total of \$21,500 for addition to the Jack S. Blanton, Sr. Chair in Australian Studies in the College of Liberal Arts at The University of Texas at Austin.

Further, \$10,750 in matching funds will be allocated under The Regents' Endowed Teachers and Scholars Program and will be used to increase the endowment to a total of \$680,628.13.

3. U. T. Austin: Acceptance of Bequest from the Estate of Wilbur J. Cohen, Austin, Texas, for Addition to the Wilbur J. Cohen Professorship in Health and Social Policy in the Lyndon B. Johnson School of Public Affairs and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--Upon recommendation of the Land and Investment Committee, the Board accepted a bequest of books and historical materials and one percent of the net estate before taxes, comprised of cash in the amount of \$10,284.28, from the Estate of Wilbur J. Cohen, Austin, Texas, for the benefit of The University of Texas at Austin. The cash will be added to the Wilbur J. Cohen Professorship in Health and Social Policy in the Lyndon B. Johnson School of Public Affairs at U. T. Austin, and the books and historical materials will be added to the Edie and Lew Wasserman Public Affairs Library in the Lyndon B. Johnson School of Public Affairs.

Further, \$5,142.14 in matching funds will be allocated under The Regents' Endowed Teachers and Scholars Program and will be used to increase the endowment to a total of \$275,422.70.

4. U. T. Austin: Authorization to Accept Gifts and Pledges from Various Donors and to Establish the Charles Conratt Memorial Endowed Scholarship in the Department of Intercollegiate Athletics for Women.--Authorization was granted to accept \$9,225 in gifts and \$775 in pledges, payable by August 31, 1993, from various donors for a total of \$10,000 and to establish the Charles Conratt Memorial Endowed Scholarship in the Department of Intercollegiate Athletics for Women at The University of Texas at Austin.

Income earned from the endowment will be used to award an annual scholarship to a female basketball player at U. T. Austin who is a graduate of a Texas high school and has the character and determination to excel both as a student and as an athlete. Recipient selection will be coordinated by the Director of Intercollegiate Athletics for Women. In any year in which there are no basketball players who meet this criteria, the interest from the endowment will be reinvested in the endowment corpus.

5. U. T. Austin: Acceptance of Gift from Mr. John L. Crawford and His Wife, Louise N. Crawford, Sugar Land, Texas, and Establishment of the Crawford Endowed Scholarship in the College of Natural Sciences.--The Land and Investment Committee recommended and the Board accepted a \$100,000 gift from Mr. John L. Crawford and his wife, Louise N. Crawford, Sugar Land, Texas, and established the Crawford Endowed Scholarship in the College of Natural Sciences at The University of Texas at Austin.

Eighty percent of the income earned from the endowment will be used to award a four-year scholarship to an outstanding student selected by the Dean of the College of Natural Sciences or the Dean's designated representative. Selection will be made from entering freshmen who are graduates of accredited Texas high schools and who place in the top five percent of their graduating class. Recipients are to maintain a 3.5 cumulative grade point average and remain free of official disciplinary action in order to continue in the successive years of the award. The remaining twenty percent of the income is to be reinvested in the endowment corpus. Earnings not expended during any year will be reinvested under the Dean's direction.

6. U. T. Austin: Engineering Foundation Centennial Teaching Fellowship in Engineering No. 1 and Engineering Foundation Centennial Teaching Fellowship in Engineering No. 2 in the College of Engineering - Approval to Transfer Funds to the Engineering Foundation Endowed Teaching Fellowship No. 1 and Engineering Foundation Endowed Teaching Fellowship No. 2.--Approval was given to transfer \$50,000 held in each of the Engineering Foundation Centennial Teaching Fellowship in Engineering No. 1 and the Engineering Foundation Centennial Teaching Fellowship in Engineering No. 2 in the College of Engineering at The University of Texas at Austin, consisting of \$14,536 in gifts from the T. L. L. Temple Foundation, Lufkin, Texas, \$20,928 in challenge grant funds, and \$14,536 in matching funds from The Regents' Endowed Teachers and Scholars Program, to the Engineering Foundation Endowed Teaching Fellowship No. 1 and the Engineering Foundation Endowed Teaching Fellowship No. 2, respectively.

This transfer was made in order to correct an error in the original request for allocation of these funds.

7. U. T. Austin: Acceptance of Bequest from the Estate of Mr. Ken G. Spencer, Crane, Texas, and Establishment of the Iva Spencer Finton Scholarship in the School of Law.--The Board accepted a \$100,000 specific bequest from the Estate of Mr. Ken G. Spencer, Crane, Texas, and established the Iva Spencer Finton Scholarship in the School of Law at The University of Texas at Austin. The funds 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' Endowed Student Fellowship and Scholarship Program, the U. T. Law School Foundation will transfer funds held for the endowment to the U. T. Board of Regents.

Eighty percent of the income earned from the endowment will be used to award scholarships to nonresident law students, selected at the discretion of the Dean of the School of Law or the Dean's designee, based on merit or need. The remaining twenty percent of the income is to be reinvested in the endowment corpus, as directed by Mr. Spencer's Last Will and Testament.

8. U. T. Austin: Authorization to Transfer Funds from the Mike Hogg Fund and to Establish the Mike Hogg Professorship in Community Affairs in the College of Liberal Arts.--Authorization was granted to transfer \$150,000 from the Mike Hogg Fund current restricted account and to establish a quasi-endowment to be named the Mike Hogg Professorship in Community Affairs in the Department of Government, College of Liberal Arts, at The University of Texas at Austin.

Additional transfers will be made in future years to increase the endowment to a total of \$400,000.

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

9. U. T. Austin: Redesignation of the Centennial Graduate Support Fund in History in the College of Liberal Arts as the Lau, Noone and Van Cott Centennial Graduate Support Fund in History.--In accordance with a request from Dr. Standish Meacham, Dean of the College of Liberal Arts, and Dr. Brian P. Levack, acting Chairman of the Department of History, the Board redesignated the Centennial Graduate Support Fund in History in the Department of History, College of Liberal Arts, at The University of Texas at Austin as the Lau, Noone and Van Cott Centennial Graduate Support Fund in History.

10. U. T. Austin: Acceptance of Gift and Pledge from Locke Purnell Rain Harrell, Dallas, Texas, and Establishment of the Locke Purnell Rain Harrell Endowed Presidential Scholarship in Law in the School of Law.--A \$6,250 gift and an \$18,750 pledge, payable by August 31, 1993, from the law firm of Locke Purnell Rain Harrell, Dallas, Texas, and a \$12,500 transfer of previously reported gifts from current restricted funds for a total of \$37,500 were accepted to establish the Locke Purnell Rain Harrell Endowed Presidential Scholarship in Law in the School of Law at The University of Texas at Austin. Funds in the amount of \$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, and \$12,500 will be held and administered by the U. T. Board of Regents.

When matching funds become available under The Regents' Endowed Student Fellowship and Scholarship Program, the U. T. Law School Foundation will transfer funds held from the endowment to the U. T. Board of Regents.

Income earned from the endowment will be used to award scholarships to assist student members of the Texas Law Review, at the discretion of the Dean of the School of Law or his designee. Awards will be based primarily on economic need, with secondary consideration given to merit.

11. U. T. Austin: Acceptance of Gift from The National Student Business League and Establishment of the National Student Business League Endowed Scholarship in the College of Business Administration and the Graduate School of Business.--The Board, upon recommendation of the Land and Investment Committee, accepted a \$3,500 gift from The National Student Business League and a \$9,803.52 transfer of previously reported gifts from current restricted funds for a total of \$13,303.52 and established the National Student Business League Endowed Scholarship in the College of Business Administration and the Graduate School of Business at The University of Texas at Austin.

Income earned from the endowment will be used to award two annual scholarships to African/African-American students who are members of The National Student Business League. Recipients shall be selected by a faculty scholarship committee on the basis of academic merit, full-time registration, completed hours at U. T. Austin, extracurricular activities, and financial need.

12. U. T. Austin: Acceptance of Gifts from Dr. Howard F. Rase, Austin, Texas, and Mr. Fred I. Harmon Through the Southwestern Engineering & Equipment Company, Dallas, Texas, and Establishment of The Rase Brothers Award in Chemical Engineering in the College of Engineering.--Upon recommendation of the Land and Investment Committee, the Board accepted \$7,000 in gifts from Dr. Howard F. Rase, Austin, Texas, and a \$5,000 gift from Mr. Fred I. Harmon through the Southwestern Engineering & Equipment Company, Dallas, Texas, for a total of \$12,000 and established The Rase Brothers Award in Chemical Engineering in the Department of Chemical Engineering, College of Engineering, at The University of Texas at Austin.

Income earned from the endowment will be used for an annual award to be given at Spring commencement. The recipient, who is to be a citizen or permanent resident of the United States, will be the graduating senior in the Department of Chemical Engineering with the highest cumulative grade point average who came to the Department as a freshman and completed the program in four academic years.

13. U. T. Austin: Approval to Establish the Strasburger & Price Endowed Senior Mock Trial Honors Competition in the School of Law.--Approval was given to establish the Strasburger & Price Endowed Senior Mock Trial Honors Competition in the School of Law at The University of Texas at Austin. The funding for this endowment (\$100,000) will be held and administered by The University of Texas Law School Foundation (an external foundation) in accordance with the Regents' Rules and Regulations.

Income will be used to fund mock trial competition and teaching, research and student activities in trial advocacy skills and practice.

14. U. T. Austin: Jennie and Carl Sundberg Scholarship Fund in the College of Natural Sciences - Amendment of Scholarship Eligibility Requirements.--In keeping with the donors' original intent to benefit residents of Texas, the Board amended the scholarship eligibility requirements for the Jennie and Carl Sundberg Scholarship Fund in the College of Natural Sciences at The University of Texas at Austin to include a provision that recipients be residents of the State of Texas as authorized by Section 65.36(f) of the Texas Education Code.
15. U. T. Austin: Acceptance of Gift and Pledge from Mr. and Mrs. James A. Michener, Austin, Texas, for Addition to the Jack G. Taylor Centennial Professorship and the James A. Michener Fellowships in Writing in the College of Liberal Arts; Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program; Establishment of The Michener 1990 Charitable Trust; and Acceptance of Appointment by the Board of Regents as Trustee of The Michener 1990 Charitable Trust.--The Land and Investment Committee recommended and the Board accepted a \$550,000 gift and a \$2,450,000 pledge, payable by August 31, 1993, from Mr. and Mrs. James A. Michener, Austin, Texas, for a total of \$3,000,000 to enhance two existing endowments in the College of Liberal Arts and to fund a charitable trust at The University of Texas at Austin.

Of the gift received to date, \$250,000 will be added to the Jack G. Taylor Centennial Professorship in the College of Liberal Arts. Further, \$125,000 in matching funds will be allocated under The Regents' Endowed Teachers and Scholars Program and will be used to increase the endowment to a total of \$475,050.

The remaining \$300,000 of the gift received to date will be added to the James A. Michener Fellowships in Writing in the College of Liberal Arts.

The initial sum of \$450,000 from the pledged gift will be used to fund The Michener 1990 Charitable Trust, and the U. T. Board of Regents accepted appointment as Trustee of the Trust. The Trust agreement provides that all income of the Trust is to be paid out, at least annually, to one or more institutions of higher education which conduct established writing programs. Specifically excluded from receiving income distributions are component institutions of The University of Texas System. The donors request that primary consideration be given to the University of Iowa and the University of Houston. Recommendations for selection of income recipients will be submitted to the U. T. Board of Regents by the Executive Committee of the Texas Center for Writers with approval of the Dean of Graduate Studies and the President of U. T. Austin. Beneficiary institutions shall use the awarded monies to fund fellowships for aspiring writers to be administered pursuant to guidelines promulgated by each institution and approved by the U. T. Board of Regents as Trustee.

The Trust shall terminate ten years after the date of death of the second to die of Mr. and Mrs. James A. Michener. Upon termination of the Trust, any accumulated income will be paid to a qualified institution or institutions as described above. The corpus of the Trust will be paid to the U. T. Board of Regents to be used as a permanent endowment at U. T. Austin. Income

earned from the endowment will be used to maintain academic excellence. The donors request that consideration be given to using a portion of the endowment income for the benefit of the Texas Center for Writers if the Center is in existence as a reputable function of U. T. Austin.

The remaining \$2,000,000 of the pledge will be distributed proportionally as received with 55% to be added to the James A. Michener Fellowships in Writing and 45% added to The Michener 1990 Charitable Trust.

16. U. T. Austin: Alice McKean Young Regents Chair in Law in the School of Law - Acceptance of Additional Distribution from the Estate of Alice Jane Sheffield, Houston, Texas, and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--The Board accepted a \$25,000 additional distribution from the Estate of Alice Jane Sheffield, Houston, Texas, for addition to the Alice McKean Young Regents Chair in Law in the School of Law at The University of Texas at Austin.

Further, \$12,500 in matching funds will be allocated under The Regents' Endowed Teachers and Scholars Program and will be used to increase the endowment to a total of \$547,500.

17. U. T. El Paso: Acceptance of Gift from Mr. Frank Blum, El Paso, Texas, and Establishment of the Lil Blum Memorial Golf Scholarship Fund.--Upon recommendation of the Land and Investment Committee, the Board accepted an \$11,538.49 gift from Mr. Frank Blum, El Paso, Texas, and established the Lil Blum Memorial Golf Scholarship Fund at The University of Texas at El Paso.

Income earned from the endowment will be used to provide an annual award to a member of the golf team at U. T. El Paso, with preference given to a female member. It is the donor's preference that the award recognize financial need as well as athletic ability. In the event that women's golf should ever be eliminated, the income will be made available for scholarships for the men's golf program. Should there be no men's intercollegiate golf program at U. T. El Paso, then the income may be used for female athletic scholarships in general. Income earned and received during a given year may be retained and expended in subsequent years.

18. U. T. El Paso: Authorization to Accept Gifts from Various Donors and to Establish the Gerald Lamar Boykin Memorial Athletic Scholarship Fund.--Authorization was granted to accept \$16,824.10 in gifts from various donors and to establish the Gerald Lamar Boykin Memorial Athletic Scholarship Fund at The University of Texas at El Paso.

Income earned from the endowment will be used to award an athletic scholarship at U. T. El Paso.

19. U. T. El Paso: Approval to Accept Gift from the Registered Nurses of the Ysleta Independent School District, El Paso, Texas, and to Establish the Elizabeth Grob Health Professionals Endowed Scholarship Fund.--Approval was given to accept a \$10,000 gift from the registered nurses of the Ysleta Independent School District, El Paso, Texas, and to establish the Elizabeth Grob Health Professionals Endowed Scholarship Fund at The University of Texas at El Paso.

Income earned from the endowment will be used to award annually one or more scholarships to high school graduates of the Ysleta Independent School District who meet all the requirements of the U. T. El Paso Scholarship Office and who are enrolled in the College of Nursing and Allied Health at U. T. El Paso.

20. U. T. El Paso: Acceptance of Gifts from Various Donors and Establishment of the Phoebe and Reuben Mutnick Scholarship Fund.--The Board, upon recommendation of the Land and Investment Committee, accepted \$11,103.02 in gifts from various donors and established the Phoebe and Reuben Mutnick Scholarship Fund at The University of Texas at El Paso.

Income earned from the endowment will be used to award scholarships to either undergraduate or graduate key-board students who are majoring in music and have met the requirements of the Department of Music at U. T. El Paso.

21. U. T. Southwestern Medical Center - Dallas: Acceptance of Gifts and Pledge from the Effie and Wofford Cain Foundation, an Anonymous Donor, Mr. Cecil Green, and the Southwestern Medical Foundation, All of Dallas, Texas; Establishment of the Effie and Wofford Cain Distinguished Chair in Diagnostic Imaging; and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--The Land and Investment Committee recommended and the Board accepted gifts from the following donors and a pledge of \$375,000, payable by December 31, 1992, from the Effie and Wofford Cain Foundation, Dallas, Texas, for a total of \$1,000,000, and established the Effie and Wofford Cain Distinguished Chair in Diagnostic Imaging at The University of Texas Southwestern Medical Center at Dallas:

<u>Donor</u>	<u>Gift</u>
Effie and Wofford Cain Foundation, Dallas	\$125,000
Anonymous Donor	400,000
Mr. Cecil Green, Dallas	50,000
Southwestern Medical Foundation, Dallas (to be held in trust by the Foundation)	50,000

Further, the actual income which will be earned on \$950,000 in gifts and pledges as received will be certified 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.

See Page 78 related to an appointment to this Chair.

22. U. T. Southwestern Medical Center - Dallas: Acceptance of Gifts and Pledge from the Ed Cox Foundation, an Anonymous Donor, Mr. Cecil Green, and the Southwestern Medical Foundation, All of Dallas, Texas; Establishment of the Edwin L. Cox Distinguished Chair in Immunology and Genetics; and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--Upon recommendation of the Land and Investment Committee, the Board accepted gifts from the following donors and a \$400,000 pledge, payable by December 31, 1994, from the Ed Cox Foundation, Dallas, Texas, for a total of \$1,000,000, and established the Edwin L. Cox Distinguished Chair in Immunology and Genetics at The University of Texas Southwestern Medical Center at Dallas:

<u>Donor</u>	<u>Gift</u>
Ed Cox Foundation, Dallas	\$100,000
Anonymous Donor	400,000
Mr. Cecil Green, Dallas	50,000
Southwestern Medical Foundation, Dallas (to be held in trust by the Foundation)	50,000

In addition, the actual income which will be earned on the \$950,000 in gifts and pledge as received will be certified 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.

See Page 78 related to an appointment to this Chair.

23. U. T. Southwestern Medical Center - Dallas: Acceptance of Gifts from Mr. Cecil Green, Mr. and Mrs. Robert Decherd, an Anonymous Donor, and the Southwestern Medical Foundation, All of Dallas, Texas; Establishment of the Cecil H. and Ida M. Green Chair in Biomedical Science; and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--The Board accepted gifts totalling \$500,000 from the following donors and established the Cecil H. and Ida M. Green Chair in Biomedical Science at The University of Texas Southwestern Medical Center at Dallas:

<u>Donor</u>	<u>Gift</u>
Mr. Cecil Green, Dallas	\$ 35,000
Mr. and Mrs. Robert Decherd, Dallas	150,000
Anonymous Donor	200,000
Southwestern Medical Foundation, Dallas (to be held in trust by the Foundation)	115,000

Further, the actual income which will be earned on the \$385,000 in gifts will be certified 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.

See Page 78 related to an appointment to this Chair.

24. U. T. Southwestern Medical Center - Dallas: Acceptance of Gifts and Pledge from Mr. and Mrs. S. Roger Horchow, an Anonymous Donor, Mr. Cecil Green, and the Southwestern Medical Foundation, All of Dallas, Texas, for Addition to the S. Roger and Carolyn P. Horchow Professorship in Cardiac Research, in Honor of Jere H. Mitchell, M.D.; Redesignation as the S. Roger and Carolyn P. Horchow Chair in Cardiac Research, in Honor of Jere H. Mitchell, M.D.; and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--Approval was given to accept the following gifts and a \$25,000 pledge from Mr. Cecil Green, Dallas, Texas, totalling \$320,000 for addition to the S. Roger and Carolyn P. Horchow Professorship in Cardiac Research, in Honor of Jere H. Mitchell, M.D. at The University of Texas Southwestern Medical Center at Dallas:

<u>Donor</u>	<u>Gift</u>
Mr. and Mrs. S. Roger Horchow, Dallas	\$150,000
Anonymous Donor	120,000
Southwestern Medical Founda- tion, Dallas (to be held in trust by the Foundation)	25,000

In addition, the Professorship was redesignated as the S. Roger and Carolyn P. Horchow Chair in Cardiac Research, in Honor of Jere H. Mitchell, M.D.

Further, the actual income which will be earned on the \$295,000 in gifts and pledge as received will be certified 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.

25. U. T. Southwestern Medical Center - Dallas: Acceptance of Gifts and Pledge from Mrs. Edward Linthicum, an Anonymous Donor, Mr. Cecil Green, and the Southwestern Medical Foundation, All of Dallas, Texas, for Addition to the Distinguished Chair in Biomolecular Science; Redesignation as the Virginia and Edward Linthicum Distinguished Chair in Biomolecular Science; and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--A gift of Kirby Exploration common stock which realized proceeds of \$125,717.76 and a \$374,282.24 pledge, payable by December 31, 1992, from Mrs. Edward Linthicum, Dallas, Texas, and gifts from the following donors for a total of \$1,000,000 were accepted for addition to the Distinguished Chair in Biomolecular Science at The University of Texas Southwestern Medical Center at Dallas for a total endowment of \$2,000,000:

<u>Donor</u>	<u>Gift</u>
Anonymous Donor	\$400,000
Mr. Cecil Green, Dallas	50,000
Southwestern Medical Founda- tion, Dallas (to be held in trust by the Foundation)	50,000.

This Distinguished Chair was redesignated as the Virginia and Edward Linthicum Distinguished Chair in Biomolecular Science.

Further, the actual income which will be earned on the \$950,000 in gifts and pledge as received will be certified 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.

26. U. T. Southwestern Medical Center - Dallas: Acceptance of Gift and Pledge from the Sands Foundation and the Rosewood Corporation, Both of Dallas, Texas, for Addition to the Distinguished Chair in Neuroscience; Redesignation as the Loyd B. Sands Distinguished Chair in Neuroscience; and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--Authorization was granted to accept a \$125,000 gift and a \$375,000 pledge, payable by December 31, 1993, from the Sands Foundation and the Rosewood Corporation, both of Dallas, Texas, for a total of \$500,000 for addition to the Distinguished Chair in Neuroscience at The University of Texas Southwestern Medical Center at Dallas for a total of \$1,680,796.66, and the Chair was redesignated as the Loyd B. Sands Distinguished Chair in Neuroscience.

Further, the actual income which will be earned on the \$500,000 gift and pledge as received will be certified 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.

27. U. T. Southwestern Medical Center - Dallas: Acceptance of Gift from an Anonymous Donor for Addition to the Charles C. Sprague Chair; Redesignation as the Charles Cameron Sprague Distinguished Chair in Biomedical Science; and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--Upon recommendation of the Land and Investment Committee, the Board accepted an \$80,000 gift from an anonymous donor for addition to the Charles C. Sprague Chair at The University of Texas Southwestern Medical Center at Dallas. The Southwestern Medical Foundation, Dallas, Texas, reported that donations of \$420,000 had been received and will also be added to the Charles C. Sprague Chair (to be held in trust by the Foundation) for a total endowment of \$1,000,000. Funds in the amount of \$920,000 will be held and administered by the Southwestern Medical Foundation, and funds in the amount of \$80,000 will be held and administered by the U. T. Board of Regents.

Additionally, the Chair was redesignated as the Charles Cameron Sprague Distinguished Chair in Biomedical Science.

Further, the actual income which will be earned on the \$80,000 gift will be certified 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.

See Page 78 related to an appointment to this Chair.

28. U. T. Southwestern Medical Center - Dallas: Acceptance of Gifts from Texas Instruments, Inc., Mr. and Mrs. C. J. Thomsen, Mr. George Poston, an Anonymous Donor, Mr. Cecil Green, and the Southwestern Medical Foundation, All of Dallas, Texas; Establishment of the Carl J. and Hortense M. Thomsen Chair in Alzheimer's Disease Research; and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--The Board, upon recommendation of the Land and Investment Committee, accepted gifts totalling \$500,000 from the following donors and established the Carl J. and Hortense M. Thomsen Chair in Alzheimer's Disease Research at The University of Texas Southwestern Medical Center at Dallas:

<u>Donor</u>	<u>Gift</u>
Texas Instruments, Inc., Dallas	\$100,000
Mr. and Mrs. C. J. Thomsen, Dallas	100,000
Mr. George Poston, Dallas	50,000
Anonymous Donor	200,000
Mr. Cecil Green, Dallas	25,000
Southwestern Medical Founda- tion, Dallas (to be held in trust by the Foundation)	25,000

Further, the actual income which will be earned on the \$475,000 in gifts will be certified 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.

29. U. T. Health Science Center - San Antonio: Approval to Accept Grant from the Veritas Foundation, Austin, Texas, and to Establish the Thelma and Joe Crow Endowed Professorship.--Approval was given to accept a \$200,000 grant from the Veritas Foundation, Austin, Texas, and to establish the Thelma and Joe Crow Endowed Professorship at The University of Texas Health Science Center at San Antonio.

Income earned from the endowment will be used to support the Professorship. The donors have requested that the Professorship be designated for the area of gerontological or cardiovascular nursing at the U. T. Nursing School - San Antonio.

See Page 80 related to an appointment to this Professorship.

30. U. T. M.D. Anderson Cancer Center: Acceptance of Bequest from the Estate of Pearline Butschek, Houston, Texas.--A bequest from the Estate of Pearline Butschek, Houston, Texas, comprised of one-fourth of all the stock Ms. Butschek owned at her death, valued at \$23,205.19, and an interest in the residual estate, valued at \$2,853.54, for a total of \$26,058.73 was accepted for general institutional purposes at The University of Texas M.D. Anderson Cancer Center.

31. U. T. M.D. Anderson Cancer Center - Acceptance of Transfer of Funds and Establishment of The Felix Haas Professorship in Basic Science (No Publicity).-- The Board accepted a \$200,000 transfer of previously reported gifts and established The Felix Haas Professorship in Basic Science at The University of Texas M.D. Anderson Cancer Center.

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

It was requested that no publicity be given to this matter.

32. U. T. M.D. Anderson Cancer Center: Authorization to Accept Bequest from the Estate of Robert D. Pierce, Orlando, Florida.--Authorization was granted to accept a ten percent residual interest in the Estate of Robert D. Pierce, Orlando, Florida, in the amount of \$6,916.08 to be used for general institutional purposes at The University of Texas M.D. Anderson Cancer Center.

33. U. T. Health Center - Tyler: Acceptance of Bequest from the Estate of Leita I. Davy, Cleveland, Ohio, and Establishment of the Leita I. Davy Research and Education Endowment.--Upon recommendation of the Land and Investment Committee, the Board accepted a one-third residual interest in the Estate of Leita I. Davy, Cleveland, Ohio, in the amount of \$44,623.34 and accumulated interest in the amount of \$2,455.24 for a total of \$47,078.58, and established the Leita I. Davy Research and Education Endowment at The University of Texas Health Center at Tyler.

Income earned from the endowment is to be used to support research Post Doctoral Training Fellowships and/or Visiting Research Scientists, and the endowment is to be administered by the Associate Director for Research at the U. T. Health Center - Tyler.

III. LAND MATTER

U. T. Austin: Approval of the 1990 Brackenridge Tract Property Settlement Agreement with the City of Austin, Texas, and Authorization for the Executive Vice Chancellor for Asset Management to Execute All Documents Pertaining to the Agreement.--A Brackenridge Tract Development Agreement was approved by the U. T. Board of Regents and the City of Austin in May 1989. Although that agreement resolved most of the issues affecting the development of the Brackenridge Tract, there were other long-standing property issues which remained unsettled with the City.

Following a brief overview by Mr. Jim Wilson, Executive Director of Lands and Endowment Real Estate, the Board approved the 1990 Brackenridge Tract Property Settlement Agreement set out on Pages 148 - 194 by and between The

University of Texas at Austin and the City of Austin, Texas, and authorized the Executive Vice Chancellor for Asset Management to execute all documents pertaining to the agreement following approval of the Office of General Counsel.

The effects of the settlement agreement are as follows:

- a. Tom Miller Dam (formerly called Austin Dam) abuts University-owned land on the west side of Lake Austin. Since 1893, the Dam has abutted this land without a formal easement from either George Brackenridge or U. T. Austin (which acquired title to the property in 1910). The settlement agreement grants the City an easement for dam abutment and maintenance purposes.
- b. In 1938, the City of Austin and the newly-created Lower Colorado River Authority (LCRA) entered into an operating agreement and lease which provided for the reconstruction, operation, and maintenance of the Austin Dam by the LCRA. Among other provisions of that agreement, a 14.2 acre tract of University-owned land at the west end of the Dam was erroneously leased by the City to the LCRA. The settlement agreement removes the cloud on the title of that 14.2 acre tract and releases any damage claims which the University might assert as a result of the City's error.
- c. In 1940, the LCRA condemned an electrical transmission easement across the Stratford Drive portion of the Brackenridge Tract. That easement contained approximately five acres. The LCRA's interest in that easement was later transferred to the City of Austin. The settlement agreement requires the City of Austin to: (1) vacate the easement and (2) remove the existing transmission towers and power lines which now traverse the property. This action will allow the five acre tract to be developed as part of a proposed residential subdivision. The agreement also grants the City an alternative easement along the perimeter of the property where it will not interfere with development.
- d. There is also a strip of land of approximately 1.9 acres within the Stratford Tract on which electric lines (Circuit 803) were installed without the benefit of any written approvals from the University. The settlement agreement relocates the lines to the alternative easement which is referred to above.
- e. The City of Austin owns a .784 acre strip of vacant land which separates a portion of the Brackenridge Tract on the east side of Town Lake from Red Bud Trail. As partial consideration for the settlement of the above described disputes, this property will be deeded to the University.

Committee Chairman Ratliff commended Mr. Wilson on his efforts to secure the approval of this agreement by the City of Austin.

DRAFT

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

1990 BRACKENRIDGE TRACT
PROPERTY SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (the "Agreement") is made and entered into by and between the City of Austin (the "City"), a municipal corporation, and the Board of Regents of the University of Texas System acting for and on behalf of the University of Texas at Austin (the "University").

I.

STATEMENT OF FACTS

- 1.1 On or about December 4, 1890, George W. Brackenridge deeded to the City, for construction of the proposed Austin Dam, a certain 31.5 acre tract on the east side of the Colorado River reciting in said Deed a proposition earlier made to the City Council to allow the City to abut the proposed Dam on such lands on the east or west side of the river as were then owned by him. On May 2, 1893, the City completed the masonry dam which spanned approximately 1275 feet with abutments on both the east and west side.
- 1.2 Later, by a deed dated June 17, 1910, Brackenridge conveyed to the State of Texas, for the benefit of the University, a certain 95 acre tract commonly known as "the Stratford Tract," a description of which is attached hereto as Exhibit "A". Said tract includes the land on which the western abutment of the Austin Dam was constructed.
- 1.3 The Austin Dam was partially destroyed in 1900 and in 1915 and several failed attempts were made to reconstruct the facility. The Lower Colorado River Authority ("LCRA") was created in 1934 and on February 5, 1938, the City and LCRA entered into a certain operating agreement and lease called the "Austin Dam Contract" which provided, inter alia, for reconstruction, operation and maintenance of the Dam by LCRA. The Austin Dam Contract also included provisions whereunder the City leased to LCRA certain tracts of land adjacent to the dam, including a certain 14.2 acre tract of land included in the 1910 conveyance of the Stratford Tract by Brackenridge to the University and a 15.06 acre tract partially overlapping with said 14.2 acre tract.
- 1.4 The University disputes the legal right of the City to abut the western portion of the Dam on the Stratford Tract and further disputes the legal right of the City to lease to LCRA as part of the 1938 Austin Dam Contract, as amended, the described 14.2 acre tract and the overlapping portion of said

(Rev. 7/13/90)

15.06 acre tract.

- 1.5 Subsequent to the reconstruction of the Austin Dam (renamed "Tom Miller Dam") and pursuant to an alleged verbal permission from the University, the City installed a certain electrical transmission line extending from Austin Dam Substation to Montopolis Switch, known as "Circuit 803", in and across the southern portion of the Stratford Tract. The parties acknowledge that no easement exists for the construction of Circuit 803 and the University has requested that the City remove said Circuit 803 together with Circuit 912, formerly extending from Austin Dam Substation to Marshall Ford Substation, which also traverses the Stratford Tract, in order to accommodate its proposed residential development on the Stratford Tract.

II.

SCOPE OF SETTLEMENT

- 2.1 Bona fide disputes and controversies exist between the parties, both as to fact and law, and by reason of such disputes and controversies concerning the above-described property, the parties hereto desire to compromise and settle all such issues, claims or causes of action of any kind arising, directly or indirectly, from the abutment of the Austin Dam on the Stratford Tract or any reconstruction or attempted reconstruction thereof, including the present Tom Miller Dam; the leasing of a 14.2 acre portion of the Stratford Tract to LCRA; the leasing of that portion of the 15.06 acre tract overlapping with said 14.2 acre tract; and the construction, operation, and maintenance of Circuit 803 across the southern portion of said Stratford Tract.
- 2.2 By virtue of the disputes and controversies above described, the parties acknowledge the difficulty of assigning precise monetary values to each element of consideration hereunder provided, however, the parties agree that the consideration received by each party is roughly equivalent and adequate for resolution of such disputes and controversies. The parties further acknowledge that the interests in real property transferred hereunder are conveyed for fair market value.

III.

SETTLEMENT TERMS

- 3.1 In order to fully and finally compromise and settle the bona fide disputes and controversies existing between them, and in consideration of the mutual promises and covenants herein contained, the parties do hereby agree to the terms and conditions stated in this Agreement.

- 3.2 The parties agree to appoint Stewart Title Company to serve as Escrow Agent pursuant to the terms and conditions set forth in the Escrow Agreement attached hereto as Exhibit "B" and made a part hereof.

IV.
RESOLUTION OF ISSUES
INVOLVING TOM MILLER DAM

- 4.1 Release of Claims. The University agrees to execute and tender to the Escrow Agent a "Release of Claims" whereby the University will release, discharge and forever acquit the City of Austin its officers, employees, agents, lessees, successors, agents and assigns of and from any and all claims and causes of action, suits, damages, judgments, actions or demands of whatever kind or nature, whether now known or not known, arising directly or indirectly from:

a) the construction of the western abutment of the Austin Dam on the University's Stratford Tract as well as any partial or complete reconstruction thereof including, without limitation, the present Tom Miller Dam;

b) the lease or purported lease of 14.2 acres of the University's Stratford Tract and that portion of the 15.06 acre tract overlapping said 14.2 acre tract as part of the 1938 Austin Dam Contract or any amendment, modification, or ratification thereof;

c) the construction, operation and maintenance on the Stratford Tract of those electrical facilities, poles, and conductors comprising that certain City of Austin Electric Utility Department transmission line known as Circuit 803 together with all acts incident thereto.

The Release shall be in the form attached hereto as Exhibit "C" and made a part hereof by reference.

- 4.2 Grant of Dam Abutment and Maintenance Easement. The University agrees to grant and convey to the City an easement permitting the construction, reconstruction, operation, maintenance, upgrade, repair and removal of a dam, now known as Tom Miller Dam, on a certain described portion of the University's Stratford Tract where the western end of the dam abuts said Stratford Tract, said easement to specifically include a maintenance easement for repair, maintenance, reconstruction, upgrade, and removal of said western abutment of the Dam subject to the conditions and limitations more particularly set forth therein. Said Dam Abutment and

Maintenance Easement shall be in the form attached hereto as Exhibit "D" and made a part hereof by reference.

4.3 Modification of 1938 Lease. The City agrees to exercise its best efforts to provide to the University a written agreement or quitclaim, or true copy thereof, in a form permitting recordation in the Travis County Real Property Records, signed by LCRA and evidencing the agreement of LCRA to relinquish, abandon, and release all claims, rights and interest in and to the 14.2 acres of the Stratford Tract leased to LCRA by the City in the 1938 Austin Dam Contract and any extensions or modifications thereof. The form and content of said release or quitclaim by LCRA shall be subject to approval by the University which shall not be unreasonably withheld but shall be sufficient to alleviate any question as to the University's ability to convey title to said 14.2 acres free and clear of said lease. Delivery of said release or quitclaim shall be a condition to the University's performance hereunder. Nothing herein shall require the City to compensate or pay to LCRA an unreasonable consideration in order to provide said release or quitclaim to the University.

4.4 Final Resolution. It is the intention of the parties that the execution and delivery of the "Release of Claims" referred to in subpart 4.1 above, the Easement referred to in subpart 4.2 above, the release or quitclaim from the LCRA referred to in subpart 4.3 and the completion of Closing with respect to the other transactions contemplated hereunder shall resolve, inter alia, all issues between them related to construction, operation, and maintenance of Tom Miller Dam and its predecessor facilities on the Stratford Tract and allow for its continued presence, operation and maintenance in the future.

V.

EXCHANGE OF EASEMENTS

5.1 Release of 69KV Transmission Easement. The City agrees:

a) To execute and deliver to the University a Release of Easement appropriate for recording in the Travis County Real Property Records evidencing abandonment and release by the City of all right, title, and interest in and to that certain easement (the "69KV Transmission Easement") acquired originally by LCRA by a judgment dated January 29, 1940, in certain condemnation proceedings in Cause No. 9416, County Court of Travis County, Texas, styled LCRA v. State of Texas, et. al. for purposes of erecting a 69KV electrical transmission line which easement, together with the lines and structures located thereon, and all rights therein being

assigned to the City in the "1981 Transmission Agreement," dated November 3, 1981, the "1983 Transmission Agreement," dated November 1, 1983, and an "Easement Assignment" dated August 29, 1984, recorded at Volume 6800, Page 617, Real Property Records, Travis County Texas;

b) that the Release of the 69 KV Transmission Easement shall be in the form attached hereto as Exhibit "E" and made a part hereof by reference.

- 5.2 Removal of 69KV Transmission Facilities. The City further agrees to remove all equipment, lines, structures and concrete pads from the released 69 KV Transmission Easement within ninety (90) days from the Effective Date of this Agreement and the University agrees that the City shall have the rights of access, ingress and egress to the Stratford Tract for purposes of such removal and the performance of all acts necessary or incident thereto.
- 5.3 Removal of Circuit 803 Facilities. With respect to those electrical lines, equipment, structures, and appurtenances constituting City's Circuit 803 heretofore located on the Stratford Tract as depicted on Exhibit "F" attached hereto, the parties agree as follows:
- a) the City agrees to remove, from the Stratford Tract, within ninety (90) days from the Effective Date hereof, all electrical lines, equipment, structures and appurtenances constituting said electrical transmission Circuit 803;
- b) the parties acknowledge that the City's Circuit 803 electrical transmission facilities were heretofore constructed on the Stratford Tract without benefit of easement rights but pursuant to alleged permission from the University which permission, if any existed, shall be considered withdrawn as of the time of final removal of all Circuit 803 facilities hereunder.
- c) The University agrees that the City shall have the rights of access, ingress and egress to Stratford Tract for purposes of such removal and the performance of all acts necessary or incident thereto.
- 5.4 Notice of Removal Activities. The City shall provide the University with notice, verbal or written, in advance of its removal activities on the Stratford Tract and the Red Bud Strip.
- 5.5 University Grant of Transmission and Distribution Easements. In order to allow for the relocation of electrical

transmission lines to the western edge of the Stratford Tract and the installation of distribution lines for delivery of customer electrical service, the University and City agree that:

a) the University shall grant and convey to City two (2) easements (one called the "Transmission and Distribution Easement" and the other the "Electrical Overhang Easement") for construction, reconstruction, operation, maintenance, repair, upgrade and removal of electrical transmission lines and appurtenances, not to exceed 138 KV in capacity, together with electrical distribution lines for delivery of customer electrical service.

b) The Transmission and Distribution Easement shall be sixty (60) feet wide at the southern end of the Stratford Tract and the Electrical Overhang Easement shall be thirty (30) feet wide starting at a point where the Stratford Tract is adjacent to City of Austin property and continuing thereafter for the remainder of the length of the Easement as more particularly shown on Exhibits "G" and "H" attached hereto and made a part hereof by reference.

c) the City shall utilize in said Easements only that equipment, poles, etc. described in the Transmission and Distribution Easement and the Electrical Overhang Easement.

d) the Transmission and Distribution Easement and the Electrical Overhang Easement shall be in the form attached hereto as Exhibits "G" and "H" and made a part hereof as aforesaid.

VI.
TRANSFER OF STRIP ACREAGE
BORDERING RED BUD TRAIL

6.1 Conveyance of Red Bud Strip. In order to make Red Bud Trail the boundary between the City's property and the University's property along the east side of Town Lake and as further consideration for the mutual covenants and agreements set forth herein, the City agrees to convey to the University by Special Warranty Deed, in the form attached hereto as Exhibit "I", that certain .784 acre strip of land located on the east side of the Colorado River along the south side of Red Bud Trail as said Red Bud Trail runs from the water's edge on the east side of the low water bridge, eastward to the University's property as more particularly shown on the survey annexed to said Exhibit "I".

6.2 Removal of Transmission Lines and Structures. The City agrees

to remove all electrical facilities, including, without limitation, all electrical lines, equipment, structures, and appurtenances including the concrete pad located on said .784 acre tract within ninety (90) days following the Effective Date of this Agreement.

- 6.3 No LCRA Interest. The City agrees to exercise its best efforts to secure and deliver to the University a letter, agreement, quitclaim or other written representation from the LCRA stating that the LCRA claims no right, title or interest in said .784 acre strip, whether by lease or otherwise. The form and content of said LCRA representation shall be subject to approval by the University provided, however, that said approval shall not be unreasonably withheld.

VII.

EVENTS TO OCCUR PRIOR TO CLOSING

- 7.1 Time for Closing. Unless extended by the parties, the closing for the transactions contemplated by this Agreement shall occur within one hundred (100) days following the Effective Date of this Agreement but in no event before the events listed below have occurred.
- 7.2 Prerequisites to Closing. The following events shall have occurred prior to closing of the transactions contemplated hereunder:
- a) the Board of Regents of the University shall have approved the Settlement Agreement and the transactions contemplated hereunder;
 - b) the City Council shall have approved the Settlement Agreement and the transactions contemplated hereunder;
 - c) each party shall have duly executed the Settlement Agreement;
 - d) the University shall have duly executed and delivered to the Escrow Agent, within thirty (30) days from the Effective Date of this Agreement, five (5) duplicate originals of the following documents:
 - i) Release of Claims in the form attached as Exhibit "C";
 - ii) Dam Abutment and Maintenance Easement for abutment, construction, maintenance, etc. of the dam in the form attached as Exhibit "D";

iii) Electrical Transmission and Distribution Easement for relocation of Circuit 803 along the western edge of the Stratford Tract in the form attached as Exhibit "G";

iv) Electrical Overhang Easement in the form attached hereto as Exhibit "H".

e) the City shall have duly executed and delivered to the Escrow Agent, within thirty (30) days from the Effective Date of this Agreement, five (5) duplicate originals of the following documents:

i) Release of 69KV Transmission Easement in the form attached as Exhibit "E";

ii) Special Warranty Deed conveying the .784 acre Red Bud Strip to the University in the form attached as Exhibit "I";

iii) LCRA Release or Quitclaim of the above-described 14.2 acres and that portion of the 15.06 acre tract overlapping the 14.2 acres leased to LCRA under 1938 Austin Dam Contract, as amended;

iv) LCRA Release, Letter, Agreement or Quitclaim evidencing that LCRA has no claim, right, or interest in the .784 acre Red Bud Strip.

f) Written Certification from the City and the University to the Escrow Agent that:

i) all Circuit 912 electrical transmission lines, structures, concrete pads or other electrical facilities occupying the 69 KV Easement are removed from the Stratford Tract;

ii) all Circuit 803 electrical transmission lines, poles, structures or other electrical facilities are removed from the Stratford Tract;

iii) all Circuit 912 electrical transmission lines, structures, concrete pads or other electrical facilities are removed from the .784 acre Red Bud Strip.

VIII.

CLOSING OF TRANSACTIONS

8.1 Closing Procedure. Upon receipt of written acknowledgment from both parties that the above documents have been

delivered, are in satisfactory form and fully executed, and that all electrical lines and appurtenances have been removed from the Stratford Tract and Red Bud Strip, the Escrow Agent shall record in the Travis County Real Property Records one (1) duplicate original of each of the documents tendered for Escrow hereunder and shall deliver two (2) originals of each document to the City and the University.

- 8.2 Title Policy. The University may secure, at its sole option and expense, an Owner's Policy of Title Insurance covering the .784 acre Red Bud Strip to be conveyed by the City.
- 8.3 Effect on Brackenridge Development Agreement. Neither this Settlement Agreement nor the transactions contemplated hereunder is intended to alter, amend or modify, in any aspect, the applicability or terms of the Brackenridge Development Agreement heretofore entered into by and between the City and the University. The parties expressly agree that, upon the conveyance of the .784 acre Red Bud Strip to the University, said property shall be subject to the terms and conditions of said Brackenridge Development Agreement.
- 8.4 Cooperation on Red Bud Trail Realignment. The parties acknowledge that this Settlement Agreement does not address the realignment of Red Bud Trail but, in anticipation of the potential for future negotiations with respect to such realignment, the parties hereby state their intention to continue discussions of same as appropriate and to cooperate with respect to such realignment to the extent feasible but without commitment at this time as to a particular course of action.

IX.
MISCELLANEOUS PROVISIONS

- 9.1 Assignment. This Agreement may not be assigned by either party hereto without the prior written consent of the other and any assignment without such consent shall be void and of no effect.
- 9.2 Survival of Covenants. The representations, warranties, covenants, and agreements of the parties, as well as any rights and benefits of the parties pertaining to the period of time following the closing shall survive the Closing and shall not be merged therein.
- 9.3 Notice to Parties. Any notice required or permitted to be delivered under this Agreement shall be deemed received when forwarded by certified mail, return receipt requested, addressed to the other party at the address stated below:

THE CITY:

Camille Cates Barnett, Ph.D.
City Manager
City of Austin
P.O. Box 1088
Austin, Texas 78767-1088

With a copy to:

Iris J. Jones
City Attorney
City of Austin
P.O. Box 1088
Austin, Texas 78767-1088

THE UNIVERSITY:

Office of Lands and
Endowment Real Estate
University of Texas System
210 W. 6th Street
Austin, Texas 78701
Attn: Alan Prickett

With a copy to:

E. Janice Summer
Office of the General Counsel
University of Texas System
201 W. 7th Street
Austin, Texas 78701

- 9.4 Notice to Escrow Agent. All notices to the Escrow Agent permitted or required hereunder shall be deemed sufficient if forwarded by certified mail, return receipt requested as follows:

Stewart Title Company
P.O. Box _____
Austin, Texas _____
Attn: _____

with a copy to the City and the University as shown in the previous subpart.

- 9.5 Applicable Law. This Agreement shall be construed under and in accordance with the laws of the State of Texas.
- 9.6 Parties Bound. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors, assigns, and representatives.
- 9.7 Legal Construction. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of the Agreement and this Agreement shall be construed as if such invalid, illegal and unenforceable provision had never been contained in the Agreement.
- 9.8 Prior Agreements Superseded. This Agreement and the transactions contemplated herein constitute the sole and only agreement of the parties hereto and supersedes all prior understandings or written or oral agreements or representa-

tions of the parties respecting the subject matter hereof.

9.9 Time of Essence. Time is of the essence of this Agreement.

9.10 Gender. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

9.11 Construction. The parties acknowledge that each party and its counsel have reviewed and revised this Agreement and that the normal rule of construction shall not be applicable so, any ambiguities herein are not to be resolved against the drafting party in interpretation of this Agreement.

9.12 Effective Date. The Effective Date of this Agreement shall be the date of the last party to sign.

ATTEST:

THE BOARD OF REGENTS OF
THE UNIVERSITY OF TEXAS SYSTEM

Date: _____

By: _____
Arthur H. Dilly
Executive Secretary

By: _____
Michael E. Patrick
Executive Vice Chancellor
for Asset Management

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

E. Janice Sumner
University Attorney

Alan S. Prickett
Manager, Special Projects

ATTEST:

THE CITY OF AUSTIN

By: _____
James Aldridge
City Clerk

By: _____
Title: _____
Date: _____

EXHIBIT "A"

AUGUST 10, 1989 JOB NO. 836-0100-01 FIELD NOTE NO. 836-14R1
88.604 ACRE PORTION OF THE 95 ACRE BRACKENRIDGE DONATION TO THE
UNIVERSITY OF TEXAS

FIELD NOTES

A DESCRIPTION OF AN 88.604 ACRE TRACT OF LAND SITUATED IN THE HENRY P. HILL LEAGUE, SURVEY NO. 21, TRAVIS COUNTY, TEXAS, BEING A PORTION OF THAT CERTAIN 95 ACRE TRACT OF LAND CONVEYED FROM GEORGE BRACKENRIDGE TO THE UNIVERSITY OF TEXAS BY DEED RECORDED IN VOLUME 244, PAGE 77 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS, SAID 88.604 ACRE TRACT AS SHOWN ON ACCOMPANYING SKETCH, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a concrete monument found marked "+" on the west line of said Henry P. Hill League, being the west line of said 95 acre tract, being on the east line of Lot 11, RAINBOW'S END ESTATES, SECTION ONE, a subdivision whose plat is recorded in Book 87, Pages 74A - 74B of the Plat Records of Travis County, Texas, from which a 15 inch live oak marked X bears N 84°00'00" W, 25.60 feet and a 14" Elm bears S 74°00'00" E, 40.3 feet;

THENCE along the west line of said Henry P. Hill League and said 95 acre tract, the east line of said RAINBOW'S END ESTATES, SECTION ONE N 30°12'41" E, 316.37 feet to a 3/4 inch iron pipe found on the east line of Lot 10, AMENDING PLAT FOR RAINBOW'S END ESTATES, SECTION ONE, a subdivision whose plat is recorded in Book 87, Pages 187D, 188A - 188B of said Plat Records;

THENCE continuing along said west line, being the east line of said AMENDING PLAT FOR RAINBOW'S END ESTATES, SECTION ONE, N 30°12'13" E, 557.48 feet to a 1/4 inch iron rod in concrete monument found at the northeast corner of Lot 8, said AMENDING PLAT FOR RAINBOW'S END ESTATES, SECTION ONE, being the southeast corner of that certain 109.27 acre tract of land conveyed to the City of Austin by Deed recorded in Volume 585, Page 613 of said Deed Records, from which an AUSTIN INDEPENDENT SCHOOL DISTRICT brass disc in concrete bears S 14°47'40" E, 0.77 feet, a 13 inch live oak found marked X bears N 58°06'00" E, 41.50 feet and a 19 inch live oak found marked X bears N 87°14'00" W, 64.20 feet;

THENCE continuing along said west line, being the east line of said 109.27 acre tract N 30°13'14" E at 579.47 feet pass a 1/4 inch iron rod in rock found, at 1265.26 feet pass a 1/4 inch iron rod found, at 1383.40 feet pass a bolt found on the south line of Red Bud Trail, a one-hundred foot right-of-way (R.O.W.) conveyed to the City of Austin by street Deed recorded in Volume 4993, Page 483 of said Deed Records, at 1484.64 feet pass a 3/8 inch iron rod found on the north line of said Red Bud Trail, and in all a distance of 2069.09 feet to a 1/4 inch iron rod in concrete monument found at the northeast corner of said 109.27 acre tract being the southeast corner of that certain tract of land conveyed to the City of Austin by Deed recorded in Volume 587, Page 305 of the said Deed Records;

THENCE continuing along said west line being the east line of said City of Austin tract N 30°13'24" E, at 1058.17 feet pass a 1/4 inch iron rod in concrete found, at 1182.92 feet pass a concrete monument found, at 1187.25 feet pass a 1/2 inch iron pipe found and in all a distance of 1248.48 feet to the northwest corner of the herein described tract at the edge of Lake Austin;

Field Note No. 836-14R1

TRENCE departing said east line of the City of Austin tract along the edge of said Lake Austin, crossing Tom Miller Dam, and along the edge of water of Town Lake the following fifteen (15) courses:

1. S 19°23'40" E, 49.71 feet to a point,
2. S 04°09'27" W, 112.60 feet to a point,
3. S 02°19'05" E, 174.16 feet to a railroad spike in rock found,
4. S 06°39'55" W, 209.48 feet to a 3/4 inch iron pipe found,
5. S 01°03'10" W, 168.86 feet to a 3/4 inch iron pipe found,
6. S 05°14'49" E, 158.03 feet to a 3/4 inch iron pipe found,
7. S 02°47'49" E at 153.68 feet pass a point in the north line of said Red Bud Trail, from which point a 3/4 inch iron pipe found disturbed bears N 89°56'43" E, 2.02 feet, and in all 164.98 feet to a point,
8. S 09°37'34" E, 52.05 feet to a point marked "X" in concrete on the Red Bud Trail low water bridge crossing said Town Lake,
9. S 06°14'56" E, 51.22 feet pass a 3/4 inch iron pipe found on the south line of said Red Bud Trail, and in all 104.00 feet to a 3/4 inch iron pipe found,
10. S 05°08'05" E, 137.11 feet to a 3/4 inch iron pipe found,
11. S 14°50'34" E, 271.95 feet to a 3/4 inch iron pipe found,
12. S 16°45'32" E, 344.14 feet to a 3/4 inch iron pipe found,
13. S 62°37'43" E, 25.18 feet to a 3/4 inch iron pipe found,
14. S 24°49'41" E, 111.24 feet to a 3/4 inch iron pipe found, and
15. S 07°32'42" E, 111.37 feet to a 3/4 inch iron pipe found at the northeast corner of said 95 acre tract, being the most northerly corner of Lot 24, STRATFORD PLACE P.U.D., a subdivision whose plat is recorded in Book 86, Pages 199D, 200A - 200D of said Plat Records;

TRENCE departing said Town Lake along the east line of said 95 acre tract, being the west line of said STRATFORD PLACE P.U.D. the following three (3) courses:

1. S 29°55'06" W, at 34.60 feet pass a 1/2 inch iron rod found, at 247.61 pass a 3/4 inch iron pipe in concrete monument found, and in all 843.51 feet to a 1/2 inch iron pipe in concrete monument found,

Field Note No. 836-14R1

2. S 29°53'50" W, at 248.11 feet pass a 1/2 inch iron pipe found on the east line of Stratford Drive, a sixty (60) foot R.O.W. easement granted to the City of Austin, recorded in Volume 4218, Page 816 of said Deed Records, at 354.00 feet pass a bolt found on the west line of said Stratford Drive and in all 622.71 feet to an AUSTIN INDEPENDENT SCHOOL DISTRICT brass disc in concrete monument found, and
3. S 29°40'36" W, 173.28 feet to a 1/2 inch iron rod in concrete found at the southwest corner of Lot 26, said STRATFORD PLACE P.U.D., being the northwest corner of that certain 23.2 acre tract of land conveyed to A. D. Stanger by Deed recorded in Volume 1264, Page 129 of said Deed Records;

THENCE departing the west line of said STRATFORD PLACE P.U.D. S 30°03'05" W along the east line of said 95 acre tract, being the west line of said 23.2 acre tract by boundary agreement between the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM and A. D. Stanger recorded in Volume 4017, Page 693 of said Deed Records, 416.60 feet to an axle found at the northeast corner of Lot 36, Block C, LAS LOMAS SUBDIVISION, a subdivision whose plat is recorded in Book 85, Pages 159D, 160A - 160D of said Plat Records, from which a 60d nail found in an old rock mound bears S 61°22'59" E, 66.16 feet;

THENCE departing the west line of said 23.2 acre tract N 60°25'45" W along the north line of said LAS LOMAS SUBDIVISION, being an interior south line hereof, 689.76 feet to an iron pipe with brass cap stamped "University of Texas";

THENCE along an interior east line of said 95 acre tract, being the west line of said LAS LOMAS SUBDIVISION, S 29°56'55" W at 109.22 feet pass a 1/2 inch iron pipe found, and in all 429.34 feet to a concrete monument marked "+" found disturbed, being the northeast corner of the Woods Cemetery Tract described as 0.807 acres of land in Field Note No. 4074 dated April 5, 1988 prepared by Survey Resources, Inc., P.O. Box 162690, Austin, Texas 78716-2690, from which a headstone marked "John Woods" bears S 66°00'00" W, 48.3 feet;

THENCE departing the west line of said LAS LOMAS SUBDIVISION along a line as agreed upon by Edna S. Bullen and the Board of Regents of the University of Texas System in that certain Boundary Agreement and Quitclaims recorded November 23, 1988 in Volume 10822, Page 0060 of the Deed Records of Travis County, Texas, the following two (2) courses:

1. N 59°43'02" W, along the north line of said 0.807 acre tract, 187.45 feet to a 1/2 inch iron rod found, being the northwest corner of said 0.807 acre tract, and

Field Note No. 836-14R1

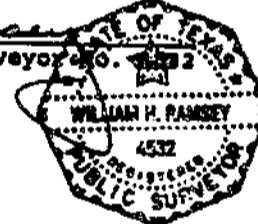
2. N 59°48'07" W, 467.88 feet to the POINT OF BEGINNING containing within these notes and bounds 91.836 acres of land more or less, save and except 3.232 acres of land contained within said Red Bud Trail whose street deed is recorded in Volume 4993, Page 483 of the said Deed Records, leaving a total net residue of 88.604 acres of land more or less.

THE STATE OF TEXAS :
COUNTY OF TRAVIS : KNOW ALL MEN BY THESE PRESENTS:

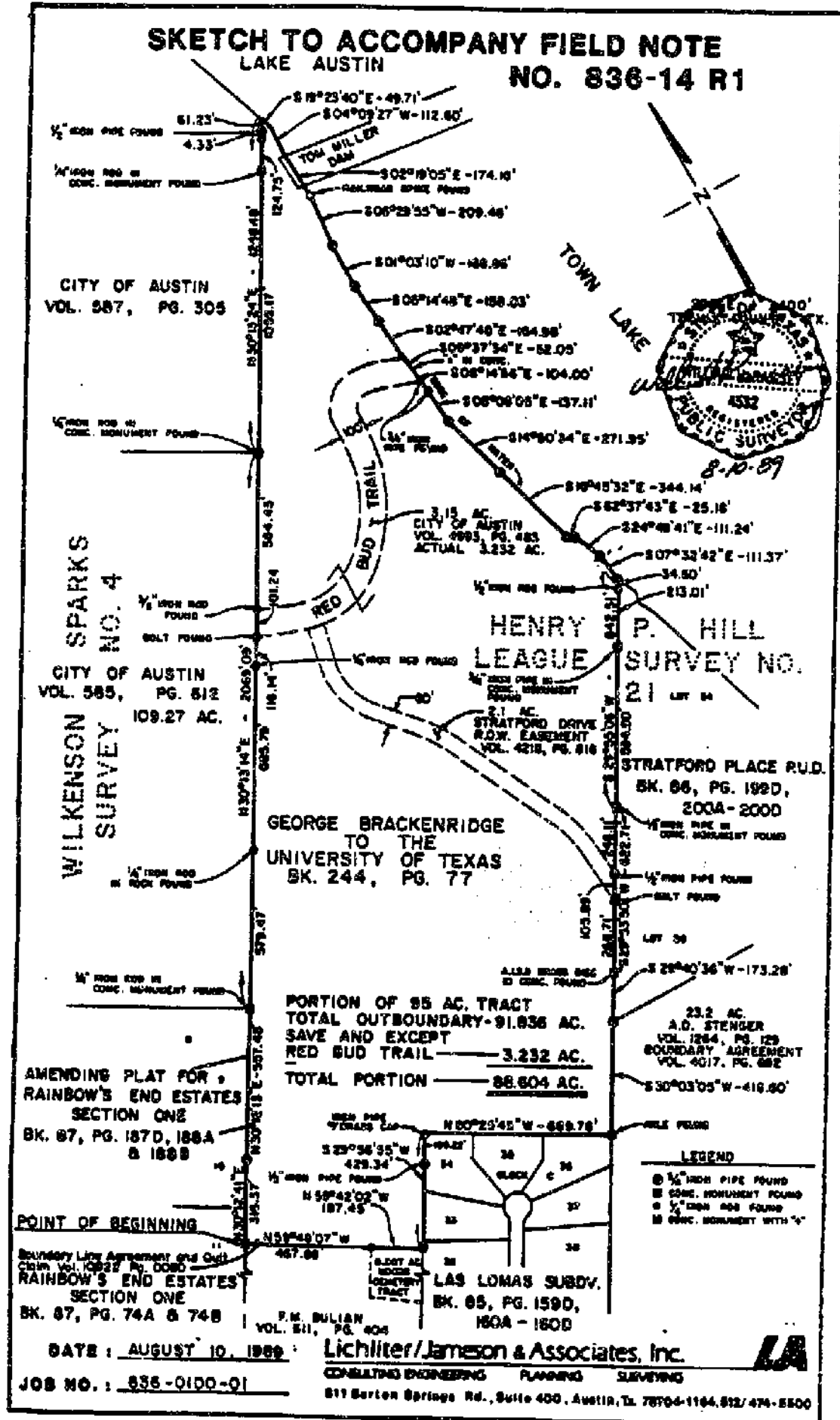
That I, William H. Ramsey, a Registered Public Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and that the property described herein was determined by a survey made on the ground under my direction and supervision.

WITNESS MY HAND AND SEAL AT Austin, Travis County, Texas this the 10th day of August, 1989 A.D.

William H. Ramsey
Registered Public Surveyor No. 4532
State of Texas



**SKETCH TO ACCOMPANY FIELD NOTE
LAKE AUSTIN
NO. 836-14 R1**



DRAFT

EXHIBIT "B"

THE STATE OF TEXAS §
 § ESCROW AGREEMENT
COUNTY OF TRAVIS §

THIS ESCROW AGREEMENT (the "Agreement") is made by and among the City of Austin (the "City"), a Texas home rule city, the Board of Regents of the University of Texas System acting for and on behalf of the University of Texas at Austin (the "University") and Stewart Title Company, a Texas corporation (the "Escrow Agent").

WHEREAS, the City and the University desire to compromise and settle certain disputes involving, among other things, the legal right of the City to locate the abutment of the former Austin Dam, now Tom Miller Dam, on certain lands owned by the University and to lease to LCRA a certain 14.2 acre tract and an overlapping portion of a certain 15.06 acre tract earlier conveyed to the University by George W. Brackenridge as part of a larger tract; and

WHEREAS, the terms of the Settlement Agreement require the creation of an escrow arrangement for deposit of certain documents described herein pending the closing of transactions contemplated in the Settlement Agreement; and

WHEREAS, the Escrow Agent has agreed to act as escrow agent in accordance with the terms of this Agreement;

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

1. Escrow Account. The Escrow Agent hereby accepts appointment as Escrow Agent and agrees to hold and distribute the originals of certain documents in accordance with the terms and conditions of this Agreement and the Settlement Agreement, a true copy of which has been provided to the Escrow Agent by the parties.
2. Events Prior to Closing. The closing for the transactions contemplated by this Agreement and by the Settlement Agreement shall occur as soon as practicable but in no event before the following events have occurred:

- a) approval of the Settlement Agreement and the transactions contemplated thereunder by the Board of Regents of the University.
 - b) approval of the Settlement Agreement and the transactions contemplated thereunder by the City Council of the City of Austin;
 - c) delivery by the University to the Escrow Agent of the Release of Claims, the Electrical Transmission and Distribution Easement, the Electrical Overhang Easement, and the Dam Abutment and Maintenance Easement in recordable form;
 - d) Delivery by City to the Escrow Agent of the Special Warranty Deed, Release of Easement, Release or Quitclaim by LCRA of any right, title or interest in the 14.2 acre portion of Stratford Tract and that portion of the 15.06 acre tract overlapping said 14.2 acre tract, and LCRA letter, agreement, quitclaim or representation of no claim or interest in and to the .784 acre Red Bud strip all in recordable form;
 - e) removal of the existing Circuit 912 and 803 electric transmission lines, structures, concrete pads and appurtenances from the Stratford Tract and the .784 acre Red Bud Strip.
3. Closing. Upon receipt of written certification from both parties that the above documents have been delivered, are in satisfactory form and fully executed, that all electrical lines, structures, and facilities have been satisfactorily removed in accordance with the Settlement Agreement, then the Escrow Agent shall file for recording in the Travis County Real Property Records one (1) duplicate original of each of the documents described above and shall forward two (2) duplicate originals of each document to each of the parties. The University may, at its sole option and expense, secure an Owner's Policy of Title Insurance covering the .784 acre Red Bud Strip to be conveyed by the City.
4. Rights of Escrow Agent. The Escrow Agent shall at all times be entitled to rely upon the veracity and accuracy of any written notification or information or other documents received from the parties to this Agreement regarding this Escrow Agreement and any other matters that any of the parties may direct or inform the Escrow Agent with respect thereto, unless the Escrow Agent receives a conflicting notice within ten (10) days thereafter. Should the Escrow Agent receive or become aware of any conflicting demands or claims with respect

Exhibit "B" (Rev. 07/13/90)

to this Agreement or the rights of any of the parties hereto, the Escrow Agent shall have the right to discontinue any or all further acts on his part until such conflict is resolved to his satisfaction, and shall have the further right to commence and demand any action or proceedings for the resolution of such conflict, including, but without limiting the generality of the foregoing, a suit in interpleader or for declaratory judgment. Upon filing a suit in interpleader and depositing all of the original documents with the court, the Escrow Agent shall, ipso facto, be fully released and discharged from all obligations imposed upon him in this Agreement. The parties to this Agreement agree to pay equally all costs, damages, judgments and expenses, including reasonable attorneys' fees, suffered or incurred by the Escrow Agent in connection with, or arising out of, the Escrow Agent's performance of this Agreement.

It is specifically understood and agreed that the Escrow Agent is not a party to and shall not be bound by any contact between the parties to this Agreement, other than this Agreement. The Escrow Agent shall act as a depository only and shall not be required to take notice of any default, pledge or warranty, expressed or implied, under such contract. No persons who, or entity which, is not a party hereto shall have any rights hereunder, it being specifically declared that there are no third party beneficiaries under this Agreement.

5. Compensation. The Escrow Agent's compensation for services hereunder shall be the sum of ten dollars (\$10.00) to be paid equally by the parties to this Agreement.
6. Modification. This Agreement may not be changed or modified except by an agreement in writing signed by the parties or any person authorized to act on their behalf.
7. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which, when taken together, shall constitute but one instrument.
8. Effective Date. This Agreement shall become effective from and after the date of due execution by all parties.

Exhibit "B" (Rev. 07/13/90)

ATTEST:

THE BOARD OF REGENTS OF
THE UNIVERSITY OF TEXAS SYSTEM

By: _____

By: _____
Michael E. Patrick
Executive Vice Chancellor
for Asset Management

Date: _____

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

E. Janice Sumner
University Attorney

Alan S. Prickett
Manager, Special Projects

ATTEST:

THE CITY OF AUSTIN

By: _____
James Aldridge
City Clerk

By: _____

Title: _____
Date: _____

APPROVED AS TO FORM:

ESCROW AGENT

By: _____
Assistant City Attorney

By: _____
Title: _____
Date: _____

Exhibit "B" (Rev. 07/13/90)

EXHIBIT "C"

STATE OF TEXAS §
 § RELEASE OF CLAIMS:
COUNTY OF TRAVIS §

This Release of Claims ("Release") is given to the CITY OF AUSTIN, a home rule city, municipal corporation and political subdivision of the State of Texas ("the City") by the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM acting for and on behalf of THE UNIVERSITY OF TEXAS AT AUSTIN ("the University") pursuant to the terms of the 1990 Brackenridge Tract Settlement Agreement (the "Settlement Agreement") executed by and between the City and the University.

W I T N E S S E T H:

WHEREAS, The University disputes the existence of a legal right in the City to abut the western end of a dam, now known as Tom Miller Dam, and any predecessor dams, including the Austin Dam, and any partial or complete reconstructions thereof ("the Dam") on certain property belonging to the University known as the "Stratford Tract," a description and survey of which is attached hereto as Exhibit "A" and incorporated herein; and

WHEREAS, The University disputes the legal authority of the City to lease to the Lower Colorado River Authority ("LCRA"), under the terms of a lease agreement dated February 5, 1938, as amended (the "1938 Agreement"), a certain 14.2 acre parcel and a portion of a certain 15.06 acre parcel overlapping therewith, located within the Stratford Tract; and

WHEREAS, the University further disputes the legal authority of The City, without an easement, but pursuant to alleged verbal permission from the University, to construct, operate, and maintain in and across the Stratford Tract a certain electrical transmission line known as "Circuit 803" extending from the City's Austin Dam Substation to the City's Montopolis Substation as more particularly shown on Exhibit "B" attached hereto; and

WHEREAS, in order to settle said disputes, claims and differences and in order to avoid the expenses, risks and delays of litigation with respect thereto, the City and the University did enter into the Settlement Agreement as a full and final settlement and compromise of any and all claims, demands and causes of action, if any, which the University may have against the City arising out of or resulting from the abutment of the Dam on the Stratford Tract, the leasing of 14.2 acres and part of the 15.06 acre tract overlapping a portion of the Stratford Tract to the LCRA under the terms of the 1938 Agreement, as amended, and the construction, operation and maintenance of the electrical transmission line known

as 803 Circuit on the Stratford Tract;

NOW, THEREFORE, in consideration of the premises, and for and in consideration of the full performance by the City under the terms of that "1990 Brackenridge Tract Property Settlement Agreement" between the City of Austin and the Board of Regents of the University of Texas System, and the delivery of all documents, completion of all performances anticipated and the final closing as set forth under the terms of said Agreement, the receipt and sufficiency of which is hereby acknowledged by the undersigned, the University has RELEASED, ACQUITTED, and forever DISCHARGED, and by these presents, does RELEASE, ACQUIT and forever DISCHARGE the City and all their respective employees, officers, lessees, successors, assigns and insurers, and all other persons, firms and corporations of and from all claims asserted by the University resulting from or related, directly or indirectly, to the abutment of the Dam on the above-described Stratford Tract, the leasing of the certain 14.2 acres out of the Stratford Tract to LCRA under the terms of the 1938 Agreement, as amended, the leasing to LCRA of a portion of a 15.06 acre tract overlapping said 14.2 acre tract under the terms of said 1938 Agreement, the construction, operation and maintenance of the electrical transmission line known as "803 Circuit" on the Stratford Tract without an easement, and from any and all demands, obligations, liabilities, debts, suits, claims, damages, costs and causes of action whatsoever, in any manner claimed, owned, held or possessed by the University, its successors and assigns, on account of or arising, in whole or in part, from the events, transactions, currences or circumstances stated herein.

IT IS EXPRESSLY UNDERSTOOD AND AGREED by and between the parties that this is a full and complete release of all claims of the University past, present or future, whether now known or not known, arising directly and indirectly, in whole or in part from the events, transactions, currences or circumstances stated herein.

IT IS FURTHER AGREED AND UNDERSTOOD that this settlement is the compromise of a disputed claim and is not and should not be held, construed or deemed as an admission of liability on the part of the City, either to the undersigned or to any other person, firm, corporation, or political subdivision.

IN WITNESS WHEREOF, the University has executed this Agreement in multiple copies on the date set out below.

THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

Date: _____

Exhibit "C"

AFTER RECORDING, RETURN TO:

JMT:SCY
6669

Exhibit "C"

EXHIBIT "D"

DAM ABUTMENT AND MAINTENANCE
EASEMENT AGREEMENT

THE STATE OF TEXAS §
 § KNOW ALL BY THESE PRESENTS COME:
COUNTY OF TRAVIS §

THAT, the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, FOR AND ON BEHALF OF THE UNIVERSITY OF TEXAS AT AUSTIN (hereinafter referred to "Grantor"), of Travis County, State of Texas, acting herein by and through its duly authorized officer, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) cash and other good and valuable consideration to Grantor, the receipt and sufficiency of which are hereby acknowledged, in hand paid, by the CITY OF AUSTIN, Texas, a municipal corporation (hereinafter referred to as "Grantee"), does by these presents GRANT and CONVEY, subject to the limitations described below, unto Grantee, its employees, agents, lessees, contractors, representatives, successors and assigns, an easement to be used exclusively for the existing or present abutment of the western end of a dam now known as the Tom Miller Dam belonging to the City of Austin, together with the right of access to and from said dam abutment for the purposes of construction, operation, repair, maintenance, reconstruction, upgrade, replacement, removal related to the present or existing dam abutment, all within the following described land located in Travis County, Texas, and described as follows, to wit:

BEING, that certain _____ acre tract situated in the Henry P. Hill League, Survey No. 21, Travis County, Texas, out of and part of that certain 95 acre tract conveyed by George W. Brackenridge to The University of Texas by Deed recorded in Volume 244, Page 77 of the Deed Records of Travis County, Texas, more particularly described on Exhibit "A" attached hereto and made a part hereof for all purposes.

This grant of easement conveys only surface interest, and it is the intent of the Grantor not to convey any mineral rights by this instrument.

It is agreed that all expenses incurred in said construction, operation, repair, maintenance, reconstruction, upgrading, replacement, and removal operations related to said dam shall be at the expense of the Grantee.

The easement herein granted is subject to the following limitations:

1. Grantee will remove no trees or vegetation unless essential for purposes of ingress/egress or for fulfilling the purposes of the easement set forth above and shall give prior written notification to Grantor in regard to any plans or actions to remove trees and vegetation from said site;
2. Prior written approval of Grantor is required before Grantee may enlarge the present dam abutment beyond the existing size or dimension or before Grantee may utilize the easement herein granted for any purposes other than those described above;
3. All outstanding easements and leases valid and presently outstanding covering the above-described lands and premises, or any part thereof.

The Grantor reserves for itself, its successors and assigns, the right to grant additional easements along the above conveyed easement, so long as such subsequent easements do not unreasonably interfere with the operation, safety and any other rights granted herein.

This easement is not assignable without Grantor's prior written consent and Grantor does hereby express its prior consent to an assignment to the Lower Colorado River Authority, a public corporation and state agency.

TO HAVE AND TO HOLD the above-described easement and rights unto said Grantee until said easement shall be abandoned and at the time of such abandonment, all rights, title and interest in said easement shall revert to the Grantor or its successors and assigns.

Grantor covenants that Grantor is the owner of the above-described land and that the said land is free and clear of encumbrances and liens of whatsoever character except those easements, covenants, restrictions, and encumbrances of record as of the date of execution hereof and any presently existing leases.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed on this the _____ day of _____, 1990.

ATTEST:

THE BOARD OF REGENTS OF
THE UNIVERSITY OF TEXAS SYSTEM

By: _____
Arthur H. Dilly
Executive Secretary

By: _____
Michael E. Patrick
Executive Vice Chancellor
for Asset Management

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

E. Janice Summer
Attorney

Alan S. Prickett
Manager, Special Projects

CONSENTED TO:

CITY OF AUSTIN

CONSENTED TO:

LOWER COLORADO RIVER AUTHORITY

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the ____ day of _____, 1990, by Michael E. Patrick, Executive Vice Chancellor for Asset Management, on behalf of the Board of Regents of The University of Texas System.

Notary Public, State of Texas

AFTER RECORDING, RETURN TO:

EXHIBIT.D

DRAFT

EXHIBIT "E"

RELEASE OF EASEMENT

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF TRAVIS §

WHEREAS, the University of Texas, (the "University") is the record owner of certain property commonly known as the "Stratford Tract," the same being more particularly described on Exhibit "A" attached hereto and made a part hereof for all purposes; and

WHEREAS, by the provisions of a judgment in a certain condemnation proceeding dated January 29, 1940, styled Lower Colorado River Authority v. State of Texas, et. al., Cause No. 9416, in the County Court of Travis County, Texas, a true copy of which is attached hereto as Exhibit "B" and made a part hereof for all purposes, the Lower Colorado River Authority ("LCRA") acquired an easement (the "Easement") for purposes of erecting an electrical transmission line and appurtenances in and across the above-described property; and

WHEREAS, said Easement, together with the lines, structures and appurtenances thereon and all rights therein, were granted, sold, and conveyed to the City of Austin ("City") in and by virtue of certain documents executed by and between the City and LCRA commonly described as the "1981 Transmission Agreement, dated November 3, 1981, the "1983 Transmission Agreement" dated November 1, 1983, and an "Easement Assignment" dated August 29, 1984, recorded at Volume 8800, Page 617, Real Property Records of Travis County, Texas; and

WHEREAS, pursuant to said Easement Assignment, the City of Austin operated and maintained an electrical transmission line, structures, and appurtenances within said Easement; and

WHEREAS, the University has requested the removal of said electrical transmission line, structures, and appurtenances in order to accommodate its development of the Stratford Tract; and

WHEREAS, the City no longer desires to operate and maintain said electrical transmission line, structures, and appurtenances within said Easement and has agreed to release the same, subject to the terms and conditions set forth in a document styled "1990 Brackenridge Tract Property Settlement Agreement" (the "Settlement Agreement"), a true copy of which is attached as Exhibit "C" and made a part hereof for all purposes; and

WHEREAS, the City Council has determined that said Easement is surplus and no longer needed for operation and maintenance of an electrical transmission line within the Easement;

NOW, THEREFORE, for and in consideration, of the foregoing premises, the full performance by the University under the terms of the Settlement Agreement, and the delivery of all documents, completion of all performances anticipated thereunder and the final closing as set forth under the terms of said Settlement Agreement, and for TEN DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City of Austin agrees and does hereby release, discharge and abandon the Easement together with all rights and privileges appurtenant thereto.

This Release shall become effective upon the Closing of all transactions contemplated in said 1990 Brackenridge Tract Property Settlement Agreement.

EXECUTED, this _____ day of _____, 1990.

ATTEST:

James E. Aldridge
City Clerk

CITY OF AUSTIN:

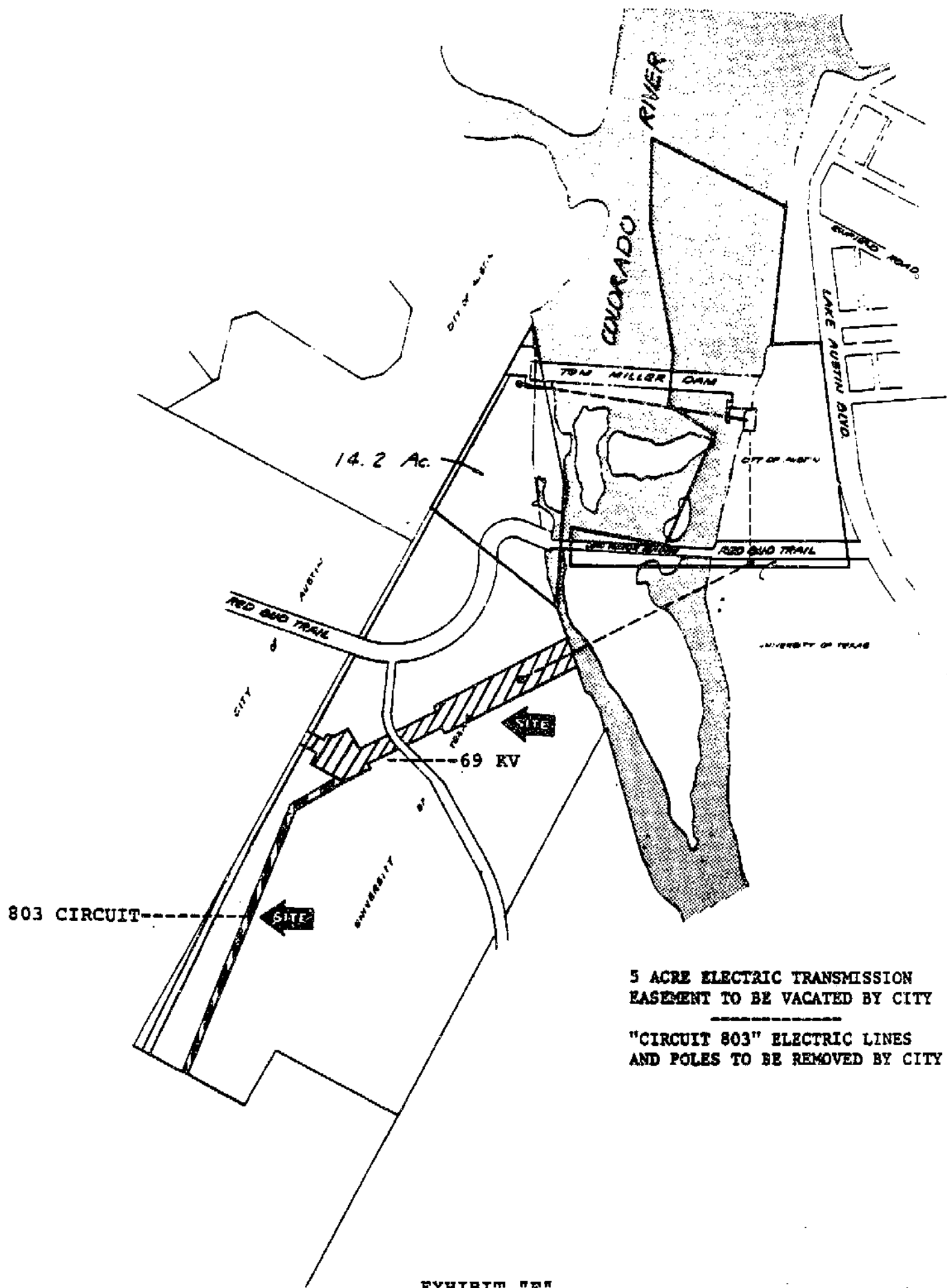
By: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

Assistant City Attorney



5 ACRE ELECTRIC TRANSMISSION
EASEMENT TO BE VACATED BY CITY

"CIRCUIT 803" ELECTRIC LINES
AND POLES TO BE REMOVED BY CITY

EXHIBIT "F"

EXHIBIT "g"

ELECTRICAL TRANSMISSION AND DISTRIBUTION EASEMENT

STATE OF TEXAS §
 § KNOW ALL BY THESE PRESENTS COME:
COUNTY OF TRAVIS §

That the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, for and on behalf of THE UNIVERSITY OF TEXAS AT AUSTIN ("Grantor"), of Travis County, State of Texas, acting herein by and through its duly authorized officer, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) cash and other good and valuable consideration to Grantor, receipt and sufficiency of which are hereby acknowledged, in hand paid by THE CITY OF AUSTIN, Texas, a municipal corporation ("Grantee"), does by these presents GRANT and CONVEY, subject to the limitations described below, unto Grantee, its employees, agents, lessees, contractors, representatives, successors and assigns, the right to enter and construct, reconstruct, inspect, upgrade, operate, repair, maintain, relocate, replace and remove electrical transmission and distribution lines, poles, wires, and all necessary appurtenances located overhead, or on the surface over, across, and upon those certain lands described as follows, to-wit:

BEING a 1.913 acre tract of land over and across that certain 95-acre tract of land conveyed from George Brackenridge to The University of Texas by deed recorded in Volume 244, Page 77, Deed Records of Travis County, Texas, being more particularly described in Exhibit "A" attached hereto and incorporated herein for all purposes.

The easement herein granted is subject to the following limitations:

1. Electrical currents distributed or transmitted in this easement shall not exceed 138 kilovolt capacity;
2. All utility poles located in this easement shall be wood monopoles of no more than ninety feet (90') in height. No electrical equipment or installations other than that herein described may be located in the easement except that those two (2) poles whereupon the electrical lines change directions may be anchored by guywires;
3. The City may cut a one lane access road to a maximum of 12 feet in width, to assist in accomplishing the purposes outlined above;
4. The City will use its best efforts to avoid cutting trees and clearing vegetation, except vegetation and trees which directly

interfere with the construction, operation, or maintenance of electrical facilities installed hereunder or with the construction, maintenance, and use of the above-described access road;

5. Prior to the construction of the electrical transmission and distribution lines upon this easement, the Grantee will furnish copies of the design of said electrical facilities and access road to Grantor and seek Grantor's written agreement that the placement and design of said lines, equipment and access road are in accordance with the terms of this Agreement. Said approval from Grantor shall not be unreasonably withheld;

6. The Easement shall be subject to all outstanding and validly existing easements, leases and other matters of record on the date of execution hereof covering the above-described lands and premises, or any part thereof.

7. Grantor reserves for itself, its successors and assigns, the right to grant additional easements along the above conveyed easement so long as such subsequent easements do not unreasonably interfere with the construction, maintenance or operation of facilities described herein, the safety of persons or property, and any other rights granted herein.

8. This easement is not assignable unless Grantor consents in writing prior to said assignment, which consent or approval shall not be unreasonably withheld.

TO HAVE AND TO HOLD the above-described easement and rights unto said Grantee until said easement shall be abandoned and at the time of such abandonment, all right, title and interest in said easement shall revert to Grantor, its successors or assigns.

Grantor covenants that Grantor is the owner of the above-described lands and that said lands are free and clear of encumbrances and liens of whatsoever character except those easements, covenants, restrictions and encumbrances of record and leases validly existing as of the date of execution hereof.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed on this the ____ day of _____, 1990.

ATTEST:

THE BOARD OF REGENTS OF
THE UNIVERSITY OF TEXAS SYSTEM
FOR AND ON BEHALF OF THE
UNIVERSITY OF TEXAS AT AUSTIN

Arthur H. Dilly
Executive Secretary

By: _____
Michael E. Patrick
Executive Vice Chancellor
for Asset Management

APPROVED AS TO CONTENT:

APPROVED AS TO FORM:

Alan S. Prickett
Manager, Special Projects
Lands & Endowment Real Estate

E. Janice Summer
University Attorney

APPROVED:

CITY OF AUSTIN

By: _____
Title: _____
Date: _____

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the ____ day of _____, 1990, by Michael E. Patrick, Executive Vice Chancellor for Asset Management, on behalf of the Board of Regents of The University of Texas System.

Notary Public in and for
The State of Texas

AFTER RECORDING, RETURN TO:

EXHIBIT.G

EXHIBIT "A"

A variable width strip of land located in the Henry F. Hill Survey No. 21 in Travis County, Texas and being out of and a part of that certain 95 acre tract described in a deed from George W. Brackenridge to the University of Texas dated June 17, 1910 and recorded in Volume 264, Pages 77-78 of the Deed Records of said County. And the said strip being more particularly described as follows:

BEGINNING at a concrete monument with a brass plate marked "+" found for the most westerly corner of said 95 acre tract;

THENCE along the northwest line of said 95 acre tract North 30° 12' 23" East 873.79 feet to a concrete monument found for the most southerly corner of that certain 109.27 acre tract as described in a deed from Emmett Ebelton to the City of Austin dated April 26, 1938 and recorded in Volume 583, Pages 612-613 of the Deed Records of said County;

THENCE along the common line of said 95 and 109.27 acre tracts North 30° 13' 32" East 267.37 feet;

THENCE through the said 95 acre tract the following twelve (12) courses:

- (1) South 59° 46' 18" East 30.01 feet;
- (2) South 23° 15' 46" West 262.37 feet;
- (3) South 63° 36' 13" East 50.21 feet;
- (4) South 26° 23' 47" West 10.00 feet;
- (5) North 63° 36' 13" West 50.27 feet;
- (6) South 30° 12' 23" West 790.78 feet;
- (7) South 08° 27' 07" East 64.04 feet;
- (8) South 59° 44' 04" East 261.24 feet;
- (9) North 33° 11' 31" East 47.84 feet;
- (10) South 54° 49' 09" East 10.00 feet;
- (11) South 33° 11' 31" West 46.98 feet;
- (12) South 59° 44' 04" East 283.68 feet to the southeast line of said 95 acre tract;

THENCE along same South 29° 57' 00" West 30.00 feet to the most southerly corner of said 95 acre tract;

THENCE along the most southerly southwest line of same the following two (2) courses:

- (1) North 59° 37' 24" West 187.33 feet to a 1/2-inch iron rod found;
- (2) North 39° 47' 28" West 467.96 feet to the place of beginning.

Containing 1.913 acre.

Prepared from an on the ground survey made under my supervision during the month of June, 1990.



Clinton H. Simrall 7-13-90
Clinton H. Simrall - RPLS No. 1420

EXHIBIT "X"

ELECTRICAL OVERHANG EASEMENT

STATE OF TEXAS §
 § KNOW ALL BY THESE PRESENTS COME:
COUNTY OF TRAVIS §

That the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, for and on behalf of THE UNIVERSITY OF TEXAS AT AUSTIN ("Grantor"), of Travis County, State of Texas, acting herein by and through its duly authorized officer, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) cash and other good and valuable consideration to Grantor, receipt and sufficiency of which are hereby acknowledged, in hand paid by THE CITY OF AUSTIN, Texas, a municipal corporation ("Grantee"), does by these presents GRANT and CONVEY, subject to the limitations described below, unto Grantee, its employees, agents, lessees, contractors, representatives, successors and assigns, an easement to provide only for overhang space for electrical transmission and distribution equipment, lines, and wires, said electrical transmission and distribution equipment, lines and wires to be located solely on adjacent property belonging to Grantee, said overhang easement to be located overhead, or on the surface over, across, and upon those certain lands described as follows, to-wit:

BEING a 1.876 acre tract of land over and across that certain 95-acre tract of land conveyed from George Brackenridge to The University of Texas by deed recorded in Volume 244, Page 77, Deed Records of Travis County, Texas, being more particularly described in Exhibit "A" attached hereto and incorporated herein for all purposes.

The easement herein granted is subject to the following limitations:

1. Electricity distributed or transmitted in the electrical transmission and distribution lines adjacent to this easement and for which this easement provides overhang space shall not exceed 138 kilovolt capacity;
2. All poles or other structures supporting lines located adjacent to this easement and for which this easement provides overhang space shall be only wood monopoles of no more than ninety feet (90') in height.
3. Except as provided above, no poles, lines, equipment or structures shall be located in the easement herein granted. No vegetation nor trees shall be cut from this thirty feet (30')

easement except those which directly interfere with the safe operation of the adjacent transmission and distribution line.

4. Prior to the construction of the electrical distribution and transmission lines adjacent to this easement, the Grantee will furnish copies of the design of said electrical distribution and transmission lines to Grantor and seek Grantor's written agreement that the placement and design of said lines and equipment are in accordance with the terms of this Agreement. Said approval from Grantor shall not be unreasonably withheld.

5. Any and all outstanding and validly existing easements, leases and any matters of record covering the above-described lands and premises, or any part thereof.

Grantor reserves for itself, its successors and assigns, the right to grant additional easements along the above conveyed easement, so long as such subsequent easements do not unreasonably interfere with the operation, safety, and any other rights granted herein.

This easement is not assignable unless Grantor consents in writing prior to said assignment, which consent or approval shall not be unreasonably withheld.

TO HAVE AND TO HOLD the above-described easement and rights unto said Grantee until said easement shall be abandoned and at the time of such abandonment, all rights, title and interest in said easement shall revert to Grantor or its successors or assigns.

Grantor covenants that Grantor is the owner of the above-described lands and that said lands are free and clear of encumbrances and liens of whatsoever character except those easements, covenants, restrictions and encumbrances of record and leases validly existing as of the date of execution hereof.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed on this the _____ day of _____, 1990.

ATTEST:

Arthur H. Dilly
Executive Secretary

THE BOARD OF REGENTS OF
THE UNIVERSITY OF TEXAS SYSTEM
for and on behalf of THE
UNIVERSITY OF TEXAS AT AUSTIN

By: _____
Michael E. Patrick
Executive Vice Chancellor
for Asset Management

APPROVED AS TO CONTENT:

APPROVED AS TO FORM:

Alan S. Prickett
Manager, Special Projects
Lands & Endowment Real Estate

E. Janice Summer
University Attorney

APPROVED:

CITY OF AUSTIN

By: _____
Title: _____
Date: _____

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the ____ day of _____, 1990, by Michael E. Patrick, Executive Vice Chancellor for Asset Management, on behalf of the Board of Regents of The University of Texas System.

Notary Public in and for
The State of Texas

AFTER RECORDING, RETURN TO:

EXHIBIT.H

EXHIBIT "A"

A thirty (30) foot wide strip of land located in the Henry P. Hill Survey No. 21 in Travis County, Texas and being out of and a part of that certain 95 acre tract described in a deed from George W. Brackanridge to the University of Texas dated June 17, 1910 and recorded in Volume 244, Pages 77-78 of the Deed Records of said County. And the said thirty (30) foot wide strip being more particularly described as follows:

COMMENCING at a concrete monument with a brass plate marked "+" found for the most westerly corner of said 95 acre tract; THENCE along the northwest line of said 95 acre tract North 30° 12' 23" East 873.79 feet to a concrete monument found for the most southerly corner of that certain 109.27 acre tract as described in a deed from Emmett Shelton to the City of Austin dated April 26, 1938 and recorded in Volume 585, Pages 612-613 of the Deed Records of said County; THENCE along the common line of said 95 and 109.27 acre tracts North 30° 13' 32" East 247.57 feet to the PLACE OF BEGINNING.

THENCE with said common line the following four (4) courses:

- (1) North 30° 13' 32" East 331.93 feet to a concrete monument found;
- (2) North 30° 13' 12" East 685.83 feet to a concrete monument found;
- (3) North 30° 13' 50" East 319.36 feet to a 1/2-inch iron rod found;
- (4) North 30° 13' 49" East 584.42 feet to a concrete monument found for the east corner of said 109.27 acre tract and the south corner of another tract as described in a deed from Emmett Shelton to the City of Austin dated May 4, 1938 and recorded in Volume 587, Pages 305-307 of the Deed Records of said County;

THENCE along the common line the said 95 acre tract and the last mentioned City of Austin tract North 30° 14' 00" East 889.56 feet to the south line of that certain fifty (50) foot wide strip of land as described in an electric easement from the Board of Regents of the University of Texas System to the City of Austin dated August 3, 1974 and recorded in Volume 4993, Pages 516-516 of the Deed Records of said County;

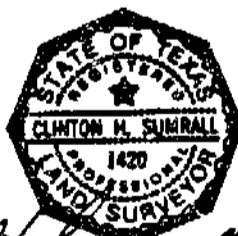
THENCE along the south line of said easement South 81° 17' 00" East 32.26 feet;

THENCE South 30° 13' 42" West 2722.93 feet;

THENCE North 59° 46' 18" West 30.01 feet to the place of beginning.

Containing 1.876 acre.

Prepared from an on the ground survey made under my supervision during the month of June, 1990.



Clinton H. Sumrall 7-13-90
Clinton H. Sumrall - RPLS No. 1420

DRAFT

EXHIBIT "I"

SPECIAL WARRANTY DEED

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS
COUNTY OF TRAVIS §

THAT the CITY OF AUSTIN, TEXAS, a municipal corporation ("Grantor"), for and in consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration in hand paid by THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM acting for and on behalf of the UNIVERSITY OF TEXAS AT AUSTIN ("Grantee"), the receipt and sufficiency of which are hereby acknowledged by Grantor, has GRANTED, SOLD AND CONVEYED, and by these presents does hereby GRANT, SELL and CONVEY to Grantee, the following described real property (the "Property"):

BEING, a 0.784 acre tract of land situated in the D.J. Gilbert Survey No. 8, Travis County, Texas, being a portion of that certain 31.6 acre tract conveyed by George W. Brackenridge to the City of Austin by Deed recorded in Volume 181, Page 204 of the Deed Records of Travis County, Texas as more particularly described on Exhibit "A" attached hereto and made a part hereof for all purposes.

TO HAVE AND TO HOLD the Property, together with, all and singular, the rights and appurtenances belonging in any way to the property, subject to the provisions stated above, to Grantee, its successors and assigns, to warrant and forever defend, all and singular, the Property to Grantee, its successors and assigns, against every person lawfully claiming or to claim all or any part of the property, subject to the provisions stated above, by, through, or under Grantor, but not otherwise.

EXECUTED, this _____ day of _____, 1990.

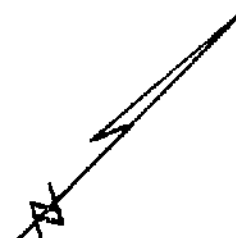
ATTEST:

James E. Aldridge
City Clerk

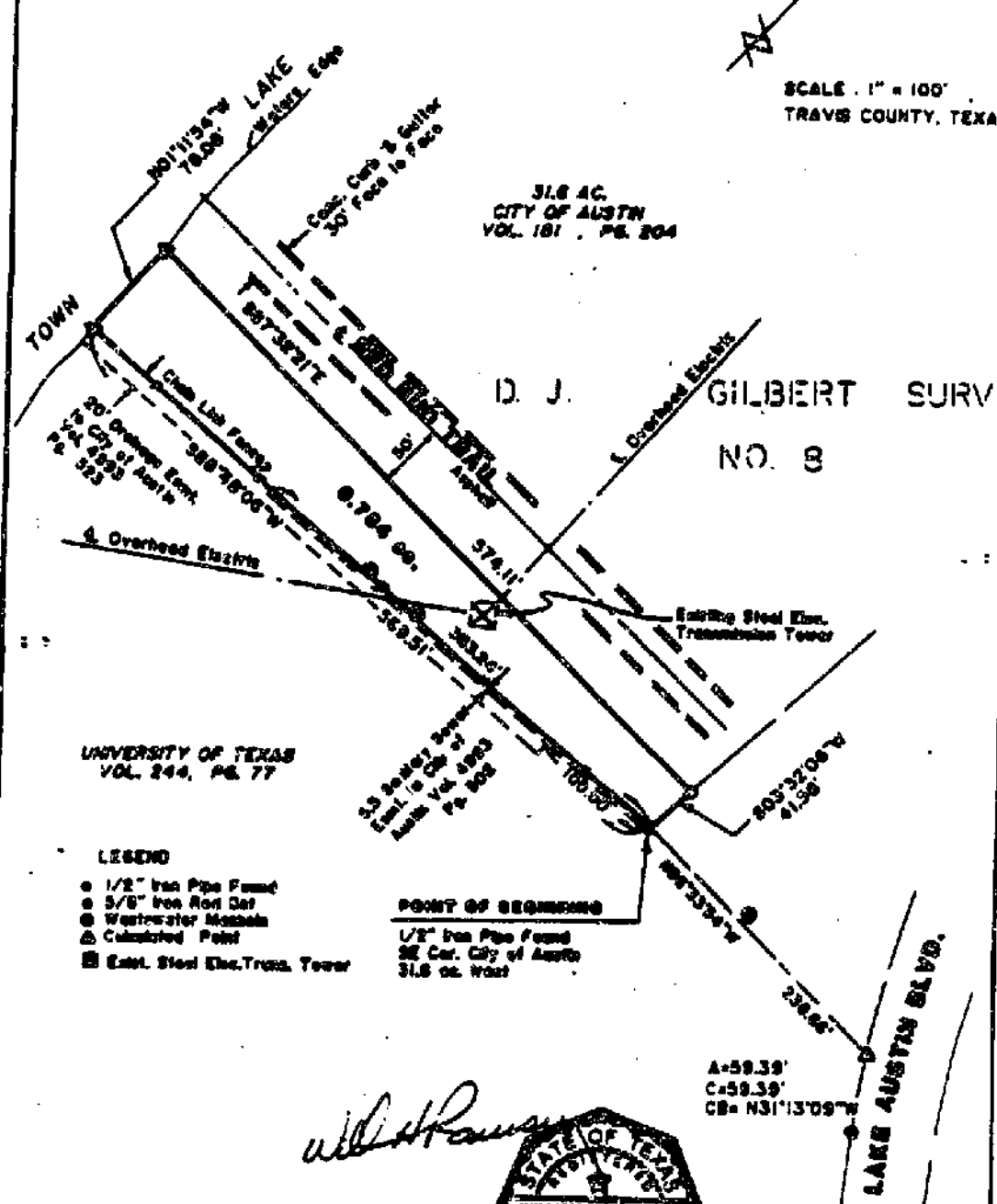
CITY OF AUSTIN:

By: _____
Title: _____
Date: _____

**SKETCH TO ACCOMPANY FIELD NOTE
NO. 838-19**



SCALE: 1" = 100'
TRAVIS COUNTY, TEXAS



UNIVERSITY OF TEXAS
VOL. 244, PG. 77

- LEGEND**
- 1/2" Iron Pipe Found
 - 5/8" Iron Rod Set
 - ⊙ Watermeter Movable
 - △ Calculated Point
 - Ext. Steel Elec. Trans. Tower

POINT OF BEGINNING
1/2" Iron Pipe Found
SE Cor. City of Austin
31.6 ac. West

William H. Ramsey
6-11-90

A=59.39'
C=59.39'
CB= N31°13'09\"/>

DATE : June 8, 1990
JOB NO. : 838-C100-44

Lichter/Jamison & Associates, Inc.
CONSULTING ENGINEERING PLANNING SURVEYING
891 Barton Springs Rd., Suite 400, Austin, Tx. 78704-1163, 912/474-8500

IV. INTELLECTUAL PROPERTY MATTER

U. T. El Paso: Approval of Allocation of Intellectual Property Royalties (Regents' Rules and Regulations, Part Two, Chapter V, Subdivision 2.4523).--The Board, upon recommendation of the Land and Investment Committee, approved the allocation of royalties from licensing rights in intellectual property created at The University of Texas at El Paso at 45% to the creator and 55% to The University of Texas System to be effective for all licenses granted after approval, regardless of the date of creation of such property.

This allocation, although different from the standard of 50% to creator and 50% to U. T. System, is within the range permitted by the Regents' Rules and Regulations, Part Two, Chapter V, Subdivision 2.4523. U. T. El Paso will use its allocated portion of royalties for research and development of research grants.

It was noted that U. T. El Paso will include provisions in its Handbook of Operating Procedures reflecting the adjustment of the distribution of royalties.

Reconvene.--At 11:35 a.m., the Board reconvened as a committee of the whole to consider those items remaining on the agenda.

ITEMS FOR THE RECORD

1. Permanent University Fund: Cancellation of Surface Lease Agreement with The MITRE Corporation, Bedford, Massachusetts.--At the October 1989 meeting, the U. T. Board of Regents authorized the Chancellor to execute, after approval by the Office of General Counsel, a surface lease agreement by and between the Board of Regents of The University of Texas System and The MITRE Corporation, Bedford, Massachusetts, covering 10,000 acres of Permanent University Fund Lands in Loving, Ward, and Winkler Counties, Texas, to be used for research involving future radar systems.

Chancellor Mark reported that the surface lease agreement will not be executed with The MITRE Corporation.

2. U. T. System: Status Report on Administratively Approved Academic Program Changes.--In accordance with Regentally approved guidelines, certain academic program changes, "nonsubstantive" by Texas Higher Education Coordinating Board terminology, which are consistent with the U. T. Board of Regents and Coordinating Board approved institutional missions are forwarded by the appropriate Executive Vice Chancellor to the Coordinating Board for approval at the staff level, subject to periodic reporting to the U. T. Board of Regents. Set forth below is a report for the record of all such administrative approvals since February 1988.

Future reports for the record will be included annually in the August Material Supporting the Agenda.

U. T. Arlington (12 items)

- a. Manufacturing Engineering option added to Computer Science, Electrical Engineering, Industrial Engineering, and Mechanical Engineering programs
- b. Master of Science degree with major in Marketing Research added as alternative option to the Master of Business Administration degree program
- c. Program options in the Acquisition of Language, Literature and Culture added to the authorized Master of Arts degrees with majors in French, German, and Spanish
- d. International Studies option added to the Bachelor of Arts degree with major in Political Science
- e. Bachelor of Arts degree with major in Art adopted as an option to the existing Bachelor of Fine Arts degree with major in Art

- f. Major in Drama leading to the existing Bachelor of Fine Arts and Bachelor of Arts degrees changed to major in Theatre Arts; administrative responsibility moved from the Department of Communication to the Office of the Dean of Liberal Arts
- g. Name of the Department of Art changed to the Department of Art and Art History
- h. Name of the Department of Physical Education changed to Department of Exercise, Sport, and Health Studies
- i. Name of School of Architecture and Environmental Design changed to School of Architecture
- j. A Major in Classical Studies approved for the Bachelor of Arts degree
- k. International Studies option added to the Master of Arts degree with major in Political Science
- l. Name of Bachelor of General Studies degree changed to Bachelor of Arts in Interdisciplinary Studies

U. T. Austin (7 items)

- a. A major in Soviet and East European Studies approved for the Bachelor of Arts degree
- b. A major in Manufacturing Systems Engineering approved for the Master of Science in Engineering degree
- c. Master of Arts degree with major in Comparative Literature added as an intermediary credential for students working toward the Ph.D. in Comparative Literature
- d. Name of Ph.D. degree with major in General Business changed to Ph.D. in Management Science and Information Systems
- e. Department of Marine Studies renamed Department of Marine Science
- f. Name of Department of Chemistry changed to Department of Chemistry and Biochemistry
- g. Department of Home Economics renamed Department of Human Ecology

U. T. El Paso (1 item)

A major in Manufacturing Engineering approved for the Master of Science degree

U. T. San Antonio (12 items)

- a. Name of program in Bilingual Teacher Education leading to the Master of Arts degree with major in Bicultural-Bilingual Studies changed to Bicultural-Bilingual Education
- b. Title of the Master of Business Administration Degree in Interamerican Management changed to Master of Business Administration Degree in International Business

- c. Master of Arts in Education with Concentration in Educational Management renamed the Master of Arts in Education with Concentration in Educational Leadership
- d. Bachelor of Business Administration Degree with a Concentration in Accounting changed to Bachelor of Business Administration Degree in Accounting
- e. Bachelor of Business Administration Degree in Accounting with a Concentration in Information Systems changed to Bachelor of Business Administration Degree in Information Systems
- f. Bachelor of Business Administration Degree in Management with a Concentration in Industrial Management changed to Bachelor of Business Administration in Management Science
- g. Bachelor of Business Administration Degree in Management with a Concentration in Personnel/Human Resources changed to Bachelor of Business Administration Degree in Personnel/Human Resource Management
- h. Bachelor of Business Administration Degree in Management with a Concentration in Marketing changed to Bachelor of Business Administration Degree in Marketing
- i. Bachelor of Science Degree in Computer Science and Systems Design changed to Bachelor of Science Degree in Computer Science
- j. Concentration in Computer Science under the Bachelor of Science Degree in Computer Science and Systems Design changed to Concentration in Software Option under the Bachelor of Science Degree in Computer Science
- k. Concentration in Systems Design under the Bachelor of Science Degree in Computer Science and Systems Design changed to Concentration in Hardware Option under the Bachelor of Science Degree in Computer Science
- l. Division of Art and Design changed to the Division of Art and Architecture

U. T. Southwestern Medical Center - Dallas (3 items)

- a. Changed name of the major in Rehabilitation Counseling leading to the Master of Science degree to Rehabilitation Counseling Psychology
- b. Changed name of the Department of Cell Biology and Anatomy to the Department of Cell Biology and Neuroscience
- c. Division of Neurosurgery of the Department of Surgery of Southwestern Medical School was changed to the Department of Neurosurgery of Southwestern Medical School

U. T. Medical Branch - Galveston (5 items)

- a. Established a certificate program in Long-Term Health Care Studies within the existing program in Health Administration leading to the Bachelor of Science in Health Care Sciences degree with major in Health Care Sciences
- b. Division of Interdisciplinary Studies, School of Allied Health Sciences, was changed to the Department of Humanities and Basic Sciences
- c. Changed name of the existing "concentration" in Health Education leading to the Master of Science degree with major in Allied Health Sciences to Health Education and Promotion
- d. Established a Substance Abuse Counseling and Therapy Administration certificate program as an option leading to the Bachelor of Science in Health Care Sciences degree
- e. Changed doctoral program in the Medical Humanities from an area of concentration within the Preventive Medicine and Community Health Graduate Program to an independent Medical Humanities Graduate Program

U. T. Health Science Center - Houston (3 items)

- a. Created a Genetic Counseling specialization within the Genetics program leading to a Master of Science degree with a major in Biomedical Sciences
- b. Changed name of a division within the Department of Internal Medicine from Division of Pulmonary Medicine to the Division of Pulmonary Medicine and Critical Care
- c. Established a program option in Long-Term Care Administration within the existing Master of Science degree in Nursing

U. T. Health Science Center - San Antonio (1 item)

Added a certificate of completion to the existing Bachelor of Science degree with major in Medical Technology

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 met in Midland, Texas, on July 18, 1990, and offered for sale, by sealed bid, oil and gas leases on 45,060 acres of Permanent University Fund lands.

The results of the sales were as follows:

Total bonuses	-	\$2,752,662
Acreage sold	-	22,668
Acreage passed	-	22,392
Average bonus per acre	-	\$ 121

The Board tentatively approved -- if there is a sufficient demand -- an oil and gas lease sale for early 1991. The Board requested that all nominations for such sale be submitted to the Midland office on or before October 12, 1990.

Following the report, the Board discussed the need for those Regents who are knowledgeable about the oil business to become more involved and active in the activities of the Board for Lease. It was noted that the eligibility statute precludes a Regent who is an officer or directly or indirectly employed by an oil company or serves as an attorney for an oil company from membership on the Board for Lease with the result that the most informed representation is difficult to obtain. It was suggested that perhaps Chairman Beecherl, Vice-Chairman Roden, and Regent Moncrief could review the leasing program and consult with the Land Commissioner, the General Land Office, and the Board for Lease regarding ways in which the oil and gas leasing program might be made more effective and productive.

OTHER MATTERS

1. U. T. System - Student Advisory Group: Report on Guidelines for Student Misconduct and Discipline.--At the request of Chairman Beecherl, Chancellor Mark reported that The University of Texas System Student Advisory Group has been in operation for almost a year and has had a number of meetings. He then recognized the following representatives of the Student Advisory Group:

Ms. Blair Taylor, Chairman, U. T. Health
Science Center - San Antonio

Mr. Jack Johnston, Jr., U. T. El Paso

Mr. John Dupree, U. T. Pan American

Mr. David Scott, U. T. Medical Branch -
Galveston

Mr. Dan Armstrong, U. T. Permian Basin.

Chancellor Mark introduced Ms. Blair Taylor who updated the Board on several issues that the Group has been discussing since its last report to the Board in April 1990. Ms. Taylor noted that the Group has been addressing the subject of how to better get information back and forth to the other campuses and gathering information on the ability to transfer courses from one component to another. She pointed out that at the September 1990 meeting the Group will discuss lobbying procedures and academic issues which are important to the U. T. System and that the Group's lobbying efforts will include minority scholarships and graduate student premium sharing.

Following Ms. Taylor's presentation, Mr. Jack Johnston, Jr. thanked the Board for the opportunity to comment on a matter of concern related to student misconduct and discipline. He stated that, although the Regents' Rules and Regulations concerning student misconduct and discipline provide an excellent infrastructure for the disciplinary process, there is an apparent need for the development of detailed guidelines to assist those involved in the disciplinary process with the interpretation and implementation of the Regents' Rules, thereby assuring that the rights of students and the academic integrity of the U. T. System will be protected.

Mr. Johnston reported that the U. T. System Student Advisory Group recommends that the Chancellor call a conference of faculty, student, System staff representatives, and all chief student affairs (disciplinary) officers from each U. T. System institution to discuss methods to improve the student misconduct and disciplinary process. Specifically, the Group recommended that comments be solicited during this conference regarding practical guidelines for administrators, faculty, and students involved in the disciplinary process. Furthermore, it was proposed that the System staff develop and distribute a manual to supplement the Regents' Rules on student conduct.

Mr. Johnston noted that the U. T. System Administration, specifically the Office of Academic Affairs, has expedited the implementation of this proposal. A conference of chief student affairs officers and other campus representatives has already been held and the meeting focused

specifically on the issues presented by the Student Advisory Group. He indicated that further follow up and action is probably best handled on a campus by campus basis. In addition, a text to supplement the Regents' Rules is currently in the preliminary stages of development. This practical guide will be designed for use by faculty, hearing officers, and administrators involved in any future disciplinary proceedings.

Following a brief discussion, Chairman Beecherl thanked the students for bringing this matter to the Board's attention and encouraged the students to maintain their consideration of academic integrity and cheating. He instructed Chancellor Mark to work diligently to resolve this situation.

Regent Ramirez stated that he had the privilege of attending several of the Student Advisory Group meetings and commended the Group on the manner in which they conduct their meetings.

2. U. T. System: Progress Report by Chancellor Mark on Strategic Plan.--Chancellor Mark reported that the process to update The University of Texas System Strategic Plan, first developed in 1985, was progressing well. The Plan will continue to use the U. T. Board of Regents' Planning Goals and Principles adopted in February 1982 and will result from intensive planning efforts at each of the component institutions. The Strategic Plan will be brought to the Board for consideration at the October 1990 meeting, will provide the basis for the development of Legislative Appropriations Requests for the next three biennia, and will outline the goals and priorities of the U. T. System and the components for the next two decades. He emphasized the cooperative nature of the planning process and expressed his appreciation to all of those individuals who had made significant contributions to the quality of the effort.

Chancellor Mark noted that the Strategic Plan also forms the cornerstone for the Capital Improvement Program and reminded the Board of the requirement for an outside review of the Supercomputer program upgrade which was allocated \$22.5 million in the Capital Improvement Program approved in June 1990. At the recommendation of Dr. Frank Press, President of the National Academy of Sciences, Dr. Mark indicated he had asked Professor Larry Smarr, Director of the National Center for Supercomputer Application in Champaign, Illinois, and an associate to conduct the review of the recommendations made by the Executive and Technical Committees of the Center for High Performance Computing. Dr. Mark indicated that the report by Dr. Smarr should be available by the October 1990 Board meeting, and Chairman Beecherl encouraged all members of the Board to be present for that report.

RECESS TO EXECUTIVE SESSION.--At 12:05 p.m., the Board 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.

RECONVENE.--At 2:30 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 Room 1206 of the Center for Energy and Economic Diversification 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. Southwestern Medical Center - Dallas, U. T. Health Science Center - Houston, and U. T. Health Center - Tyler: Settlements of Medical Liability Litigation.-- Regent Blanton reported that in Executive Session the Board heard presentations from Executive Vice Chancellor for Health Affairs Mullins with regard to the five (5) cases in which the Administration was recommending proposed settlements of medical liability litigation.

Regent Blanton then moved that the Chancellor and the Office of General Counsel be authorized to settle the following medical liability lawsuits in accordance with the individual proposals presented in Executive Session:

- a. On behalf of The University of Texas Southwestern Medical Center at Dallas, the suit brought by Christine Leibfried
- b. On behalf of The University of Texas Southwestern Medical Center at Dallas, the suit brought by Sarah Rowland
- c. On behalf of The University of Texas Health Science Center at Houston, the suit brought by Donald Ray Edwards, et al
- d. On behalf of The University of Texas Health Science Center at Houston, the suit brought by Angela Grisaffe, et al
- e. On behalf of The University of Texas Health Center at Tyler, the suit brought by Lue Phronia Veasley.


Regents Ratliff and Ramirez seconded the motion which carried without objection.

2. U. T. Dallas: Approval to Amend the Earnest Money Contract with Convex Computer Corporation, Dallas, Texas, to Extend Purchase Option on Land in Synergy Park.--Upon motion of Regent Ratliff, seconded by Regent Cruikshank, the earnest money contract dated December 16, 1987, with Convex Computer Corporation of Dallas, Texas, for purchase of land out of Synergy Park at The University of Texas at Dallas was amended to extend to June 30, 1991, the initial option term to purchase the remainder of the 15.8 acre option tract with no additional charge for the one year extension.

All other terms and provisions for the contract shall remain as authorized by the Board at its August 13, 1987 meeting. This amendment is made with the understanding that Convex will provide a revised master plan to U. T. Dallas and the U. T. Board of Regents prior to June 30, 1991.

SCHEDULED MEETING.--Chairman Beecherl announced that the next meeting of the U. T. Board of Regents would be held on October 12, 1990, and would be hosted by The University of Texas Southwestern Medical Center at Dallas.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 2:35 p.m.


Arthur H. Dilly
Executive Secretary

August 16, 1990