

## MATERIAL SUPPORTING THE AGENDA

Volume XXVc

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

June 8-9, 1978  
August 3-4, 1978

The material is divided according to the standing committees and the meetings that were held and is submitted on three different colors, namely:

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

Blue paper - all items submitted to the Executive Session of the Committee of the Whole and distributed only to the Regents, Chancellor and President of the System.

Yellow paper - Emergency items distributed at the meeting.

Material distributed at the meeting as additional documentation is not included in the bound volume, because sometimes there is an unusual amount and other times some people get copies and some do not get copies. If the Secretary was furnished a copy, then that material goes into the appropriate subject file.



BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

Material Supporting

# Agenda

Meeting Date: August 3-4, 1978

Meeting No.: 755

Name: Official Copy

**CONFIDENTIAL**

Meeting of  
the Board

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

Date: August 3, 1978

Time: 2:00 p. m.

Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall  
Austin, Texas

A. CALL TO ORDER

B. RECESS FOR MEETING OF BUILDINGS AND GROUNDS  
COMMITTEE TO DISCUSS AND ACT ON ITEMS ON THE  
AGENDA OF THE BUILDINGS AND GROUNDS COMMITTEE  
ON PAGES B & G 1 - 12 AND ANY EMERGENCY ITEMS  
REFERRED TO BUILDINGS AND GROUNDS COMMITTEE

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
THE UNIVERSITY OF TEXAS AT AUSTIN  
BUILDING REVENUE REFUNDING BONDS, SERIES 1978

\$6,310,000

SALE OF THE BONDS.--As authorized, bids were called for and received until 10:00 A.M., C.D.T., on August 3, 1978, and then publicly opened and tabulated. The best bid was received from the syndicate headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated who bid a net interest cost of 5.681492% to the University. Proceeds from this issue will provide funds to redeem The University of Texas at Austin Building Revenue bonds, Series 1974A and provide a net savings of \$590,115 over the life of the bonds with a present value of those savings of \$277,617 as computed by Rauscher Pierce Securities Corporation. A copy of the tabulation is attached.

It is recommended by the Executive Director for Investments, Trusts and Lands, joined by the President of the System, that the Board of Regents adopt the resolution authorizing the issuance of the bonds and the sale to Merrill Lynch, Pierce, Fenner & Smith Incorporated.

DESIGNATION OF PAYING AGENCY.--Attached is a tabulation of the bids received and publicly opened and tabulated at 10:00 A.M., C.D.T., on August 2, 1978, in accordance with specifications previously furnished the qualified bidders (Texas Banks with assets in excess of \$200,000,000).

It is recommended by the Executive Director for Investments, Trusts and Lands, joined by the President of the System, that the bid of Bank of the Southwest, N.A., Houston, Texas, to serve as Paying Agent for this issue be accepted. The bank will charge \$0.00 per coupon and \$0.00 per bond paid. Co-paying agent is Bankers Trust Company, New York.

AWARD OF CONTRACT FOR PRINTING THE BONDS.--Attached is a tabulation of the bids received and publicly opened and tabulated 10:00 A.M., C.D.T., on August 2, 1978, in accordance with specifications previously furnished companies bidding on University issues.

It is recommended by the Executive Director for Investments, Trusts and Lands, joined by the President of the System, that the bid of Hart Graphics, Austin, Texas, be accepted for printing the bonds with lithographed borders, as set out in the specifications, for the sum of \$1,124.00, there being eleven interest rates.

BIDS FOR PAYING AGENCY

\$6,420,000

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
 THE UNIVERSITY OF TEXAS AT AUSTIN  
 BUILDING REVENUE REFUNDING BONDS, SERIES 1978

Tabulation of Bids Received  
 August 2, 1978 - 10:00 A.M., C.D.T.

Bidder	New York Co-Paying Agent	Per Coupon Paid	Per Bond Paid
Bank of the Southwest, N.A., Houston	Bankers Trust Company	\$ .00	\$ .00
The First National Bank of Fort Worth	The Bank of New York	.08	.75
The Capital National Bank, Austin	Citibank, N.A.	.095	.90
Mercantile National Bank at Dallas	Manufacturers Hanover Trust Co.	.08	.75
Continental National Bank of Fort Worth	Bankers Trust Company	.11	1.00
First National Bank in Dallas	Manufacturers Hanover Trust Co.	.125	1.30
Republic National Bank of Dallas	Citibank, N.A.	.175	1.575
The State National Bank of El Paso	Citibank, N.A.	.125	7.50
Texas Commerce Bank National Association, Houston	Bankers Trust Company	.175	2.00
American Bank, Austin	Citibank, N.A.	.10	1.25
Corpus Christi National Bank	Citibank, N.A.	.15	2.00

TABULATION OF BIDS  
 \$6,420,000  
 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
 THE UNIVERSITY OF TEXAS AT AUSTIN  
 BUILDING REVENUE REFUNDING BONDS, SERIES 1978  
 Bids Opened Thursday, August 3, 1978

Account	Coupons	Interest Cost	Effective Rate
Merrill Lynch, Pierce, Fenner & Smith Incorporated	1979 to 86 5.00% 1987 88 5.10 1989 _____ 5.25 1990 _____ 5.30 1991 _____ 5.40 1992 _____ 5.50 1993 _____ 5.60 1994 _____ 5.75 1995 _____ 5.80 1996 _____ 5.95 1997 98 6.00	Gross: <u>\$4,328,224.17</u> Plus Discount: <u>\$57,603.40</u> Net: <u>\$4,385,827.57</u>	5.681492
Morgan Guaranty Trust Co., New York	1979 to _____ 4.70% 1980 _____ 4.75 1981 82 4.90 1983 84 5.00 1985 86 5.10 1987 _____ 5.20 1988 _____ 5.25 1989 _____ 5.30 1990 _____ 5.40 1991 _____ 5.50 1992 _____ 5.60 1993 _____ 5.70 1994 _____ 5.80 1995 96 5.90 1997 98 6.00	Gross: <u>\$4,365,717.00</u> Plus Discount: <u>\$77,374.00</u> Net: <u>\$4,443,091.00</u>	5.7556
First National Bank in Dallas Associates	1979 to 85 5.00% 1986 87 5.10 1988 _____ 5.20 1989 _____ 5.30 1990 _____ 5.40 1991 _____ 5.50 1992 _____ 5.60 1993 _____ 5.70 1994 _____ 5.80 1995 _____ 5.90 1996 _____ 6.00 1997 _____ 6.10 1998 _____ 6.20	Gross: <u>\$4,397,306.79</u> Plus Discount: <u>\$95,515.06</u> Net: <u>\$4,492,821.85</u>	5.820094
Wache Halsey Stuart, Inc.	1979 to 82 5.30% 1983 90 5.40 1991 92 5.50 1993 _____ 5.60 1994 _____ 5.75 1995 _____ 5.90 1996 98 6.00	Gross: <u>\$4,402,422.50</u> Plus Discount: <u>\$96,158.76</u> Net: <u>\$4,498,581.26</u>	5.8275

BIDS FOR PRINTING BONDS.

\$6,420,000

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
 THE UNIVERSITY OF TEXAS AT AUSTIN  
 BUILDING REVENUE REFUNDING BONDS, SERIES 1978

Tabulation of Bids Received  
 August 2, 1978 - 10:00 A.M., C.D.T.

Bidder	One-Coupon Rate	Two-Coupon Rate	Three-Coupon Rate	Four-Coupon Rate	Five-Coupon Rate	Six-Coupon Rate	Seven-Coupon Rate	Number of Working Days
Hart Graphics & Office Centers, Inc. 8000 Shoal Creek Blvd. Austin, Texas 78758	\$ 924.00	\$ 944.00	\$ 964.00	\$ 984.00	\$1,004.00	\$1,024.00	\$1,044.00	
	Eight-Coupon Rate	Nine Coupon Rate	Ten-Coupon Rate	Eleven-Coupon Rate				
	\$1,064.00	\$1,084.00	\$1,104.00	\$1,124.00				15

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

Date: August 4, 1978

Time: 9:00 a. m.

Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall  
Austin, Texas

A. ...

B. ...

C. RECONVENE

D. APPROVAL OF MINUTES OF REGENTS' MEETING HELD  
JUNE 8-9, 1978

E. SPECIAL ORDERS

1. Board of Regents - Building Revenue Refunding Bonds:  
(a) Resolution Authorizing the Issuance in the Approximate Amount of \$6,420,000 Board of Regents of The University of Texas System, The University of Texas at Austin Building Revenue Refunding Bonds, Series 1978 (Amount to be Refunded \$5,760,000); (b) Designation of Escrow Agent; (c) Designation of Banks of Payment (Paying Agents); and (d) Award of Contract for Printing Bids Relating Thereto to be Opened on August 2 and 3, 1978. --  
Pursuant to authorization by the Board of Regents at its meeting on June 9, 1978, bids for Board of Regents of The University of Texas at Austin, Building Revenue Refunding Bonds, Series 1978, will be considered by the Board of Regents at its 9:00 a. m., C. D. T., session on Friday, August 4, 1978, Regents' Meeting Room, Ashbel Smith Hall, Austin, Texas.

Bids on the paying agents will be opened on Wednesday, August 2, 1978, at 10:00 a. m., C. D. T., at Claudia Taylor Johnson Hall at 210 West Sixth Street, Austin, Texas. Bids on the bonds will be opened on Thursday, August 3, 1978, at 10:00 a. m., C. D. T., at the same place. The results will be presented to the Board at its 9:00 a. m., C. D. T., session on Friday, August 4, 1978, in Ashbel Smith Hall.

ACTION REQUIRED

- a. Adoption of Resolution, Pages B of R 3-12, Authorizing the Issuance and Sale of The University of Texas at Austin Building Revenue Refunding Bonds, Series 1978
- b. Approval of Escrow Agent
- c. Designation of Banks of Payment
- d. Award of Contract for Printing Bonds

RESOLUTION AUTHORIZING THE ISSUANCE OF \$ \_\_\_\_\_  
BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM,  
THE UNIVERSITY OF TEXAS AT AUSTIN, BUILDING REVENUE  
REFUNDING BONDS, SERIES 1978

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WHEREAS, the Board of Regents of The University of Texas System (hereinafter sometimes called the "Board" or "Board of Regents") authorized the issuance of and sold its Board of Regents of The University of Texas System, The University of Texas at Austin, Building Revenue Bonds, Series 1974, in the aggregate principal amount of \$53,000,000 (hereinafter called the "Series 1974 Bonds") and its Board of Regents of The University of Texas System, The University of Texas at Austin, Building Revenue Bonds, Series 1974-A, in the aggregate principal amount of \$6,000,000 (hereinafter called the "Series 1974-A Bonds") for the purpose of providing funds to acquire, construct and equip buildings, structures and facilities on the campus of The University of Texas at Austin, Austin, Texas; and

WHEREAS, pursuant to Chapter 55 of the Texas Education Code, particularly Section 55.19 thereof, the Board may issue revenue refunding bonds for the purpose of refunding any of its outstanding bonds in advance of their maturities or dates of redemption; and

WHEREAS, in order to realize substantial annual savings in debt service, the Board desires to advance refund the Series 1974-A Bonds by the issuance of revenue refunding bonds and the application of the proceeds thereof, together with other funds lawfully available for such purpose, to purchase certain direct obligations of the United States of America in amounts, maturities and bearing interest at rates sufficient to provide funds, when needed, which together with other proceeds of such refunding bonds will be sufficient to pay in full the principal, redemption premiums and interest to maturity or redemption on the Series 1974-A Bonds and to pay all costs arising in connection with such refunding; and

WHEREAS, to accomplish the foregoing, the Board has adopted this Resolution to authorize the issuance of its Board of Regents of The University of Texas System, The University of Texas at Austin, Building Revenue Refunding Bonds, Series 1978 and concurrently herewith has adopted another resolution calling certain of the Series 1974-A Bonds for redemption prior to their maturities, authorizing the subscription for certain direct obligations of the United States of America and authorizing the Board to enter into an escrow agreement with \_\_\_\_\_, Texas, pursuant to which provision shall be made for the deposit of such investments and other proceeds to the credit of the escrow fund to be established pursuant to such escrow agreement and for the application of the proceeds thereof to the payment in full of principal, redemption premium and interest to maturity or redemption on the Series 1974-A Bonds; and

WHEREAS, upon the issuance of the refunding bonds herein authorized and the application of the proceeds therefrom to fund and establish the escrow fund provided for in the escrow agreement, the Series 1974-A Bonds shall no longer be regarded as outstanding obligations of the Board of Regents, and the Series 1974 Bonds and the refunding bonds herein authorized shall be the only obligations of the Board payable from the hereinafter defined Pledged Revenues;

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

Section 1: NAME, AMOUNT, PURPOSE AND AUTHORIZATION. That for the purpose of effecting annual debt service savings, there shall be issued the negotiable, serial, coupon bonds of the Board of Regents of The University of Texas System in the aggregate principal amount of \$ \_\_\_\_\_, which shall be designated as "BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS AT AUSTIN, BUILDING REVENUE REFUNDING BONDS, SERIES 1978" (hereinafter called the "Series 1978 Bonds"), the proceeds of which shall be applied to refund bonds numbered \_\_\_\_\_ through 1200, both inclusive, of the Board of Regents of The University of Texas System, The University of Texas at Austin, Building Revenue Bonds, Series 1974-A, in advance of their maturities or redemption dates, as more fully provided herein, under and in strict conformity with the Constitution and laws of the State of Texas, including particularly Chapter 55 of the Texas Education Code, as amended.

Section 2: DATE, DENOMINATION AND MATURITIES. That the Series 1978 Bonds shall be dated August 1, 1978, shall be numbered consecutively from 1 through \_\_\_\_\_, shall be in the denomination of \$5,000 each, and shall mature serially on April 1 in each of the years and in the amounts, respectively, as follows:

<u>YEARS</u>	<u>AMOUNTS</u>	<u>YEARS</u>	<u>AMOUNTS</u>	<u>YEARS</u>	<u>AMOUNTS</u>
1979	\$	1986	\$	1993	\$
1980		1987		1994	
1981		1988		1995	
1982		1989		1996	
1983		1990		1997	
1984		1991		1998	
1985		1992			

Section 3: INTEREST RATES AND PAYMENT DATES. That the Series 1978 Bonds shall bear interest from their date until the principal sum is paid at the following rates per annum:

<u>Year Maturing</u>	<u>Interest Rate</u>	<u>Year Maturing</u>	<u>Interest Rate</u>
1979		1990	
1980		1991	
1981		1992	
1982		1993	
1983		1994	
1984		1995	
1985		1996	
1986		1997	
1987		1998	
1988			
1989			

with said interest being evidenced by interest coupons that shall appertain to said Series 1978 Bonds, and shall be payable on the dates stated in Section 5 of this Resolution.

Section 4: MANNER OF PAYMENT, OPTIONAL REDEMPTION AND EXECUTION OF BONDS. That the Series 1978 Bonds and the interest coupons appertaining thereto shall be payable, shall have the characteristics, may be redeemed prior to

their scheduled maturities, and shall be signed, executed and sealed all as provided, and in the manner indicated, in Section 5 of this Resolution.

Section 5: FORM OF BONDS, INTEREST COUPONS AND COMPTROLLER'S CERTIFICATE. That the form of the Series 1978 Bonds, the form of interest coupons to be attached to said Series 1978 Bonds, and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be printed and endorsed on each Series 1978 Bond shall be, respectively, in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and permitted by this Resolution:

NO. \_\_\_\_\_

\$5,000

UNITED STATES OF AMERICA  
STATE OF TEXAS  
BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
THE UNIVERSITY OF TEXAS AT AUSTIN  
BUILDING REVENUE REFUNDING BOND  
SERIES 1978

ON APRIL 1, 19\_\_, the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM (hereinafter sometimes called the "Board"), for and on behalf of THE UNIVERSITY OF TEXAS AT AUSTIN, hereby promises to pay to bearer, solely from the Pledged Revenues hereinafter described, the sum of

FIVE THOUSAND DOLLARS

and to pay interest thereon from the date hereof at the rate of \_\_\_\_% per annum, payable April 1, 1979, and semi-annually thereafter on each October 1 and April 1 until said principal sum is paid, but only upon presentation and surrender of the interest coupons hereto appertaining as they severally become due. The principal of this bond and the interest coupons appertaining hereto shall be payable to bearer, in lawful money of the United States of America, without exchange or collection charges to the bearer, upon presentation and surrender of this bond or proper interest coupon, at the following, which shall be the Banks of Payment for this series of bonds:

or, at the option of the bearer, at

THIS BOND IS ONE OF A DULY AUTHORIZED SERIES OF BONDS of like tenor and effect except as to serial number, interest rate, right of prior redemption and maturity, numbered 1 through \_\_\_\_, both inclusive, in the denomination of \$5,000 each, in the aggregate principal amount of \$\_\_\_\_\_, issued pursuant to a resolution (hereinafter called the "Resolution") adopted by the Board on the 4th day of August, 1978, for the purpose of refunding the bonds numbered \_\_\_\_ through 1200, both inclusive, of the Board of Regents of The University of Texas System, The University of Texas at Austin, Building Revenue Bonds, Series 1974-A, dated October 1, 1974, under and in strict conformity with the Constitution and laws of the State of Texas, including particularly Chapter 55 of the Texas Education Code, as amended.

THIS BOND AND ALL BONDS OF THE SERIES OF WHICH IT IS A PART, together with the outstanding bonds of the Board of Regents of the University of Texas System, The University of Texas at Austin, Building Revenue Bonds, Series 1974 (the "Outstanding Bonds"), are equally and ratably payable from and secured by a first lien on and pledge of certain Pledged Revenues, which include (i) the Pledged Available Fund Surplus, consisting of certain surplus dividends, interest and other income of the Permanent University Fund created pursuant to Article VII, Sections 10, 11, 11a, 15 and 18 of the Texas Constitution, to the extent actually granted and appropriated by the Texas Legislature to The University of Texas System and (ii) the gross collections of a Special Fee to be fixed, charged and collected from all students (excepting any category of students now exempt from paying fees by Chapter 54, Texas Education Code) enrolled at The University of Texas at Austin, for the use and availability of all or any part of the University Special Events Center, the College of Fine Arts and Department of Music Performing Arts Center Complex, and certain other buildings, facilities and services of The University of Texas at Austin. This bond and the issue of which it is a part, and the interest thereon, constitute special obligations of the Board and are payable solely from the Pledged Revenues and do not constitute an indebtedness of the State of Texas, the Board or The University of Texas at Austin. The bearer hereof and the coupons attached hereto shall never have the right to demand payment of this bond or of such coupons out of any funds raised or to be raised by taxation.

ON APRIL 1, 1988, OR ON ANY INTEREST PAYMENT DATE THEREAFTER, the Board shall have the option of calling bonds of this series maturing serially on or after April 1, 1989, for redemption prior to maturity, in whole or in part, in inverse numerical order, at par and accrued interest to the date of redemption.

NOTICE OF REDEMPTION IS TO BE PUBLISHED in a financial publication published in the English language in the City of New York, New York, or in the City of Austin, Texas, at least once, not less than thirty (30) days before the date fixed for such redemption, and thirty (30) days' notice in writing is to be given to the Banks of Payment before the date so fixed for such redemption. On or before the date fixed for redemption, funds shall be placed in the Banks of Payment sufficient to pay the bonds called and accrued interest thereon. If such written notice of redemption is published, and if due provision for such payment is made, all as provided above, the bonds which are to be so redeemed thereby automatically shall be redeemed prior to their scheduled maturities, they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the purpose of being paid by the Banks of Payment with the funds so provided for such payment.

IT IS HEREBY DECLARED AND REPRESENTED that, so long as this bond or the issue of bonds of which it is a part remains outstanding, the Board has covenanted and agreed that it will fix, charge and collect the Special Fee at a rate which, together with other Pledged Revenues, will be sufficient to provide money for making when due all deposits required to be made to the credit of the interest and sinking fund and reserve fund in connection with the Outstanding Bonds, the bonds of this series and any additional parity bonds.

IT IS FURTHER DECLARED AND REPRESENTED that this bond has been duly and validly issued and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the issuance or delivery of this bond have been performed, existed, and been done in accordance with law; that this series of bonds does not exceed any Constitutional or statutory limitation; and that provision has been made for the payment of principal of and interest on this bond and the series of which it is a part by the irrevocable pledge of the Pledged Revenues.

THE BOARD HAS RESERVED THE RIGHT, subject to the restrictions provided in the Resolution, to issue additional parity revenue bonds which also may be made equally and ratably payable from, and secured by an irrevocable first lien on and pledge of, the aforesaid Pledged Revenues.

THE BEARER OF THIS BOND and the bearers of the bonds of this series shall be subrogated to all rights and privileges of the bearers of the bonds refunded by the issuance of this series of bonds, except to the extent otherwise provided in the Resolution.

IN WITNESS WHEREOF, the Board of Regents of The University of Texas System has caused the corporate seal of said Board to be impressed, printed or lithographed hereon and has caused this bond and the interest coupons attached hereto to be executed by the imprinted or lithographed facsimile signatures of the Chairman and the Secretary of the Board, respectively, and this bond has been dated August 1, 1978.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

By \_\_\_\_\_  
Chairman

(SEAL)

ATTEST:

\_\_\_\_\_  
Secretary

(FORM OF INTEREST COUPON)

\$ \_\_\_\_\_ NO. \_\_\_\_\_

On the first day of \_\_\_\_\_, \_\_\_\_\_, unless the bond to which this coupon appertains shall have been called for previous redemption and due provision made to redeem same, upon surrender of this coupon, the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM PROMISES TO PAY TO BEARER at \_\_\_\_\_, Texas, or, at the option of the bearer, at \_\_\_\_\_, New York, New York, but solely from the Pledged Revenues specified in the bond to which this coupon is attached, the amount shown above, without exchange or collection charges to the bearer hereof, payable in lawful money of the United States, being interest then due on the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS AT

AUSTIN, BUILDING REVENUE REFUNDING BOND, SERIES 1978, bearing the number hereinafter specified, dated August 1, 1978. The bearer hereof shall never have the right to demand payment of this obligation out of funds raised or to be raised by taxation. Bond No. \_\_\_\_\_.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chairman

(FORM OF COMPTROLLER'S REGISTRATION CERTIFICATE)

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. \_\_\_\_\_

I HEREBY CERTIFY that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this bond and the proceedings for the issuance hereof have been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas and that it is a valid and binding special obligation of the Board of Regents of The University of Texas System payable from the revenues and other funds pledged to its payment by and in the proceedings authorizing the same, and I do further certify that this bond has this day been registered by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE at Austin, Texas, this \_\_\_\_\_.

[SEAL]

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

Section 6: DEFINITIONS. That as used in this Resolution (except in Section 5 hereof) all of the definitions of terms contained in Section 6 of the Series 1974 Resolution (as hereinafter defined) are hereby adopted by reference except to the extent specifically modified or supplemented below, and the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

The term "Additional Bonds" shall mean the additional parity revenue bonds permitted to be authorized in the Series 1974 Resolution, excluding any Bonds heretofore issued.

The term "Bonds" shall mean collectively the Series 1974 Bonds and the Series 1978 Bonds.

The term "bondholder" or "holder" shall mean any person who shall be the bearer of one or more of the Bonds.

The term "Interest and Sinking Fund" shall mean the Series 1974 Building Revenue Bonds Interest and Sinking Fund established by the Series 1974 Resolution.

The term "Reserve Fund" shall mean the Series 1974 Building Revenue Bonds Reserve Fund established by the Series 1974 Resolution.

The term "Series 1974 Bonds" shall mean the \$53,000,000 Board of Regents of The University of Texas System, The University of Texas at Austin, Building Revenue Bonds, Series 1974, authorized by the Series 1974 Resolution.

The term "Series 1974 Resolution" shall mean the resolution adopted by the Board on December 7, 1973, authorizing the issuance of the Series 1974 Bonds.

The term "Series 1974-A Bonds" shall mean the \$6,000,000 Board of Regents of The University of Texas System, The University of Texas at Austin, Building Revenue Bonds, Series 1974-A, which are being refunded and defeased with the proceeds of the Series 1978 Bonds.

The term "Series 1978 Bonds" shall mean the Board of Regents of The University of Texas System, The University of Texas at Austin, Building Revenue Bonds, Series 1978, authorized by this Resolution.

Section 7: APPLICATION OF SERIES 1978 BOND PROCEEDS.  
That the proceeds from the sale of the Series 1978 Bonds shall be disbursed as follows:

(a) To the Interest and Sinking Fund, the accrued interest and premium, if any, received from the sale of the Series 1978 Bonds;

(b) To be applied, along with the other funds provided for in Section 8 of this Resolution, to fund and establish at \_\_\_\_\_, \_\_\_\_\_, Texas, as Escrow Agent, an escrow fund to be entitled "Board of Regents of The University of Texas System, The University of Texas at Austin, Building Revenue Bonds, Series 1974-A Escrow Fund" in accordance with the terms of that certain Escrow Agreement to be entered into between the Board and said Escrow Agent at or prior to delivery of the Series 1978 Bonds, which escrow fund shall have deposited to its credit the required beginning cash balance (if necessary) and certain direct obligations of the United States of America in amounts bearing interest and maturing in such a manner as to provide funds sufficient for the payment of principal of, redemption premiums on and interest to maturity or redemption on the Series 1974-A Bonds, all as more fully set forth in such Escrow Agreement;

(c) To pay expenses connected with the refunding of the Series 1974-A Bonds and the issuance of the Series 1978 Bonds; and

(d) The balance, if any, to the Interest and Sinking Fund.

Section 8: APPLICATION OF CERTAIN PROCEEDS OF THE INTEREST AND SINKING FUND. That upon the issuance of, and payment of the purchase price for, the Series 1978 Bonds, there shall be transferred from the Interest and Sinking Fund to the Escrow Agent the sum of \$ \_\_\_\_\_, which sum has heretofore been deposited to the credit of the Interest and Sinking Fund to be applied to the payment of principal of and interest on the Series 1974-A Bonds. Such sum shall be applied by the Escrow Agent to the payment of principal of and interest on the Series 1974-A Bonds, pursuant to the terms and provisions of the Escrow Agreement.

Section 9: SUBROGATION OF RIGHTS. That the holders of the Series 1978 Bonds shall be subrogated to all rights and privileges of the holders of the Series 1974-A Bonds, except to the extent otherwise provided herein.

Section 10: SOURCE OF PAYMENT. That the Series 1978 Bonds are "Additional Bonds" as permitted by Sections 20, 21 and 22 of the Series 1974 Resolution, and the Series 1974 Bonds and the Series 1978 Bonds (herein collectively called the "Bonds") are and shall be secured and payable equally and ratably on a parity. The Bonds, any Additional Bonds and the interest thereon, are and shall be payable from, and secured by an irrevocable first lien on and pledge of, the Pledged Revenues. The Bonds, any Additional Bonds and interest coupons appertaining thereto shall constitute special obligations of the Board, payable solely from the Pledged Revenues, and such obligations shall not constitute an indebtedness of the University, the Board, or the State of Texas, and the holders of the Bonds, any Additional Bonds and the coupons attached thereto shall never have the right to demand payment thereof out of funds raised or to be raised by taxation.

Section 11: ADOPTION OF CERTAIN SECTIONS OF SERIES 1974 RESOLUTION. That Sections 7 through 24 of the Series 1974 Resolution are hereby adopted by reference and shall be and are hereby made applicable to the Series 1978 Bonds for all purposes, except to the extent herein specifically modified and supplemented.

Section 12: ADDITIONAL DEPOSITS TO INTEREST AND SINKING FUND. That, in addition to all deposits required to be made to the Interest and Sinking Fund in the Series 1974 Resolution, the Board shall transfer or cause to be transferred from any Pledged Available Fund Surplus, and deposit or cause to be deposited to the Interest and Sinking Fund, the following amounts at the following times:

(a) On or before December 1, 1978, an amount which, together with other amounts then on hand in the Interest and Sinking Fund and available for such purpose, will be sufficient to pay the interest scheduled to accrue and the principal scheduled to mature on the Series 1978 Bonds on April 1, 1979; and

(b) On or before June 1, 1979 and semiannually on or before each December 1 and June 1 thereafter, an amount which, together with other amounts then on hand in the Interest and Sinking Fund and available for such purpose, will be sufficient to pay the interest scheduled to accrue and come due on the Series 1978 Bonds on the next succeeding interest payment date and one-half (1/2) of the principal scheduled to mature and come due on the Series 1978 Bonds on the next succeeding April 1;

provided and except, however, that after December 1, 1979, the Board may, at its option, make all or any part of each such aforesaid deposit required to be made to the credit of the Interest and Sinking Fund either from any Pledged Available Fund Surplus, or from the Special Fee in the manner as provided in Sections 14 and 15 of the Series 1974 Resolution.

Section 13: ADDITIONAL DEPOSITS TO RESERVE FUND.

(a) That an amount of money and investments in excess of \$ \_\_\_\_\_ is now on deposit to the credit of

the Reserve Fund. So long as the money and investments in the Reserve Fund are not less in market value than a required amount equal to the average annual principal and interest requirements of all then outstanding Bonds and Additional Bonds, no deposits need be made into the Reserve Fund; but if the Reserve Fund at any time contains less than said required amount in market value, then, subject and subordinate to making the required deposits to the credit of the Interest and Sinking Fund, the Board shall transfer or cause to be transferred from Pledged Revenues and deposit or cause to be deposited to the credit of the Reserve Fund, semiannually, on or before each succeeding December 1 and June 1, a sum at least equal to 1/10th of the average annual principal and interest requirements of all then outstanding Bonds and Additional Bonds, until the Reserve Fund is restored to said required amount. So long as the Reserve Fund contains said required amount, any surplus in the Reserve Fund over said required amount may be transferred and deposited into the Interest and Sinking Fund.

(b) That if, for any reason whatsoever, on any June 1 or on any December 1 of any year, the deposits to the credit of the Reserve Fund specified or required in this Section have not been made from other Pledged Revenues, such deposits shall be made from the Special Fee in the manner as provided in Sections 14 and 15 of the Series 1974 Resolution.

Section 14: NO ARBITRAGE. (a) That the Board certifies that based upon all facts, estimates and circumstances now known or reasonably expected to be in existence on the date the Series 1978 Bonds are delivered and paid for, the Board reasonably expect that the proceeds of the Series 1978 Bonds will not be used in a manner that would cause the Series 1978 Bonds or any portion thereof to be an "arbitrage bond" under Section 103(c) of the Internal Revenue Code of 1954, as amended, and the temporary and proposed regulations heretofore prescribed thereunder. Furthermore, all officers, employees and agents of the Board are authorized and directed to provide certifications of facts, estimates and circumstances which are material to the reasonable expectations of the Board as of the date the Series 1978 Bonds are delivered and paid for, and any such certifications may be relied upon by counsel, by the holders of the Series 1978 Bonds, or by any person interested in the exemption of interest on the Series 1978 Bonds from federal income taxation. Moreover, the Board covenants that it shall make such use of the proceeds of the Series 1978 Bonds, regulate investments of proceeds of the Series 1978 Bonds, and take such other and further action as may be required so that the Series 1978 Bonds shall not be "arbitrage bonds" under Section 103(c) of the Internal Revenue Code of 1954, as amended, and regulations prescribed from time to time thereunder.

(b) That the Board further certifies that based on all facts, estimates and circumstances now known or reasonably expected to be in existence on the date the Series 1978 Bonds are delivered and paid for, the Board does not reasonably expect to use any amounts accumulated in the Reserve Fund to pay principal or interest on the Series 1978 Bonds.

Section 15: DISCHARGE BY DEPOSIT. That the Board may discharge its obligation to the holders of any or all of the Series 1978 Bonds and coupons appertaining thereto to pay principal, interest and redemption premium (if any) thereon by depositing with the State Treasurer or at the Banks of Payment either: (1) cash equivalent to the principal amount and redemption premium, if any, plus interest to the date of

maturity or redemption, or (2) direct obligations of, or obligations the principal and interest of which are guaranteed by, the United States of America, in principal amounts and maturities and bearing interest at rates sufficient to provide for the timely payment of the principal amount and redemption premium, if any, on such Series 1978 Bonds plus interest to the date of maturity or redemption; provided, however, that if any of such Series 1978 Bonds are to be redeemed prior to their date of maturity, provision shall have been made for giving notice of redemption as provided herein. Upon such deposit, the Series 1978 Bonds and coupons appertaining thereto shall no longer be regarded as outstanding and unpaid. Also, whenever provision is made in the above manner for payment of any Series 1974 Bonds or Additional Bonds, such bonds shall no longer be deemed outstanding for purposes of any provision contained herein.

Section 16: APPROVAL AND REGISTRATION. That the Chairman of the Board is hereby authorized to have control of the Series 1978 Bonds and all necessary records and proceedings pertaining to the Series 1978 Bonds pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of said Series 1978 Bonds, said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate printed and endorsed on each of the Series 1978 Bonds and the seal of said Comptroller shall be impressed, or placed in facsimile, on each of the Series 1978 Bonds.

Section 17: SALE AND DELIVERY. That the sale of the Series 1978 Bonds is hereby awarded to \_\_\_\_\_ and Associates, for a price of \_\_\_\_\_ % of par, plus accrued interest thereon from the date thereof to the date of actual delivery, subject to the approving opinions, as to the legality of the Bonds, of the Attorney General of the State of Texas and Vinson & Elkins, Houston, Texas, market attorneys. When said Series 1978 Bonds have been approved by the Attorney General and registered by the Comptroller of Public Accounts of the State of Texas, they shall be delivered to the named purchaser upon receipt of the full purchase price.

Section 18: OFFERING DOCUMENTS. That the Preliminary Official Statement, Official Notice of Sale and Official Statement, together with any supplements and amendments thereto, are hereby ratified, authorized and approved for use in connection with the solicitation of bids for, and the sale and distribution of, the Series 1978 Bonds.

Section 19: CAPTIONS. The captions of the Sections of this Resolution have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof.

ADOPTED AND APPROVED at Austin, Texas, this 4th day of August, 1978.

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

ATTEST:

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

2. Resolution Authorizing Redemption of Certain Board of Regents of The University of Texas System, The University of Texas at Austin, Building Revenue Bonds, Series 1974-A, Prior to Maturity; Execution and Delivery of an Escrow Agreement to Provide for the Payment of Said Bonds, Subscription for Certain Escrowed Securities and Other Matters Relating Thereto. --In connection with the issuance of U. T. Austin Building Revenue Refunding Bonds, Series 1978, in the approximate amount of \$6,420,000, the resolution on Pages B of R 14-28 is submitted.

#### ACTION REQUIRED

- a. Adoption of Resolution, Pages B of R 14-28, Authorizing Redemption of The University of Texas at Austin Building Revenue Bonds, Series 1974-A
- b. Approval of the Escrow Agreement Including Purchase of Escrowed Securities

RESOLUTION AUTHORIZING REDEMPTION OF CERTAIN BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS AT AUSTIN, BUILDING REVENUE BONDS, SERIES 1974-A, PRIOR TO MATURITY, EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT TO PROVIDE FOR THE PAYMENT OF SAID BONDS, SUBSCRIPTION FOR CERTAIN ESCROWED SECURITIES AND OTHER MATTERS RELATING THERETO

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WHEREAS, the Board of Regents of The University of Texas System (the "Board") desires to refund, in advance of their maturities, the Board of Regents of The University of Texas System, The University of Texas at Austin, Building Revenue Bonds, Series 1974-A (the "Underlying Bonds") in order to realize an annual savings in debt service; and

WHEREAS, the Board is authorized by Chapter 55, Texas Education Code, to issue, sell and deliver refunding bonds in amounts necessary to pay the principal, interest and redemption premium on bonds to be refunded, at maturity or on any redemption date; and

WHEREAS, contemporaneously herewith, the Board has adopted a resolution (the "Refunding Bond Resolution") authorizing the issuance of Board of Regents of The University of Texas System, The University of Texas at Austin, Building Revenue Refunding Bonds, Series 1978, for the purpose of providing funds to be used in refunding the Underlying Bonds; and

WHEREAS, the Board desires to call certain of the Underlying Bonds for redemption prior to their scheduled maturities; and

WHEREAS, the Board desires to enter into an Escrow Agreement with \_\_\_\_\_, Texas, pursuant to which provision will be made for the full and timely payment of principal, interest and redemption premium on the Underlying Bonds; and

WHEREAS, the Board desires to authorize the subscription for certain United States Treasury obligations to be purchased for deposit into such escrow;

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

Section 1. Redemption of Certain Underlying Bonds: The Board hereby calls for redemption and authorizes the redemption of, and payment of the applicable redemption premium for, such of the Underlying Bonds at such dates prior to their scheduled maturities as shall be provided for and contemplated in the Escrow Agreement described in the following section. Notice of such redemption in substantially the form attached hereto as Attachment "A" is hereby authorized to be delivered to the paying agents for the Underlying Bonds and to be published in the Texas Bond Reporter and/or The Daily Bond Buyer, and notice of such redemption is further authorized to be given in any other manner required by the resolution authorizing the Underlying Bonds.

Section 2. Escrow Agreement: The refunding of the Underlying Bonds shall be effectuated pursuant to the terms and provisions of an Escrow Agreement to be entered into by and between the Board and \_\_\_\_\_, Texas; such Escrow Agreement shall be in substantially the form attached hereto as Attachment "B," the terms and provisions of which are hereby approved, subject to such revisions and modifications as shall be necessary to assure the greatest

possible debt service savings, to comply with all applicable laws and regulations relating to the refunding of the Underlying Bonds and to carry out the other intents and purposes hereof; and the Chairman of the Board is hereby authorized to execute and deliver such Escrow Agreement on behalf of the Board in multiple counterparts and the Secretary of the Board is hereby authorized to attest thereto and affix the Board's seal.

Section 3. Subscription for Escrowed Securities: In order to assure the purchase of the Escrowed Securities referred to in the Escrow Agreement, the Board hereby authorizes the subscription for United States Treasury certificates of indebtedness, notes and bonds, State and Local Government Series, and other Escrowed Securities, in such amounts, maturities and bearing interest at such rates as may be provided for in the Escrow Agreement, and the Chairman of the Board and all other appropriate officials of The University of Texas System are hereby authorized to take all necessary and appropriate action to provide for the purchase of such Escrowed Securities pursuant to the Escrow Agreement.

Section 4. Related Matters: In order that the Board shall satisfy in a timely manner all of its obligations under the Escrow Agreement and the Refunding Bond Resolution, the Chairman and Secretary of this Board and all other appropriate officials of The University of Texas System are hereby authorized and directed to take all other actions that are reasonably necessary to provide for the refunding of the Underlying Bonds, including without limitation, executing and delivering on behalf of the Board all certificates, consents, receipts, requests, and other documents as may be reasonably necessary to satisfy the Board's obligations under the Escrow Agreement and the Refunding Bond Resolution and to direct the transfer of funds of the Board consistent with the provisions of such Escrow Agreement and the Refunding Bond Resolution.

ADOPTED AND APPROVED this 4th day of August, 1978.

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

ATTEST:

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

(SEAL)

Attachment "A"

NOTICE OF PRIOR REDEMPTION

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM,  
THE UNIVERSITY OF TEXAS AT AUSTIN, BUILDING REVENUE  
BONDS, SERIES 1974-A, Bond Nos. \_\_\_\_\_ through 1200,  
maturing on April 1 in each of the years 19\_\_ through  
1998 in the aggregate principal amount of \$\_\_\_\_\_.

NOTICE IS HEREBY GIVEN that the Board of Regents of The University of Texas System has called the above bonds for redemption on April 1, 19\_\_. Such bonds will be redeemed at National Bank of Commerce of Dallas, Dallas, Texas, or, at the option of the holder, at Manufacturers Hanover Trust Company, New York, New York, where due provision shall be made to pay the principal amount of such bonds plus a redemption premium of \_\_% of the principal amount of such bonds plus unpaid accrued interest. Such bonds shall not bear interest after April 1, 19\_\_.

BY RESOLUTION of the Board of Regents of The University of Texas System adopted August 4, 1978.

Allan Shivers  
Chairman, Board of Regents of  
The University of Texas System

ESCROW AGREEMENT

(Board of Regents of The University  
of Texas System, The University of  
Texas at Austin, Building Revenue  
Bonds, Series 1974-A)

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THIS ESCROW AGREEMENT, dated as of August \_\_, 1978 (herein, together with any amendments or supplements hereto, called the "Agreement") is entered into by and between the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM (herein, together with any successor to its duties and functions, called the "Board"), and \_\_\_\_\_, a \_\_\_\_\_ banking corporation with its principal office located in \_\_\_\_\_, Texas, as escrow agent (herein, together with any successor in such capacity, called the "Escrow Agent"), and consented to by NATIONAL BANK OF COMMERCE OF DALLAS, a national banking corporation with its principal office located in Dallas, Texas, as paying agent (herein, together with any successor in such capacity, called the "Paying Agent"),

W I T N E S S E T H:

WHEREAS, the Board has heretofore issued and there presently remain outstanding the following bonds (the "Underlying Bonds"):

Bond Nos. \_\_\_\_ through 1200 of Board of Regents of The University of Texas System, The University of Texas at Austin, Building Revenue Bonds, Series 1974-A, dated October 1, 1974, in the aggregate principal amount of \$5,760,000;

WHEREAS, the Underlying Bonds were issued pursuant to a resolution (the "Underlying Bond Resolution") which provides that the Underlying Bonds shall mature serially in such years, bear interest at such rates and be subject to redemption at such redemption prices as are set forth in Schedule \_\_\_\_ attached hereto and made a part hereof; and

WHEREAS, when notice of redemption of the Underlying Bonds to be redeemed prior to maturity has been given as provided in the Underlying Bond Resolution and firm banking arrangements have been made for the payment of principal, redemption premium and interest to maturity or redemption for all of the Underlying Bonds, then such Underlying Bonds shall no longer be regarded as outstanding except for the purpose of receiving the funds provided for such payment; and

WHEREAS, the Underlying Bonds to be called for redemption prior to their maturities have been called for redemption in accordance with the terms of the Underlying Bond Resolution; and

WHEREAS, the Board is authorized by the Texas Education Code, particularly Section 55.19 thereof, to sell and deliver refunding bonds in amounts necessary to pay the principal, interest, and redemption premium, if any, of the bonds to be refunded, at maturity or on any redemption date; and

WHEREAS, the Board has adopted a resolution authorizing the issuance of \$ \_\_\_\_\_ Board of Regents of The University of Texas System, The University of Texas at Austin, Building Revenue Refunding Bonds, Series 1978 (the "Refunding Bonds") for the purpose of providing, together with other funds to be provided by the Board, the amounts necessary to pay the principal, interest and redemption premium of the Underlying Bonds at their respective maturities and redemption dates; and

WHEREAS, the Board desires that, concurrently with the delivery of the Refunding Bonds to the purchasers thereof, the proceeds of the Refunding Bonds, together with other funds to be provided by the Board, shall be applied to purchase certain direct obligations of the United States of America hereinafter defined as the Escrowed Securities for deposit to the credit of the Escrow Fund created pursuant to the terms of this Agreement and to establish a beginning cash balance in such Escrow Fund; and

WHEREAS, the Escrowed Securities shall mature and the interest thereon shall be payable at such times and in such amounts so as to provide moneys which, together with cash balances from time to time on deposit in the Escrow Fund, will be sufficient to pay interest on the Underlying Bonds as it accrues and becomes payable and principal of and redemption premium on the Underlying Bonds as they mature or are redeemed; and

WHEREAS, in order to assure that proceeds of the Escrow Fund herein provided for are available to the Paying Agent for the timely payment of principal, interest and redemption premium on the Underlying Bonds, the Escrow Fund shall be created and maintained pursuant to this Agreement on the books of the Escrow Agent in the name of the Paying Agent; and

NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, the sufficiency of which are hereby acknowledged, and in order to secure the payment of principal of, redemption premium on and the interest on the Underlying Bonds, as the same mature, or are called for redemption, and become due, the Board and the Escrow Agent mutually undertake, promise and agree for themselves and their respective representatives and successors, as follows:

## ARTICLE I

### DEFINITIONS AND INTERPRETATIONS

Section 1.01. Definitions. Unless the context clearly indicates otherwise, the following terms shall have the meanings assigned to them below when they are used in this Agreement:

"Board" means the Board of Regents of The University of Texas System.

"Code" means the Internal Revenue Code of 1954, as amended, and the rules and regulations thereunder.

"Escrow Agent" means \_\_\_\_\_, Texas, and its successors as Escrow Agent under this Agreement.

"Escrow Fund" means the fund created by this Agreement to be administered by the Escrow Agent pursuant to the provisions of this Agreement.

"Escrowed Securities" means Limited Yield Securities and the Open Market Securities.

"Limited Yield Securities" means the United States Treasury obligations described in Schedule \_\_\_ to this Agreement purchased with the proceeds of the Refunding Bonds.

"Open Market Securities" means the United States Treasury obligations described in Schedule \_\_\_ to this Agreement.

"Paying Agent" means National Bank of Commerce of Dallas, Dallas, Texas, and its successors in such capacity.

"Refunding Bonds" means the \$ \_\_\_\_\_ Board of Regents of The University of Texas System, The University of Texas at Austin, Building Revenue Refunding Bonds, Series 1978, dated August 1, 1978.

"Refunding Bond Resolution" means the Board's resolution authorizing the issuance, sale and delivery of the Refunding Bonds.

"Underlying Bonds" means the Board's bonds more fully described in the first recital on page 1 of this Agreement.

Section 1.02. Interpretations. The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the refunding of the Underlying Bonds in accordance with applicable law.

## ARTICLE II

### DEPOSITS WITH ESCROW AGENT AND APPLICATIONS THEREOF

Section 2.01. Deposits with Escrow Agent. The Board has deposited, or caused to be deposited, with the Escrow Agent, the following:

- (a) the proceeds of the Refunding Bonds; and
- (b) \$ \_\_\_\_\_ from lawfully available funds other than the proceeds of the Refunding Funds or any other bond proceeds.

Section 2.02. Application of Refunding Bond Proceeds. The Escrow Agent has applied the proceeds of the Refunding Bonds as follows:

- (a) accrued interest on the Refunding Bonds, in the amount of \$ \_\_\_\_\_ has been transferred to the Interest and Sinking Fund for the Refunding Bonds;
- (b) \$ \_\_\_\_\_ has been paid to the United States of America for the purchase of the Limited Yield Securities;
- (c) \$ \_\_\_\_\_ has been retained by the Escrow Agent to create the beginning cash balance in the Escrow Fund;
- (d) \$ \_\_\_\_\_ has been disbursed in accordance with written instructions from the Board for the payment of

expenses incurred in refunding the Underlying Bonds and issuing the Refunding Bonds; and

(e) the balance of \$ \_\_\_\_\_ has been transferred to the Interest and Sinking Fund for the Refunding Bonds.

Section 2.03. Application of Other Funds. The Escrow Agent has applied the funds described in Section 2.01(b) to purchase the Open Market Securities.

### ARTICLE III

#### CREATION AND OPERATION OF ESCROW FUND

Section 3.01. Escrow Fund. The Escrow Agent has created on its books in the name of the Paying Agent a special trust fund and irrevocable escrow to be known as "Board of Regents of The University of Texas System, The University of Texas at Austin, Building Revenue Bonds, Series 1974-A Escrow Fund" (the "Escrow Fund"). The Escrow Agent hereby acknowledges that there has been deposited to the credit of such Escrow Fund the Limited Yield Securities, the beginning cash balance described in Section 2.02(c) and the Open Market Securities. The Escrowed Securities (which include both the Limited Yield Securities and the Open Market Securities), all proceeds therefrom and the beginning cash balance shall be the property of the Escrow Fund, and shall be applied only in strict conformity with the terms and conditions of this Agreement. All of the Escrowed Securities, all proceeds therefrom and all cash balances from time to time on deposit in the Escrow Fund are hereby irrevocably pledged to the payment of the principal of, redemption premium on and interest on the Underlying Bonds, which payment shall be made by making available to the Paying Agent in cash such amounts at such times as are provided for in Section 3.02 of this Agreement. When the final cash amounts have been made available to and withdrawn by the Paying Agent for the payment of principal of, redemption premium on and interest on the Underlying Bonds, any balance then remaining in the Escrow Fund shall be transferred to the Board.

Section 3.02. Payment of Principal, Redemption Premium and Interest. (a) The Escrow Agent is hereby irrevocably instructed to use the cash balances scheduled to accrue in the Escrow Fund on September 30, 1978 and semiannually on each March 31 and September 30 thereafter to make available to the Paying Agent for its withdrawal from the Escrow Fund the amounts required to pay the principal, redemption premium and interest on the Underlying Bonds as follows:

Interest. Interest coming due on October 1, 1978 and each April 1 and October 1 thereafter until each of the Underlying Bonds matures or is redeemed.

Principal and Redemption Premium. Principal on all Underlying Bonds not redeemed pursuant to Subsection (b) hereof on their respective maturity dates; principal and redemption premium (if any) on all Underlying Bonds called for redemption prior to maturity on the dates and in the amounts indicated in Subsection (b) hereof.

The amounts of such payments are summarized in Schedule \_\_\_\_\_ attached hereto.

(b) The Board has called for redemption prior to maturity certain of the Underlying Bonds described below, on the dates set forth below, for the principal amounts thereof and accrued interest thereon to the date fixed for redemption, plus a premium (if any) on the principal amount of each such bond as follows:

<u>Bond Nos.</u>	<u>Aggregate Principal Amount</u>	<u>Redemption Dates</u>	<u>Redemption Premium (% of Principal Amount)</u>
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The Board has caused notice of each such redemption to be given in manner required by the Underlying Bond Resolution.

Section 3.03. Sufficiency of Escrow Fund. The Board represents that the successive receipts of the principal of and interest on the Escrowed Securities will assure that the cash balances from time to time on deposit in the Escrow Fund will be at all times sufficient to provide moneys at the times and in the amounts required to be available to the Paying Agent for the payment of interest on the Underlying Bonds as such interest comes due and the principal of and redemption premium on the Underlying Bonds as the Underlying Bonds mature or are redeemed prior to maturity, all as more fully set forth in Schedules \_\_\_\_\_ and \_\_\_\_\_ attached hereto. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Escrow Fund shall be insufficient to make available to the Paying Agent the amounts required to make the payments set forth in Section 3.02 hereof, the Board shall timely deposit in the Escrow Fund, from lawfully available funds, additional funds in the amounts required to make such payments. Notice of any such insufficiency shall be given promptly as herein-after provided, but neither the Escrow Agent nor the Paying Agent shall in any manner be responsible for any insufficiency of funds in the Escrow Fund or the Board's failure to make additional deposits thereto.

Section 3.04. Trust Fund. The Escrow Agent shall hold at all times the Escrow Fund, the Escrowed Securities and all other assets of such Fund, wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The Escrowed Securities and other assets of the Escrow Fund shall always be maintained by the Escrow Agent as trust funds held in a special account in the name of the Paying Agent for the benefit of the bearers of the Underlying Bonds; and a special account thereof evidencing such fact shall at all times be maintained on the books of the Escrow Agent. The bearers of the Underlying Bonds shall be entitled to the same preferred claim and first lien upon the Escrowed Securities, the proceeds thereof and all other assets of the Escrow Fund as are enjoyed by other trust

beneficiaries. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the Board, and the Escrow Agent shall have no right or title with respect thereto except as a trustee and escrow agent under the terms of this Agreement. The amounts received by the Escrow Agent under this Agreement shall not be subject to checks or drafts drawn by the Board and shall not be subject to transfer or withdrawal by the Paying Agent except in the amounts and at the times provided in Section 3.02 hereof.

Section 3.05. Security for Cash Balances. Cash balances from time to time on deposit in the Escrow Fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a pledge of obligations of, or obligations unconditionally guaranteed by, the United States of America, having a market value at least equal to such cash balances.

#### ARTICLE IV

##### LIMITATION ON INVESTMENTS

Section 4.01. General. Except as herein otherwise expressly provided the Escrow Agent shall have no power or duty to invest any money held hereunder; or to make substitutions of the Escrowed Securities; or to sell, transfer or otherwise dispose of the Escrowed Securities. Cash balances on deposit in the Escrow Fund shall not be reinvested or bear interest, and the Escrow Agent shall be entitled to retain any benefit from the "float" (if any) resulting therefrom as additional compensation for its services hereunder.

Section 4.02. Substitution of Securities. At the written request of the Board, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall sell, transfer, otherwise dispose of or request the redemption of the Escrowed Securities and apply the proceeds therefrom to purchase Underlying Bonds or direct obligations of the United States of America which do not permit the redemption thereof at the option of the obligor. Any such transaction may be effected by the Escrow Agent only if (a) the Escrow Agent shall have received a written opinion from a nationally recognized firm of certified public accountants that such transaction will not cause the amount of money and securities in the Escrow Fund to be reduced below an amount sufficient to provide for the payment of principal of, redemption premium on and interest on the Underlying Bonds as they become due pursuant to Section 3.02 of this Agreement; and (b) the Escrow Agent shall have received the unqualified written legal opinion of nationally recognized bond attorneys, to the effect that such transaction will not cause any of the Refunding Bonds to be an "arbitrage bond" within the meaning of Section 103(c) of the Code.

Section 4.03. Arbitrage. The Board hereby covenants and agrees that it shall never request the Escrow Agent to exercise any power hereunder or permit any part of the money in the Escrow Fund or proceeds from the sale of Escrowed Securities to be used directly or indirectly to acquire any securities or obligations if the exercise of such power or the acquisition of such securities or obligations would cause any Refunding Bonds to be an "arbitrage bond" within the meaning of Section 103(c) of the Code.

## ARTICLE V

### RECORDS AND REPORTS

Section 5.01. Records. The Escrow Agent will keep books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money and Escrowed Securities deposited to the Escrow Account and all proceeds thereof, and such books shall be available for inspection at reasonable hours and under reasonable conditions by the Board and the bearers of the Underlying Bonds.

Section 5.02. Reports. For the period beginning on the date hereof and ending on \_\_\_\_\_, 1978 and for each \_\_\_\_\_ period thereafter while this Agreement remains in effect, the Escrow Agent shall prepare and send to the Board a written report summarizing all transactions relating to the Escrow Fund during such period, including without limitation credits to the Escrow Fund as a result of interest payments or maturities on the Escrowed Securities and transfers from the Escrow Fund for payments on the Underlying Bonds or otherwise, and a statement of the cash balance on deposit in the Escrow Fund as of the end of such period. Also, within thirty (30) days after August 31, 1979 and each succeeding August 31 while this Agreement is in effect, the Escrow Agent shall send the Board a report summarizing all credits to and transfers from the Escrow Fund during the twelve (12) month period ending on such date, together with a detailed statement of all Escrowed Securities and the cash balance on deposit in the Escrow Fund as of such date.

## ARTICLE VI

### CONCERNING THE ESCROW AGENT

Section 6.01. Representations of Escrow Agent. The Escrow Agent hereby represents that it possesses and is exercising full trust powers and is otherwise qualified and empowered to enter into this Agreement, and it further represents that it is a qualified depository.

Section 6.02. Limitation on Liability. The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own action, neglect or default, nor for any loss unless the same shall have been through the negligence or want of good faith by the Escrow Agent.

The liability of the Escrow Agent to provide funds to the Paying Agent for the payment of the principal of and interest on the Underlying Bonds shall be limited to the proceeds of the Escrowed Securities and the cash balances from time to time on deposit in the Escrow Fund. Notwithstanding any provision contained herein to the contrary, the Escrow Agent shall have no liability whatsoever for the insufficiency of funds from time to time in the Escrow Fund or any failure of the obligors of the Escrowed Securities to

make timely payment thereon, except for its obligation to notify the Board promptly of any such occurrence.

The recitals herein and in the proceedings authorizing the Refunding Bonds shall be taken as the statements of the Board and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent. The Escrow Agent is not a party to the Refunding Bond Resolution or the Underlying Bond Resolution, is not responsible for nor bound by any of the provisions thereof, and need look only to the terms and provisions of this Agreement.

The Escrow Agent makes no representations as to the value, conditions or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the Board thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall incur no liability or responsibility in respect of any of such matters.

It is the intention of both the Board and the Escrow Agent that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the Board with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund and to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own misconduct or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the Board or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own misconduct or its negligence. In determining the occurrence of any of such event or contingency the Escrow Agent may request from the Board or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may inquire and consult, among others, with the Board at any time.

Section 6.03. Escrow Agent's Compensation. The Board has paid the Escrow Agent, as a fee for performing the services hereunder and for all expenses incurred or to be incurred by the Escrow Agent in the administration of this Agreement, the sum of \$ \_\_\_\_\_, the receipt and sufficiency of which are hereby acknowledged by the Escrow Agent. In the event that the Escrow Agent is requested to perform any extraordinary services hereunder, the Board

hereby agrees to pay reasonable fees to the Escrow Agent for such extraordinary services and to reimburse the Escrow Agent for all expenses incurred by the Escrow Agent in performing such extraordinary services, and the Escrow Agent hereby agrees to look only to the Board for the payment of such fees and reimbursement of such expenses. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its services, whether regular or extraordinary, as escrow agent or in any other capacity, or for reimbursement for any of its expenses.

Section 6.04. Successor Escrow Agents. At any time the Escrow Agent or its legal successor or successors should become unable, through operation of law or otherwise, to act as escrow agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the Board, by appropriate resolution, shall promptly appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the Board within 60 days, a successor may be appointed by the bearers of a majority in principal amount of the Underlying Bonds then outstanding by an instrument or instruments in writing filed with the Board, signed by such bearers or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this Section within three months after a vacancy shall have occurred, the owner of any Underlying Bond may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be a corporation organized and doing business under the laws of the United States or the State of Texas, authorized under such laws to exercise corporate trust powers, having its principal office and place of business in the State of Texas, having a combined capital and surplus of at least \$ \_\_\_\_\_ and subject to the supervision or examination by Federal or State authority.

Any successor Escrow Agent shall execute, acknowledge and deliver to the Board and to the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the Board shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties. The Escrow Agent shall pay over to its successor Escrow Agent a proportional part of the Escrow Agent's fee hereunder.

## ARTICLE VII

### MISCELLANEOUS

Section 7.01. Any notice, authorization, request, or demand required or permitted to be given hereunder shall be

in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed as follows:

To the Escrow Agent:

To the Board:

The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten (10) days prior notice thereof.

Section 7.02. Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the Board, the bearers of the Underlying Bonds or to any other person or persons in connection with this Agreement.

Section 7.03. This Agreement shall be binding upon the Board and the Escrow Agent and their respective successors and legal representatives, and shall inure solely to the benefit of the bearers of the Underlying Bonds, the Board, the Escrow Agent and their respective successors and legal representatives.

Section 7.04. 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 provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 7.05. This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Texas.

Section 7.06. Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

IN WITNESS WHEREOF, this Escrow Agreement has been executed in multiple counterparts, each one of which shall constitute one and the same original Agreement, as of the date and year appearing on the first page of this Agreement.

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

\_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

(SEAL)

ATTEST:

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

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

CONSENT TO ESCROW AGREEMENT

NATIONAL BANK OF COMMERCE OF DALLAS, as Paying Agent for the Underlying Bonds, hereby acknowledges its understanding that the Escrow Agreement to which this Consent is attached provides that an Escrow Fund shall be established and maintained in an account in its name on the books of the Escrow Agent for the purpose of providing funds to be made available to the Paying Agent which are intended to be sufficient to allow Paying Agent to make timely payment of all principal, redemption premiums and interest on the Underlying Bonds in accordance with Section 3.02 of said Escrow Agreement. The Paying Agent hereby consents to the establishment of such Escrow Fund as a trust fund for the benefit of the bearers of the Underlying Bonds and further consents to the management of such Escrow Fund by the Escrow Agent in accordance with the terms and provisions of the Escrow Agreement to which this Consent is attached. The Paying Agent further agrees that it shall only make withdrawals from the Escrow Fund at the times and in the amounts set forth in Section 3.02 of the Escrow Agreement for payment of principal, redemption premiums and interest on the Underlying Bonds and, except for such amounts, shall never make any withdrawals from such Escrow Fund or assert any claims, liens or charges against the Escrow Fund. The Paying Agent further acknowledges that it has been paid the sum of \$ \_\_\_\_\_ by the Board, representing the present value of all future paying agency charges for the Underlying Bonds, which constitutes full and final payment for all of Paying Agent's future paying agency services to be rendered in connection with the Underlying Bonds. Terms used in this Consent shall have the same meanings as set forth in the Escrow Agreement to which it is attached.

NATIONAL BANK OF COMMERCE  
OF DALLAS

By \_\_\_\_\_  
Title

ATTEST:

\_\_\_\_\_  
Title

(SEAL)

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
THE UNIVERSITY OF TEXAS AT AUSTIN  
COMBINED FEE REVENUE REFUNDING BONDS, SERIES 1978

\$16,710,000

SALE OF THE BONDS.--As authorized, bids were called for and received until 10:00 A.M., C.D.T., on August 3, 1978, and then publicly opened and tabulated. The best bid was received from a syndicate headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, who bid a net interest cost of 5.78913%. Proceeds from this issue will provide funds to redeem The University of Texas at Austin Combined Fee Revenue bonds, Series 1970 and 1974 when these issues become callable and provide a net savings of about \$1,496,893 over the life of the bonds with a present value of those savings of \$844,000 as computed by Rauscher Pierce Securities Corporation. A copy of the tabulation is attached.

It is recommended by the Executive Director for Investments, Trusts and Lands, joined by the President of the System, that the Board of Regents adopt the resolution authorizing the issuance of the bonds and the sale to Merril Lynch, Pierce, Fenner & Smith Incorporated.

DESIGNATION OF PAYING AGENCY.--Attached is a tabulation of the bids received and publicly opened and tabulated at 10:00 A.M., C.D.T., on August 2, 1978, in accordance with specifications previously furnished the qualified bidders (Texas Banks with assets in excess of \$200,000,000).

It is recommended by the Executive Director for Investments, Trusts and Lands, joined by the President of the System, that the bid of Bank of the Southwest, N.A., Houston, Texas, to serve as Paying Agent for this issue be accepted. The bank will charge \$0.00 per coupon and \$0.00 per bond paid. Co-paying agent is Bankers Trust Company, New York.

AWARD OF CONTRACT FOR PRINTING THE BONDS.--Attached is a tabulation of the bids received and publicly opened and tabulated at 10:00 A.M., C.D.T., on August 2, 1978, in accordance with specifications previously furnished companies bidding on University issues.

It is recommended by the Executive Director for Investments, Trusts and Lands, joined by the President of the System, that the bid of Hart Graphics, Austin, Texas, be accepted for printing the bonds with lithographed borders, as set out in the specifications, for the sum of \$1,732.00, there being eleven interest rates.

TABULATION OF BIDS  
 \$16,925,000  
 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
 THE UNIVERSITY OF TEXAS AT AUSTIN  
 COMBINED FEE REVENUE REFUNDING BONDS, SERIES 1978  
 Bids Opened Thursday, August 3, 1978

Account	Coupons	Interest Cost	Effective Rate																																																												
Merrill Lynch, Pierce, Fenner & Smith Incorporated	<table border="0"> <tr><td>1979</td><td>to</td><td>86</td><td>5.00%</td></tr> <tr><td>1987</td><td></td><td>88</td><td>5.10</td></tr> <tr><td>1989</td><td></td><td></td><td>5.25</td></tr> <tr><td>1990</td><td></td><td></td><td>5.30</td></tr> <tr><td>1991</td><td></td><td></td><td>5.40</td></tr> <tr><td>1992</td><td></td><td></td><td>5.50</td></tr> <tr><td>1993</td><td></td><td></td><td>5.60</td></tr> <tr><td>1994</td><td></td><td></td><td>5.75</td></tr> <tr><td>1995</td><td></td><td></td><td>5.80</td></tr> <tr><td>1996</td><td></td><td></td><td>5.95</td></tr> <tr><td>1997</td><td></td><td>2000</td><td>6.00</td></tr> </table>	1979	to	86	5.00%	1987		88	5.10	1989			5.25	1990			5.30	1991			5.40	1992			5.50	1993			5.60	1994			5.75	1995			5.80	1996			5.95	1997		2000	6.00	Gross: <u>\$12,242,342.93</u> Plus Discount: <u>\$249,674.21</u> Net: <u>\$12,492,017.14</u>	5.78913																
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Morgan Guaranty Trust Co., New York	<table border="0"> <tr><td>1979</td><td>to</td><td></td><td>4.70%</td></tr> <tr><td>1980</td><td></td><td></td><td>4.75</td></tr> <tr><td>1981</td><td></td><td>82</td><td>4.90</td></tr> <tr><td>1983</td><td></td><td>84</td><td>5.00</td></tr> <tr><td>1985</td><td></td><td>86</td><td>5.10</td></tr> <tr><td>1987</td><td></td><td></td><td>5.20</td></tr> <tr><td>1988</td><td></td><td></td><td>5.25</td></tr> <tr><td>1989</td><td></td><td></td><td>5.30</td></tr> <tr><td>1990</td><td></td><td></td><td>5.40</td></tr> <tr><td>1991</td><td></td><td></td><td>5.50</td></tr> <tr><td>1992</td><td></td><td></td><td>5.60</td></tr> <tr><td>1993</td><td></td><td></td><td>5.70</td></tr> <tr><td>1994</td><td></td><td></td><td>5.80</td></tr> <tr><td>1995</td><td></td><td>96</td><td>5.90</td></tr> <tr><td>1997</td><td></td><td>2000</td><td>6.00</td></tr> </table>	1979	to		4.70%	1980			4.75	1981		82	4.90	1983		84	5.00	1985		86	5.10	1987			5.20	1988			5.25	1989			5.30	1990			5.40	1991			5.50	1992			5.60	1993			5.70	1994			5.80	1995		96	5.90	1997		2000	6.00	Gross: <u>\$12,324,586.67</u> Plus Discount: <u>\$249,254.47</u> Net: <u>\$12,573,841.14</u>	5.8270
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BIDS FOR PAYING AGENCY

\$16,925,000

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
 THE UNIVERSITY OF TEXAS AT AUSTIN  
 COMBINED FEE REVENUE REFUNDING BONDS, SERIES 1978

Tabulation of Bids Received  
 August 2, 1978 - 10:00 A.M., C.D.T.

Bidder	New York Co-Paying Agent	Per Coupon Paid	Per Bond Paid
Bank of the Southwest, N.A., Houston	Bankers Trust Company	\$ .00	\$ .00
The First National Bank of Fort Worth	The Bank of New York	.08	.75
The Capital National Bank, Austin	Citibank, N.A.	.095	.90
Mercantile National Bank at Dallas	Manufacturers Hanover Trust Co.	.08	.75
First National Bank in Dallas	Manufacturers Hanover Trust Co.	.125	1.30
Republic National Bank of Dallas	Citibank, N.A.	.175	1.575
The State National Bank of El Paso	Citibank, N.A.	.125	7.50
Texas Commerce Bank National Association, Houston	Bankers Trust Company	.175	2.00
American Bank, Austin	Citibank, N.A.	.20	2.00
Corpus Christi National Bank	Citibank, N.A.	.15	2.00

BIDS FOR PRINTING BONDS

\$16,925,000

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
 THE UNIVERSITY OF TEXAS AT AUSTIN  
 COMBINED FEE REVENUE REFUNDING BONDS, SERIES 1978

Tabulation of Bids Received  
 August 2, 1978 - 10:00 A.M., C.D.T.

Bidder	One-Coupon Rate	Two-Coupon Rate	Three-Coupon Rate	Four-Coupon Rate	Five-Coupon Rate	Six-Coupon Rate	Seven-Coupon Rate	Number of Working Days
Hart Graphics & Office Centers, Inc. 8000 Shoal Creek Blvd. Austin, Texas 78758	\$1,532.00	\$1,552.00	\$1,572.00	\$1,592.00	\$1,612.00	\$1,632.00	\$1,652.00	
	Eight-Coupon Rate	Nine-Coupon Rate	Ten-Coupon Rate	Eleven-Coupon Rate				
	\$1,672.00	\$1,692.00	\$1,712.00	\$1,732.00				15

3. Board of Regents - Combined Fee Revenue Refunding Bonds: (a) Resolution Authorizing Issuance in the Approximate Amount of \$16,630,000 Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Refunding Bonds, Series 1978 (Amount to be Refunded \$15,385,000); (b) Designation of Escrow Agent; (c) Designation of Banks of Payment (Paying Agents); and (d) Award of Contract for Printing. Bids Relating Thereto to be Opened on August 2 and 3, 1978. Pursuant to authorization by the Board of Regents at its meeting on June 9, 1978, bids for Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Refunding Bonds, Series 1978, will be considered by the Board of Regents at the 9:00 a. m. , C. D. T. , session on Friday, August 4, 1978, Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall.

Bids for the sale of these bonds will be opened at 10:00 a. m. , C. D. T. , on Thursday, August 3, 1978, at Claudia Taylor Johnson Hall, 210 West Sixth Street, Austin, Texas. Bids for paying agent will be opened on Wednesday, August 2, 1978, at 10:00 a. m. at the same place.

#### ACTION REQUIRED

- a. Adoption of Resolution, Pages B of R 30-41, Authorizing Issuance and Sale of The University of Texas at Austin Combined Fee Revenue Refunding Bonds, Series 1978
- b. Designation of Escrow Agent
- c. Designation of Banks of Payment
- d. Award of Contract for Printing Bonds

RESOLUTION AUTHORIZING THE ISSUANCE OF  
\$ \_\_\_\_\_ BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM, THE UNIVER-  
SITY OF TEXAS AT AUSTIN, COMBINED FEE  
REVENUE REFUNDING BONDS, SERIES 1978

WHEREAS, the Board of Regents of The University of Texas System (hereinafter sometimes called the "Board" or "Board of Regents") authorized the issuance of and sold the following series of bonds, which are payable from, and secured by a first lien on and pledge of, certain hereinafter defined Pledged Revenues:

Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1970, in the aggregate principal amount of \$10,000,000 (hereinafter called the "Series 1970 Bonds");

Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1971, in the aggregate principal amount of \$20,000,000 (hereinafter called the "Series 1971 Bonds");

Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1972, in the aggregate principal amount of \$10,000,000 (hereinafter called the "Series 1972 Bonds");

Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1973, in the aggregate principal amount of \$34,000,000 (hereinafter called the "Series 1973 Bonds"); and

Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1974, in the aggregate principal amount of \$6,900,000 (hereinafter called the "Series 1974 Bonds"),

for the purpose of providing funds to acquire, purchase, construct, improve, enlarge and/or equip property, buildings, structures, or other facilities, for or on behalf of The University of Texas at Austin; and

WHEREAS, pursuant to Chapter 55 of the Texas Education Code, particularly Section 55.19 thereof, the Board may issue revenue refunding bonds for the purpose of refunding any of its outstanding bonds in advance of their maturities or dates of redemption; and

WHEREAS, in order to realize substantial annual savings in debt service, the Board desires to advance refund the Series 1970 Bonds and the Series 1974 Bonds; and

WHEREAS, due to certain terms and provisions contained in the resolutions authorizing the Series 1970 Bonds, Series 1971 Bonds and Series 1972 Bonds and incorporated by reference in the resolutions authorizing the Series 1973 Bonds and Series 1974 Bonds, the refunding of any such bonds in advance of their maturities or dates of redemption may be

accomplished only by use of the "full cash" method of advance refunding; and

WHEREAS, to accomplish the foregoing, the Board has adopted this Resolution to authorize the issuance of its Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Refunding Bonds, Series 1978 and by other resolutions adopted concurrently herewith has authorized the issuance of certain special obligation bonds, has authorized certain of the Series 1970 Bonds and Series 1974 Bonds to be called for redemption prior to their maturities, has authorized the Board to enter into an escrow agreement with \_\_\_\_\_, Texas, pursuant to which provision shall be made for the deposit and investment of proceeds of the refunding bonds herein authorized and the special obligation bonds and certain other funds, for the application of the principal amount thereof to the payment in full of principal, redemption premium and interest to maturity or redemption on the Series 1970 Bonds and the Series 1974 Bonds and for the application of the interest earned thereon to the payment in full of principal and interest on the special obligation bonds; and

WHEREAS, upon the issuance of the special obligation bonds and the refunding bonds herein authorized and the establishment of the escrow fund provided for in the escrow agreement, the Series 1970 Bonds and the Series 1974 Bonds shall no longer be regarded as outstanding obligations of the Board of Regents, and the Series 1971 Bonds, the Series 1972 Bonds, the Series 1973 Bonds and the refunding bonds herein authorized shall be the only obligations of the Board payable from Pledged Revenues;

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

Section 1: NAME, AMOUNT, PURPOSE AND AUTHORIZATION.

That for the purpose of effecting annual debt service savings, there shall be issued the negotiable, serial, coupon bonds of the Board of Regents of The University of Texas System in the aggregate principal amount of \$ \_\_\_\_\_, which shall be designated as "BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS AT AUSTIN, COMBINED FEE REVENUE REFUNDING BONDS, SERIES 1978" (hereinafter called the "Series 1978 Bonds"), the proceeds of which shall be applied, together with the proceeds of the Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Special Obligation Refunding Bonds, Series 1978 (hereinafter called the "Special Obligation Bonds"), to refund bonds numbered \_\_\_\_\_ through 2000, both inclusive, of the Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1970 and bonds numbered \_\_\_\_\_ through 1380, both inclusive, of the Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1974, in advance of their maturities or redemption dates, as more fully provided herein, under and in strict conformity with the Constitution and laws of the State of Texas, including particularly Chapter 55 of the Texas Education Code, as amended.

Section 2: DATE, DENOMINATION AND MATURITIES. That the Series 1978 Bonds shall be dated August 1, 1978, shall be numbered consecutively from 1 upward in order of their maturities, shall be in the denomination of \$5,000 each, and shall mature serially on June 1 in each of the years and in the amounts, respectively, as follows:

<u>YEARS</u>	<u>AMOUNTS</u>	<u>YEARS</u>	<u>AMOUNTS</u>	<u>YEARS</u>	<u>AMOUNTS</u>
1979	\$	1986	\$	1993	\$
1980		1987		1994	
1981		1988		1995	
1982		1989		1996	
1983		1990		1997	
1984		1991		1998	
1985		1992		1999	

Section 3: INTEREST RATES AND PAYMENT DATES. That the Series 1978 Bonds shall bear interest from their date until the principal sum is paid at the following rates per annum:

<u>Year</u> <u>Maturing</u>	<u>Interest</u> <u>Rate</u>	<u>Year</u> <u>Maturing</u>	<u>Interest</u> <u>Rate</u>
1979		1990	
1980		1991	
1981		1992	
1982		1993	
1983		1994	
1984		1995	
1985		1996	
1986		1997	
1987		1998	
1988		1999	
1989			

with said interest being evidenced by interest coupons that shall appertain to said Series 1978 Bonds and shall be payable on the dates stated in Section 5 of this Resolution.

Section 4: MANNER OF PAYMENT, OPTIONAL REDEMPTION AND EXECUTION OF BONDS. That the Series 1978 Bonds and the interest coupons appertaining thereto shall be payable, shall have the characteristics, may be redeemed prior to their scheduled maturities, and shall be signed, executed and sealed all as provided, and in the manner indicated, in Section 5 of this Resolution.

Section 5: FORM OF BONDS, INTEREST COUPONS AND COMPTROLLER'S CERTIFICATE. That the form of the Series 1978 Bonds, the form of interest coupons to be attached to said Series 1978 Bonds, and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be printed and endorsed on each Series 1978 Bond shall be, respectively, in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and permitted by this Resolution:

NO. \_\_\_\_\_ \$5,000

UNITED STATES OF AMERICA  
STATE OF TEXAS  
BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
THE UNIVERSITY OF TEXAS AT AUSTIN  
COMBINED FEE REVENUE REFUNDING BOND  
SERIES 1978

ON JUNE 1, 19\_\_\_\_, the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM (hereinafter sometimes called the "Board"), for and on behalf of THE UNIVERSITY OF TEXAS AT AUSTIN, hereby promises to pay to bearer, solely from the Pledged Revenues hereinafter described, the sum of

FIVE THOUSAND DOLLARS

and to pay interest thereon from the date hereof at the rate of \_\_\_\_\_% per annum, payable June 1, 1979, and semi-annually thereafter on each December 1 and June 1 until said principal sum is paid, but only upon presentation and surrender of the interest coupons hereto appertaining as they severally become due. The principal of this bond and the interest coupons appertaining hereto shall be payable to bearer, in lawful money of the United States of America, without exchange or collection charges to the bearer, upon presentation and surrender of this bond or proper interest coupon, at the following, which shall constitute and be defined as the Banks of Payment for this series of bonds:

\_\_\_\_\_, Texas

or, at the option of the bearer, at

\_\_\_\_\_, New York, New York.

THIS BOND IS ONE OF A DULY AUTHORIZED SERIES OF BONDS of like tenor and effect except as to serial number, interest rate, right of prior redemption and maturity, numbered 1 through \_\_\_\_\_, both inclusive, in the denomination of \$5,000 each, in the aggregate principal amount of \$\_\_\_\_\_, issued pursuant to a resolution (hereinafter called the "Resolution") adopted by the Board on the 4th day of August, 1978, the proceeds of which, together with the proceeds of the Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Special Obligation Refunding Bonds, Series 1978, will be applied for the purpose of refunding bonds numbered \_\_\_\_\_ through 2000, both inclusive, of the Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1970, dated June 1, 1970, and bonds numbered \_\_\_\_\_ through 1380, both inclusive, of the Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1974, dated December 1, 1974, under and in strict conformity with the Constitution and laws of the State of Texas, including particularly Chapter 55 of the Texas Education Code, as amended.

THIS BOND AND ALL BONDS OF THE SERIES OF WHICH IT IS A PART, together with the outstanding bonds of the Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1971, Series 1972 and Series 1973 (the "Outstanding Bonds"), are equally and ratably payable from, and secured by a first lien on and pledge of, certain Pledged Revenues, which include (i) the gross collections of a certain General Fee to be charged all students regularly enrolled at The University of Texas at Austin for the use and availability of the University, (ii) the gross collections of a certain Building Use Fee charged all tuition paying students attending The University of Texas at Austin and (iii) certain debt service subsidy grants from the United States Government. This bond and the issue of which it is a part, and the interest thereon, constitute special obligations of the Board and are payable solely from the Pledged Revenues and do not constitute an indebtedness of the State of Texas, the Board or The University

of Texas at Austin. The bearer hereof and the coupons attached hereto shall never have the right to demand payment of this bond or of such coupons out of any funds raised or to be raised by taxation.

ON JUNE 1, 1988, OR ON ANY INTEREST PAYMENT DATE THEREAFTER, the Board shall have the option of calling the bonds of this issue maturing serially on or after June 1, 1989, for redemption prior to maturity, in whole or in part, in inverse numerical order, at par and accrued interest to the date of redemption.

NOTICE OF REDEMPTION IS TO BE PUBLISHED in a financial publication published in the English language in the City of New York, New York, or in the City of Austin, Texas, at least once, not less than thirty (30) days before the date fixed for such redemption, and thirty (30) days' notice in writing is to be given to the Banks of Payment before the date so fixed for such redemption. On or before the date fixed for redemption, funds shall be placed in the Banks of Payment sufficient to pay the bonds called and accrued interest thereon. If such written notice of redemption is published, and if due provision for such payment is made, all as provided above, the bonds which are to be so redeemed thereby automatically shall be redeemed prior to their scheduled maturities, they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the purpose of being paid by the Banks of Payment with the funds so provided for such payment.

IT IS HEREBY DECLARED AND REPRESENTED that, so long as this bond or the issue of bonds of which it is a part remains outstanding, the Board has covenanted and agreed that it will establish and maintain the Building Use Fee at The University of Texas at Austin at the highest rate permitted by law and the General Fee at a rate which, together with other Pledged Revenues, will be sufficient to pay principal and interest on the Outstanding Bonds, the bonds of this series and any additional parity bonds and accumulate the debt service reserve required in connection with the Outstanding Bonds, the bonds of this series and any additional parity bonds.

IT IS FURTHER DECLARED AND REPRESENTED that this bond has been duly and validly issued and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the issuance or delivery of this bond have been performed, existed, and been done in accordance with law; that this series of bonds does not exceed any Constitutional or statutory limitation; and that provision has been made for the payment of principal of and interest on this bond and the series of which it is a part by the irrevocable pledge of the Pledged Revenues.

THE BOARD HAS RESERVED THE RIGHT, subject to the restrictions referred to in the Resolution, to issue additional parity revenue bonds which also may be made equally and ratably payable from, and secured by an irrevocable first lien on and pledge of, the aforesaid Pledged Revenues.

THE BEARER OF THIS BOND and the bearers of the bonds of this series shall be subrogated to all rights and privileges of the bearers of the bonds refunded by the issuance of this series of bonds, except to the extent otherwise provided in the Resolution.

IN WITNESS WHEREOF, the Board of Regents of The University of Texas System has caused the corporate seal of said Board to be impressed, printed or lithographed hereon and has caused this bond and the interest coupons attached hereto to be executed by the imprinted or lithographed facsimile signatures of the Chairman and the Secretary of the Board, respectively, and this bond has been dated August 1, 1978.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

By \_\_\_\_\_  
Chairman

°SEAL1

ATTEST:

\_\_\_\_\_  
Secretary

(FORM OF INTEREST COUPON)

\$ \_\_\_\_\_ NO. \_\_\_\_\_

On the first day of \_\_\_\_\_, \_\_\_\_\_, unless the bond to which this coupon appertains shall have been called for redemption and due provision made to redeem same, upon surrender of this coupon, the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM PROMISES TO PAY TO BEARER at \_\_\_\_\_, Texas, or, at the option of the bearer, at \_\_\_\_\_, New York, New York, but solely from the Pledged Revenues specified in the bond to which this coupon is attached, the amount shown above, without exchange or collection charges to the bearer hereof, payable in lawful money of the United States, being interest then due on the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS AT AUSTIN, COMBINED FEE REVENUE REFUNDING BOND, SERIES 1978, bearing the number hereinafter specified, dated August 1, 1978. The bearer hereof shall never have the right to demand payment of this obligation out of funds raised or to be raised by taxation. Bond No. \_\_\_\_\_.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

\_\_\_\_\_  
Secretary Chairman

(FORM OF COMPTROLLER'S REGISTRATION CERTIFICATE)

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. \_\_\_\_\_

I HEREBY CERTIFY that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this bond and the proceedings for the issuance hereof have been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas and that it is a valid and binding special obligation of the Board of Regents of The University of Texas System payable from the revenues and other funds pledged to its payment by and in the proceedings authorizing the same, and I do further certify that this bond has this day been registered by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE at Austin, Texas, this \_\_\_\_\_.

[SEAL]

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

Section 6: DEFINITIONS. That as used in this Resolution, (except in Section 5 hereof) the following terms shall have the meanings set forth below, unless the text hereof indicates otherwise:

The term "Additional Bonds" shall mean the additional parity revenue bonds permitted to be authorized in Section 8 of the Series 1970 Resolution, excluding any Bonds heretofore issued.

The term "Board" shall mean the Board of Regents of The University of Texas System.

The term "bondholder" or "holder" shall mean any person or persons who shall be the bearer of one or more of the Bonds.

The term "Bonds" shall mean the Board of Regents of The University of Texas System, the University of Texas at Austin, Combined Fee Revenue Bonds, Series 1971, Series 1972, Series 1973 and the Series 1978 Bonds herein authorized.

The term "Building Use Fee" shall mean the building use fee to be fixed, charged, and collected from all tuition paying students regularly enrolled at the University, out of and as a part of the regular student tuition fees at the University, the gross collections which are pledged to the payment of the Bonds and Additional Bonds as authorized by Chapter 55, Texas Education Code.

The term "General Fee" shall mean the general fee to be fixed, charged and collected from all students regularly enrolled at the University, for the general use and availability of the property, buildings, structures and other facilities of the University, the gross collections of which are pledged to the payment of the Bonds and Additional Bonds as authorized by Chapter 55, Texas Education Code.

The term "Interest and Sinking Fund" shall mean the Combined Fee Revenue Bonds, Series 1970, Interest and Sinking Fund, and the debt service reserve therein, established by the Board pursuant to the Series 1970 Resolution and which is maintained by the Board pursuant to the resolutions authorizing the Bonds for the payment of principal and interest on the Bonds and Additional Bonds.

The term "Pledged Revenues" shall mean, collectively, (1) the gross collections of the General Fee, (2) the gross collections of the Building Use Fee, (3) all interest grants received or to be received from the United States Government in connection with the Bonds, (4) any additional revenues, income, receipts, rentals, rates, charges, fees or other resources which may hereafter be pledged to the payment of the Bonds and Additional Bonds.

The term "Revenue Fund" shall mean the General Fee Revenue Fund established by the Board pursuant to the Series 1970 Resolution.

The term "Series 1970 Resolution" shall mean the resolution of the Board adopted May 29, 1970 authorizing the issuance of the Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1970.

The term "Special Obligation Bonds" shall mean the Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Special Obligation Refunding Bonds, Series 1978, authorized by a resolution adopted by the Board concurrently herewith.

The term "University" shall mean the University of Texas at Austin, Austin, Texas.

Section 7: APPLICATION OF SERIES 1978 BOND PROCEEDS.  
That the proceeds from the sale of the Series 1978 Bonds shall be disbursed as follows:

(a) To the Interest and Sinking Fund, the accrued interest and premium, if any, received from the sale of the Series 1978 Bonds;

(b) To be applied, together with the proceeds of the Special Obligation Bonds and the funds provided for in Section 8 of this Resolution, to fund and establish at \_\_\_\_\_, Texas, as Escrow Agent, an escrow fund to be entitled "Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1970 and Series 1974 Escrow Fund" in accordance with the terms of a certain escrow agreement to be entered into between the Board and said Escrow Agent at or prior to delivery of the Series 1978 Bonds, which escrow fund shall have deposited to its credit cash, equivalent to the principal amount of the redemption price of the Series 1970 Bonds and the Series 1974 Bonds, with interest to the respective dates of maturity or redemption dates, all as more fully set forth in such escrow agreement;

(c) To pay expenses connected with the refunding of the Series 1970 Bonds and the Series 1974 Bonds and the issuance of the Series 1978 Bonds; and

(d) The balance, if any, to the Interest and Sinking Fund.

Section 8: APPLICATION OF CERTAIN PROCEEDS OF THE INTEREST AND SINKING FUND. That upon the issuance of, and payment of the purchase price for, the Series 1978 Bonds, there shall be transferred from the Interest and Sinking Fund to the Escrow Agent the sum of \$ \_\_\_\_\_, which sum has heretofore been deposited to the credit of the Interest and Sinking Fund to be applied to the payment of principal of and interest on the Series 1970 Bonds and the Series 1974 Bonds. Such sum shall be applied by the Escrow Agent to the payment of principal of and interest on the Series 1970 Bonds and the Series 1974 Bonds, pursuant to the terms and provisions of the Escrow Agreement.

Section 9: SUBROGATION OF RIGHTS. That the holders of the Series 1978 Bonds shall be subrogated to all rights and privileges of the holders of the Series 1970 Bonds and the Series 1974 Bonds, except to the extent otherwise provided herein.

Section 10: SOURCE OF PAYMENT. That the Series 1978 Bonds are "Additional Bonds" as permitted by Section 8 of the Series 1970 Resolution, and it is hereby determined, declared, and resolved that all of the Series 1971 Bonds, the Series 1972 Bonds, the Series 1973 Bonds, and the Series 1978 Bonds, (herein collectively called the "Bonds") are and shall be secured and payable equally and ratably on a parity, and that the Bonds and any Additional Bonds, and the interest thereon, are and shall be secured by and payable from an irrevocable first lien on and pledge of the Pledged Revenues. The Bonds and any Additional Bonds and interest coupons appertaining thereto constitute special obligations of the Board payable solely from the Pledged Revenues, and such obligations shall not constitute a prohibited indebtedness of the University, the Board, or the State of Texas, and the holders of the Bonds and Additional Bonds and the coupons appertaining thereto shall never have the right to demand payment out of funds raised or to be raised by taxation.

Section 11: ADOPTION OF CERTAIN SECTIONS OF SERIES 1970 RESOLUTION. That Sections 5 through 11 of the Series 1970 Resolution are hereby adopted by reference and shall be applicable to the Series 1978 Bonds for all purposes, except to the extent herein specifically modified and supplemented.

Section 12: RATIFICATION OF GENERAL FEE. That it is hereby declared and confirmed that the General Fee has been and is hereby fixed at the rate of \$5.62 per semester credit hour for each of the regular fall and spring semesters, and for each term of each summer session, for the general use and availability of the property, buildings, structures and other facilities of The University of Texas at Austin.

Section 13: DEPOSITS TO INTEREST AND SINKING FUND. (a) That on or before November 25, 1978, and semiannually on or before each May 25th and November 25th thereafter, the Board shall transfer from the Revenue Fund and deposit to the credit of the Interest and Sinking Fund the amounts as follows:

- (1) an amount which will be sufficient, together with other monies then on hand therein and available for such purpose, to pay the interest scheduled to come due on the Bonds on the next succeeding interest payment date; and

(2) an amount which will be sufficient, together with other monies then on hand therein and available for such purpose, to pay one-half of all principal scheduled to mature and come due on the Bonds on the next succeeding June 1; and

(3) an amount equal to 1/10th of the average annual principal and interest requirements of the Series 1978 Bonds; provided, however, that when the money and investments in the debt service reserve are at least equal in market value to the amount of the average annual principal and interest requirements of the Bonds, then such deposits may be discontinued, unless and until the debt service reserve should be depleted to less than said amount in market value, in which case said deposits shall be resumed and continued until the debt service reserve is restored to said amount.

(b) That this Section is cumulative, and states all deposits required to be made to the credit of the Interest and Sinking Fund from the Revenue Fund in connection with all of the Bonds. All gross collections of the Building Use Fee shall continue to be deposited as received directly to the credit of the Interest and Sinking Fund, as required by Section 7.03 of the Series 1970 Resolution.

Section 14: TRANSFERS TO PAYING AGENTS. On or before the last day of November, 1978, and on or before the last day of each May and of each November thereafter while any of the Bonds and Additional Bonds, if any, are outstanding and unpaid, there shall be made available to the paying agents therefor, out of the Interest and Sinking Fund, money sufficient to pay such interest on and such principal of the Bonds and Additional Bonds, if any, as will accrue or mature on the first day of the month immediately following. The paying agents shall totally destroy all paid Bonds and Additional Bonds, if any, and the coupons appertaining thereto and shall furnish the Board with an appropriate certificate of destruction.

Section 15: ADDITIONAL COVENANTS. (a) That while the Bonds or any Additional Bonds are outstanding and unpaid, the Board covenants and agrees that it will not additionally encumber the Pledged Revenues in any manner, except as permitted in the Series 1970 Resolution in connection with Additional Bonds, unless said encumbrance is made junior and subordinate in all respects to the liens, pledges, covenants, and agreements of the resolutions authorizing the Bonds.

(b) That the Board covenants and agrees that it and the University will comply with all of the terms and conditions of all interest grants agreements entered into between the Board or the University and the United States Government in connection with the Bonds and the purposes for which they are issued; and that all action necessary will be taken to enforce said terms and conditions.

Section 16: NO ARBITRAGE. (a) That the Board certifies that based upon all facts, estimates and circumstances now known or reasonably expected to be in existence on the date the Series 1978 Bonds are delivered and paid for, the Board reasonably expect that the proceeds of the Series 1978 Bonds will not be used in a manner that would cause the Series 1978 Bonds or any portion thereof to be an "arbitrage bond" under Section 103(c) of the Internal Revenue Code of

1954, as amended, and the temporary and proposed regulations heretofore prescribed thereunder. Furthermore, all officers, employees and agents of the Board are authorized and directed to provide certifications of facts, estimates and circumstances which are material to the reasonable expectations of the Board as of the date the Series 1978 Bonds are delivered and paid for, and any such certifications may be relied upon by counsel, by the holders of the Series 1978 Bonds, or by any person interested in the exemption of interest on the Series 1978 Bonds from federal income taxation. Moreover, the Board covenants that it shall make such use of the proceeds of the Series 1978 Bonds, regulate investments of proceeds of the Series 1978 Bonds, and take such other and further action as may be required so that the Series 1978 Bonds shall not be "arbitrage bonds" under Section 103(c) of the Internal Revenue Code of 1954, as amended, and regulations prescribed from time to time thereunder.

(b) That the Board further certifies that based on all facts, estimates and circumstances now known or reasonably expected to be in existence on the date the Series 1978 Bonds are delivered and paid for, the Board does not reasonably expect to use any amounts accumulated in the debt service reserve in the Interest and Sinking Fund to pay principal or interest on the Series 1978 Bonds.

Section 17: DISCHARGE BY DEPOSIT. That the Board may discharge its obligations to the holders of any or all of the Series 1978 Bonds and coupons appertaining thereto to pay principal, interest and redemption premium (if any) thereon by depositing with the State Treasurer or at the Banks of Payment either: (1) cash equivalent to the principal amount and redemption premium, if any, plus interest to the date of maturity or redemption, or (2) direct obligations of, or obligations the principal and interest of which are guaranteed by, the United States of America, in principal amounts and maturities and bearing interest at rates sufficient to provide for the timely payment of the principal amount and redemption premium, if any, on such Series 1978 Bonds plus interest to the date of maturity or redemption; provided, however, that if any of such Series 1978 Bonds are to be redeemed prior to their date of maturity, provision shall have been made for giving notice of redemption as provided herein. Upon such deposit, the Series 1978 Bonds and coupons appertaining thereto shall no longer be regarded as outstanding and unpaid. Also, whenever provision is made in the above manner for payment of any other Bonds or Additional Bonds, such bonds shall no longer be deemed outstanding for purposes of any provision contained herein.

Section 18: APPROVAL AND REGISTRATION. That the Chairman of the Board is hereby authorized to have control of the Series 1978 Bonds and all necessary records and proceedings pertaining to the Series 1978 Bonds pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of said Series 1978 Bonds, said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate printed and endorsed on each of the Series 1978 Bonds and the seal of said Comptroller shall be impressed, or placed in facsimile, on each of the Series 1978 Bonds.

Section 19: SALE AND DELIVERY. That the sale of the Series 1978 Bonds is hereby awarded to \_\_\_\_\_ and Associates, for a price of \_\_\_\_\_ % of par, plus accrued interest thereon from the date thereof to the date of actual delivery, subject to the approving opinions, as to the legality of the Bonds, of the Attorney General of the State of Texas and Vinson & Elkins, Houston, Texas, market attorneys. When said Series 1978 Bonds have been approved by the Attorney General and registered by the Comptroller of Public Accounts of the State of Texas, they shall be delivered to the named purchaser upon receipt of the full purchase price.

Section 20: OFFERING DOCUMENTS. That the Preliminary Official Statement, Official Notice of Sale and Official Statement, together with any supplements and amendments thereto, are hereby ratified, authorized and approved for use in connection with the solicitation of bids for, and the sale and distribution of, the Series 1978 Bonds.

Section 21: CAPTIONS. The captions of the Sections of this Resolution have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof.

ADOPTED AND APPROVED at Austin, Texas, this 4th day of August, 1978.

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

ATTEST:

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

4. Resolution Authorizing Redemption of Certain Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1970 and Series 1974, Prior to Maturity; Execution and Delivery of an Escrow Agreement to Provide for Payment of Said Bonds, Subscription for Certain Escrowed Securities and Other Matters Relating Thereto. -- In connection with the issuance of U. T. Austin Combined Fee Revenue Refunding Bonds, Series 1978, in the approximate amount of \$16,630,000, the resolution on Pages B of R 43-61 is submitted.

**ACTION REQUIRED**

- a. Adoption of Resolution, Pages B of R 43-61, Authorizing Redemption of The University of Texas at Austin Combined Fee Revenue Bonds, Series 1970 and 1974
- b. Approval of Escrow Agreement Including Purchase of Escrowed Securities

RESOLUTION AUTHORIZING REDEMPTION OF CERTAIN BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS AT AUSTIN, COMBINED FEE REVENUE BONDS, SERIES 1970 AND SERIES 1974, PRIOR TO MATURITY, EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT TO PROVIDE FOR THE PAYMENT OF SAID BONDS, SUBSCRIPTION FOR CERTAIN ESCROWED SECURITIES AND OTHER MATTERS RELATING THERETO

WHEREAS, the Board of Regents of The University of Texas System (the "Board") desires to refund, in advance of their maturities, the Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1970 and Series 1974 (the "Underlying Bonds") in order to realize an annual savings in debt service; and

WHEREAS, the Board is authorized by Chapter 55, Texas Education Code, to issue, sell and deliver refunding bonds in amounts necessary to pay the principal, interest and redemption premium on bonds to be refunded, at maturity or on any redemption date; and

WHEREAS, contemporaneously herewith, the Board has adopted resolutions (the "Refunding Bond Resolutions") authorizing the issuance of Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Refunding Bonds, Series 1978, and Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Special Obligation Refunding Bonds, Series 1978, for the purpose of providing funds to be used in refunding the Underlying Bonds; and

WHEREAS, the Board desires to call certain of the Underlying Bonds for redemption prior to their scheduled maturities; and

WHEREAS, the Board desires to enter into an Escrow Agreement with \_\_\_\_\_, Texas, pursuant to which provision will be made for the full and timely payment of principal, interest and redemption premium on the Underlying Bonds; and

WHEREAS, the Board desires to authorize the subscription for certain United States Treasury obligations to be purchased for deposit into such escrow;

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

Section 1. Redemption of Certain Underlying Bonds:  
The Board hereby calls for redemption and authorizes the redemption of, and payment of the applicable redemption premium for, such of the Underlying Bonds at such dates prior to their scheduled maturities as shall be provided for and contemplated in the Escrow Agreement described in the following section. Notice of such redemption in substantially the form attached hereto as Attachment "A" is hereby authorized to be delivered to the paying agents for the Underlying Bonds and to be published in the Texas Bond Reporter and/or The Daily Bond Buyer, and notice of such redemption is further authorized to be given in any other manner required by the resolutions authorizing the Underlying Bonds.

Section 2. Escrow Agreement: The refunding of the Underlying Bonds shall be effectuated pursuant to the terms and provisions of an Escrow Agreement to be entered into by and between the Board and \_\_\_\_\_, Texas; such Escrow Agreement shall be in substantially the form attached hereto as Attachment "B," the terms and provisions of which are hereby approved, subject to such revisions and modifications as shall be necessary to assure the greatest possible debt service savings, to comply with all applicable laws and regulations relating to the refunding of the Underlying Bonds and to carry out the other intents and purposes hereof; and the Chairman of the Board is hereby authorized to execute and deliver such Escrow Agreement on behalf of the Board in multiple counterparts and the Secretary of the Board is hereby authorized to attest thereto and affix the Board's seal.

Section 3. Subscription for Escrowed Securities: In order to assure the purchase of the Escrowed Securities referred to in the Escrow Agreement, the Board hereby authorizes the subscription for United States Treasury certificates of indebtedness, notes and bonds, State and Local Government Series, and other Escrowed Securities, in such amounts, maturities and bearing interest at such rates as may be provided for in the Escrow Agreement, and the Chairman of the Board and all other appropriate officials of The University of Texas System are hereby authorized to take all necessary and appropriate action to provide for the purchase of such Escrowed Securities pursuant to the Escrow Agreement.

Section 4. Related Matters: In order that the Board shall satisfy in a timely manner all of its obligations under the Escrow Agreement and the Refunding Bond Resolutions, the Chairman and Secretary of this Board and all other appropriate officials of The University of Texas System are hereby authorized and directed to take all other actions that are reasonably necessary to provide for the refunding of the Underlying Bonds, including without limitation, executing and delivering on behalf of the Board all certificates, consents, receipts, requests, and other documents as may be reasonably necessary to satisfy the Board's obligations under the Escrow Agreement and the Refunding Bond Resolutions and to direct the transfer of funds of the Board consistent with the provisions of such Escrow Agreement and the Refunding Bond Resolutions.

ADOPTED AND APPROVED this 4th day of August, 1978.

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

ATTEST:

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

(SEAL)

Attachment "A"

(Page 1 of 2)

NOTICE OF PRIOR REDEMPTION

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM,  
THE UNIVERSITY OF TEXAS AT AUSTIN, COMBINED FEE  
REVENUE BONDS, SERIES 1970, Bond Nos. \_\_\_ through  
2000, maturing on June 1 in each of the years 19\_\_  
through 2000 in the aggregate principal amount of  
\$ \_\_\_\_\_.

NOTICE IS HEREBY GIVEN that the Board of Regents of The University of Texas System has called the above bonds for redemption on June 1, 19\_\_. Such bonds will be redeemed at The First National Bank of Fort Worth, Fort Worth, Texas, or, at the option of the holder, at Manufacturers Hanover Trust Company, New York, New York, where due provision shall be made to pay the principal amount of such bonds plus a redemption premium of \_\_% of the principal amount of such bonds plus unpaid accrued interest. Such bonds shall not bear interest after June 1, 19\_\_.

BY RESOLUTION of the Board of Regents of The University of Texas System adopted August 4, 1978.

Allan Shivers  
Chairman, Board of Regents of  
The University of Texas System

Attachment "A"

(Page 2 of 2)

NOTICE OF PRIOR REDEMPTION

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM,  
THE UNIVERSITY OF TEXAS AT AUSTIN, COMBINED FEE  
REVENUE BONDS, SERIES 1974, Bond Nos. \_\_\_ through  
1380, maturing on June 1 in each of the years 19\_\_  
through 1999 in the aggregate principal amount of  
\$ \_\_\_\_\_.

NOTICE IS HEREBY GIVEN that the Board of Regents of The University of Texas System has called the above bonds for redemption on June 1, 19\_\_. Such bonds will be redeemed at National Bank of Commerce of Dallas, Dallas, Texas, or, at the option of the holder, at Manufacturers Hanover Trust Company, New York, New York, where due provision shall be made to pay the principal amount of such bonds plus a redemption premium of \_\_% of the principal amount of such bonds plus unpaid accrued interest. Such bonds shall not bear interest after June 1, 19\_\_.

BY RESOLUTION of the Board of Regents of The University of Texas System adopted August 4, 1978.

Allan Shivers  
Chairman, Board of Regents of  
The University of Texas System

Attachment "B"

ESCROW AGREEMENT

(Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1970 and Series 1974)

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THIS ESCROW AGREEMENT, dated as of August \_\_\_\_, 1978 (herein, together with any amendments or supplements hereto, called the "Agreement") is entered into by and between the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM (herein, together with any successor to its duties and functions, called the "Board"), and \_\_\_\_\_, a \_\_\_\_\_ banking corporation located in \_\_\_\_\_, Texas, as escrow agent (herein, together with any successor in such capacity, called the "Escrow Agent"), and consented to by THE FIRST NATIONAL BANK OF FORTH WORTH, a national banking corporation located in Fort Worth, Texas, as paying agent for the Series 1970 Bonds, and NATIONAL BANK OF COMMERCE OF DALLAS, a national banking corporation located in Dallas, Texas, as paying agent for the Series 1974 Bonds (herein, together with any successor in such capacity, called the "Series 1970 Paying Agent", the "Series 1974 Paying Agent" and collectively the "Paying Agents"),

W I T N E S S E T H:

WHEREAS, the Board has heretofore issued and there presently remain outstanding the following bonds (the "Underlying Bonds"):

Bond Nos. 210 through 2000 of Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds Series 1970, dated June 1, 1970, in the aggregate principal amount of \$8,955,000 (the "Series 1970 Bonds"); and

Bond Nos. 95 through 1380 of Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1974, dated December 1, 1974, in the aggregate principal amount of \$6,430,000 (the "Series 1974 Bonds");

WHEREAS, the Underlying Bonds were issued pursuant to resolutions (the "Underlying Bond Resolutions") which provide that the Underlying Bonds shall mature serially in such years, bear interest at such rates and be subject to redemption at such redemption prices as are set forth in Schedule \_\_\_\_ attached hereto and made a part hereof; and

WHEREAS, the Underlying Bond Resolutions and the resolutions authorizing the issuance of certain other bonds on a parity with the Underlying Bonds provide that the Underlying Bonds shall no longer be regarded as outstanding when "cash, equivalent to the principal amount of redemption price thereof, with interest to date of maturity or redemption date" shall be held by the paying agents for the Underlying Bonds, thus requiring that any advance refunding of the Underlying Bonds be accomplished by means of a "full cash" defeasance; and

WHEREAS, the Underlying Bonds to be redeemed prior to their maturities have been called for redemption and notice of such redemption has been given in accordance with the terms of the Underlying Bond Resolutions; and

WHEREAS, the Board is authorized by the Texas Education Code, particularly Section 55.19 thereof, to sell and deliver refunding bonds in amounts necessary to pay the principal, interest, and redemption premium, if any, of the bonds to be refunded, at maturity or on any redemption date; and

WHEREAS, the Board has adopted resolutions authorizing the issuance of \$ \_\_\_\_\_ Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Refunding Bonds, Series 1978 (the "Refunding Bonds") and \$ \_\_\_\_\_ Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Special Obligation Refunding Bonds, Series 1978 (the "Special Obligation Bonds") for the purpose of providing, together with other funds to be provided by the Board, cash, equivalent to the principal amount of the redemption price of the Underlying Bonds, with interest to their respective maturities or redemption dates; and

WHEREAS, the Board desires that, upon with the delivery of the Refunding Bonds and the Special Obligation Bonds to the purchasers thereof, the proceeds of the Refunding Bonds and the Special Obligation Bonds, together with other funds to be provided by the Board, shall be applied to fund and establish the Escrow Fund created pursuant to the terms of this Agreement, which Escrow Fund shall at all times have a balance equivalent to the principal amount of the redemption price of the Underlying Bonds, with interest to their respective maturities or redemption dates; and

WHEREAS, because the Underlying Bonds are not immediately callable and the cash deposited to the Escrow Fund will only be required by the Paying Agents from time to time as interest accrues on the Underlying Bonds and as they mature or are redeemed, the Board desires that the cash deposited to the Escrow Fund shall be invested in direct obligations of the United States of America, hereinafter defined as the Escrowed Securities, which shall mature at such times and in such amounts as to assure that the cash deposited to the Escrow Fund shall always be available to pay interest on the Underlying Bonds as it accrues and becomes payable and principal of and redemption premiums on the Underlying Bonds as they mature or are redeemed; and

WHEREAS, the Escrowed Securities shall bear interest payable at such times and in such amounts so as to provide moneys which will be sufficient to pay interest on the Special Obligation Bonds as it accrues and becomes payable and principal of the Special Obligation Bonds as they mature; and

NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, the sufficiency of which are hereby acknowledged, and in order to secure the payment of principal of, redemption premium on and the interest on the Underlying Bonds, as the same mature, or are called for redemption, and become due, and to secure the payment of principal of and the interest on the Special Obligation Bonds, as the same mature and become due, the Board and the Escrow Agent mutually undertake, promise and agree for themselves and their respective representatives and successors, as follows:

## ARTICLE I

### DEFINITIONS AND INTERPRETATIONS

Section 1.01. Definitions. Unless the context clearly indicates otherwise, the following terms shall have the meanings assigned to them below when they are used in this Agreement:

"Board" means the Board of Regents of The University of Texas System.

"Code" means the Internal Revenue Code of 1954, as amended, and the rules and regulations thereunder.

"Escrow Agent" means \_\_\_\_\_, Texas, and its successors as Escrow Agent under this Agreement.

"Escrow Fund" means the fund created by this Agreement to be administered by the Escrow Agent pursuant to the provisions of this Agreement.

"Escrowed Securities" means Limited Yield Securities and the Open Market Securities.

"Limited Yield Securities" means the United States Treasury obligations described in Schedule \_\_\_\_ to this Agreement purchased with the proceeds of the Refunding Bonds and the Special Obligation Bonds.

"Open Market Securities" means the United States Treasury obligations described in Schedule \_\_\_\_ to this Agreement purchased with funds provided by the Board from sources other than bond proceeds.

"Paying Agents" means the Series 1970 Paying Agent and the Series 1974 Paying Agent.

"Refunding Bonds" means the \$ \_\_\_\_\_ Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Refunding Bonds, Series 1978, dated August 1, 1978.

"Refunding Bond Resolutions" means the Board's resolution authorizing the issuance, sale and delivery of the Refunding Bonds and the Special Obligation Bonds.

"Series 1970 Bonds" means the bonds more fully described and so defined in the first recital on page 1 of this Agreement.

"Series 1974 Bonds" means the bonds more fully described and so defined in the first recital on page 1 of this Agreement.

"Series 1970 Paying Agent" means The First National Bank of Fort Worth, Fort Worth, Texas, and its successors in such capacity.

"Series 1974 Paying Agent" means National Bank of Commerce of Dallas, Dallas, Texas, and its successors in such capacity.

"Special Obligation Bonds" means the \$ \_\_\_\_\_ Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Special Obligation Refunding Bonds, Series 1978, dated August 1, 1978.

"Underlying Bonds" means the Series 1970 Bonds and the Series 1974 Bonds more fully described in the first recital on page 1 of this Agreement.

Section 1.02. Interpretations. The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the refunding of the Underlying Bonds and the payment of the Special Obligation Bonds in accordance with applicable law.

## ARTICLE II

### DEPOSITS WITH ESCROW AGENT AND APPLICATIONS THEREOF

Section 2.01. Deposits with Escrow Agent. The Board has deposited, or caused to be deposited, with the Escrow Agent, the following:

- (a) the proceeds of the Refunding Bonds;
- (b) the proceeds of the Special Obligation Bonds; and
- (c) \$ \_\_\_\_\_ from lawfully available funds other than the proceeds of the Refunding Funds, the Special Obligation Bonds or any other bond proceeds.

Section 2.02. Application of Refunding Bond Proceeds. The Escrow Agent has applied the proceeds of the Refunding Bonds as follows:

- (a) accrued interest on the Refunding Bonds in the amount of \$ \_\_\_\_\_ has been transferred to the Interest and Sinking Fund for the Refunding Bonds;
- (b) \$ \_\_\_\_\_ has been deposited to the credit of the Escrow Fund;
- (c) \$ \_\_\_\_\_ has been disbursed in accordance with written instructions from the Board for the payment of expenses incurred in refunding the Underlying Bonds and issuing the Refunding Bonds; and
- (d) the balance of \$ \_\_\_\_\_ has been transferred to the Interest and Sinking Fund for the Underlying Bonds.

Section 2.03. Application of Special Obligation Bond Proceeds. The Escrow Agent has applied the proceeds of the Special Obligation Bonds as follows:

- (a) accrued interest on the Special Obligation Bonds in the amount of \$ \_\_\_\_\_ has been transferred to the Interest and Redemption Fund for the Special Obligation Bonds;
- (b) \$ \_\_\_\_\_ has been deposited to the credit of the Escrow Fund;
- (c) \$ \_\_\_\_\_ has been disbursed in accordance with written instructions from the Board for the payment of expenses incurred in refunding the Underlying Bonds and issuing the Special Obligation Bonds; and
- (d) the balance of \$ \_\_\_\_\_ has been transferred to the Interest and Redemption Fund for the Special Obligation Bonds.

Section 2.04. Application of Other Funds. The Escrow Agent has deposited the funds described in Section 2.01(c) to the credit of the Escrow Fund.

### ARTICLE III

#### CREATION AND OPERATION OF ESCROW FUND

Section 3.01. Creation of Escrow Fund. The Escrow Agent has created on its books a special trust fund and irrevocable escrow to be known as "Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1970 and Series 1974 Escrow Fund" (the "Escrow Fund"). The Escrow Agent has created within the Escrow Fund two separate accounts, one in the name of the Series 1970 Escrow Agent, the other in the name of the Series 1974 Escrow Agent. The Escrow Agent hereby acknowledges that there has been deposited to the credit of such Escrow Fund cash in the amount of \$ \_\_\_\_\_, which is equivalent to the principal amount of the redemption price of the Underlying Bonds, with interest to their respective dates of maturity or redemption. Of such amount \$ \_\_\_\_\_ has been credited to the account within the Escrow Fund in the name of the Series 1970 Paying Agent and \$ \_\_\_\_\_ has been credited to the account within the Escrow Fund in the name of the Series 1974 Paying Agent, which amounts are equivalent to the principal amount of the redemption prices of the Series 1970 Bonds and the Series 1974 Bonds respectively, with interest to their respective dates of maturity or redemption. Such cash deposits, all investments thereof and all proceeds thereof shall be the property of the Escrow Fund, and shall be applied only in strict conformity with the terms and conditions of this Agreement. When the final cash amounts have been made available to and withdrawn by the Paying Agents for the payment of principal of, redemption premium on and interest on the Underlying Bonds as provided in Section 3.04 and the final transfers have been made to the Interest and Redemption Fund for the Special Obligation Bonds as provided in Section 3.05, any balance then remaining in the Escrow Fund shall be transferred to the Board.

Section 3.02. Investments. The cash deposited to the credit of the Escrow Fund has, at the direction of the Board, been invested in the Escrowed Securities, which are comprised of the Limited Yield Securities purchased with the cash deposited into the Escrow Fund pursuant to Sections 2.02(b) and 2.03(b) and the Open Market Securities purchased with the cash deposited into the Escrow Fund pursuant to Section 2.04. Such Escrowed Securities mature at such times and in such amounts and bear interest at such rates so that (a) the payments of principal thereof shall be fully sufficient to provide for the timely payment of principal, redemption premium and interest on the Underlying Bonds in accordance with Section 3.04 and (b) the payments of interest thereon shall be fully sufficient to provide for the timely payment of principal and interest on the Special Obligation Bonds in accordance with Section 3.05. The principal amounts of such Escrowed Securities shall be allocated to the Paying Agents' separate accounts within the Escrow Fund on the basis of Schedule \_\_\_\_\_ attached hereto.

Section 3.03. Pledge. The principal amount of all cash deposited to the credit of the Escrow Fund, the principal amount of all Escrowed Securities and all proceeds therefrom other than interest earned or to be earned on the Escrowed Securities are hereby irrevocably pledged to the payment of principal, redemption premiums and interest on the Underlying

Bonds. All interest earned and to be earned on the Escrowed Securities is hereby irrevocably pledged to the payment of principal and interest on the Special Obligation Bonds.

Section 3.04. Payment of Underlying Bonds. (a) As principal on the Escrowed Securities is received to the credit of the Escrow Fund, the Escrow Agent is hereby irrevocably instructed to make available to the Paying Agents, for withdrawal from their respective accounts within the Escrow Fund, cash in the amounts and at the times required to pay the principal, redemption premium and interest on the Underlying Bonds, as follows:

Interest. Interest coming due on December 1, 1978 and each June 1 and December 1 thereafter until each of the Underlying Bonds matures or is redeemed.

Principal and Redemption Premium. Principal on all Underlying Bonds not redeemed pursuant to Subsection (b) hereof on their respective maturity dates; principal and redemption premium (if any) on all Underlying Bonds called for redemption prior to maturity on the dates and in the amounts indicated in Subsection (b) hereof.

The amounts of such payments are summarized in Schedule \_\_\_ attached hereto.

(b) The Board has called for redemption prior to maturity certain of the Underlying Bonds described below, on the dates set forth below, for the principal amounts thereof and accrued interest thereon to the date fixed for redemption, plus a premium (if any) on the principal amount of each such bond as follows:

<u>Series</u>	<u>Bond Nos.</u>	<u>Aggregate Principal Amount</u>	<u>Redemption Dates</u>	<u>Redemption Premium (% of Principal Amount)</u>
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The Board has caused notice of each such redemption to be given in manner required by the Underlying Bond Resolutions.

Section 3.05. Payment of Special Obligation Bonds. As interest on the Escrowed Securities is received to the credit of the Escrow Fund, the Escrow Agent is hereby irrevocably instructed to transfer immediately all such interest income to the Interest and Redemption Fund for the Special Obligation Bonds. Such transfers, together with cash balances from time to time on deposit to the credit of such Interest and Redemption Fund, are designed to be sufficient to provide for the full and timely payment of principal of and interest on the Underlying Bonds, all as more fully set forth in Schedule \_\_\_ attached hereto.

Section 3.06. Sufficiency of Escrow Fund. The Board represents that the successive receipts of the principal of the Escrowed Securities will assure that the cash balances from time to time on deposit in the Paying Agents' separate accounts in the Escrow Fund will be at all times sufficient

to provide moneys at the times and in the amounts required to be made available to the Paying Agents for the payment of interest on the Underlying Bonds as such interest comes due and the principal of and redemption premium on the Underlying Bonds as the Underlying Bonds mature or are redeemed prior to maturity, all as more fully set forth in Schedules \_\_\_\_\_ and \_\_\_\_\_ attached hereto. The Board further represents that the successive receipts of interest on the Escrowed Securities will be sufficient to permit transfers to the Interest and Redemption Fund for the Special Obligation Bonds at the times and in the amounts required in Section 3.05 for the payment of interest on the Special Obligation Bonds as such interest comes due and principal of the Special Obligation Bonds as such principal matures, all as more fully set forth in Schedule \_\_\_\_\_ attached hereto. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Paying Agents' separate accounts in the Escrow Fund shall be insufficient to make available to the Paying Agents the amounts required to make the payments set forth in Section 3.04 hereof, the Board shall timely deposit in the Escrow Fund, from lawfully available funds, additional funds in the amounts required to make such payments. If, for any reason, at any time, the interest received on the Escrowed Securities shall be insufficient to make the required transfers to the Interest and Redemption Fund for the Special Obligation Bonds, then the Board shall make up such deficiency from the next available interest received from the Escrowed Securities. Notice of any such insufficiency shall be given promptly as herein-after provided, but neither the Escrow Agent nor the Paying Agents shall in any manner be responsible for any insufficiency of funds in the Escrow Fund or in the Interest and Redemption Fund or the Board's failure to make additional deposits thereto.

Section 3.07. Trust Fund. The Escrow Agent shall hold at all times the Escrow Fund, the Escrowed Securities and all other assets of such Fund, wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The principal amount of the Escrowed Securities, the proceeds thereof and the beginning cash balance in the Escrow Fund shall always be maintained by the Escrow Agent as trust funds held in special accounts within the Escrow Fund in the names of the Paying Agents, each of which shall always have deposited to its credit cash plus Escrowed Securities in principal amounts not less than the total of all remaining principal, redemption premiums and interest to maturity or redemption of the series of Underlying Bonds payable by such Paying Agent, and special accounts thereof evidencing such fact shall at all times be maintained on the books of the Escrow Agent. The bearers of the Underlying Bonds shall be entitled to the same preferred claim and first lien upon such special accounts as are enjoyed by other trust beneficiaries. Similarly, the interest earned and to be earned on the Escrowed Securities shall be trust funds for the benefit of the bearers of the Special Obligation Bonds, which bearers shall be entitled to the same preferred claim and first lien upon such interest earned and to be earned on the Escrowed Securities as are enjoyed by other trust beneficiaries. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the Board, and the Escrow Agent shall have no right or title with respect thereto except as a

trustee and escrow agent under the terms of this Agreement. The amounts received by the Escrow Agent under this Agreement shall not be subject to checks or drafts drawn by the Board and shall not be subject to transfer or withdrawal by the Refunding Agents except in the amounts and at the times provided in Section 3.04 hereof.

Section 3.08. Security for Cash Balances. Cash balances from time to time on deposit in the Escrow Fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a pledge of obligations of, or obligations unconditionally guaranteed by, the United States of America, having a market value at least equal to such cash balances.

#### ARTICLE IV

##### LIMITATION ON INVESTMENTS

Section 4.01. General. Except as herein otherwise expressly provided the Escrow Agent shall have no power or duty to invest any money held hereunder; or to make substitutions of the Escrowed Securities; or to sell, transfer or otherwise dispose of the Escrowed Securities. Cash balances on deposit in the Escrow Fund shall not be reinvested or bear interest, and the Escrow Agent shall be entitled to retain any benefit from the "float" (if any) resulting therefrom as additional compensation for its services hereunder.

Section 4.02. Substitution of Securities. At the written request of the Board, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall sell, transfer, otherwise dispose of or request the redemption of the Escrowed Securities and apply the proceeds therefrom to purchase Underlying Bonds or direct obligations of the United States of America which do not permit the redemption thereof at the option of the obligor. Any such transaction may be effected by the Escrow Agent only if (a) the Escrow Agent shall have received a written opinion from a nationally recognized firm of certified public accountants that such transaction will not cause the amount of money and the principal amount of securities in the Escrow Fund to be reduced below an amount sufficient to provide for the payment of principal of, redemption premium on and interest on the Underlying Bonds as they become due pursuant to Section 3.04 of this Agreement or cause the interest to be earned on the securities on deposit in the Escrow Fund to be insufficient to provide for the timely payment of principal of and interest on the Special Obligation Bonds pursuant to Section 3.05 of this Agreement; and (b) the Escrow Agent shall have received the unqualified written legal opinion of nationally recognized bond attorneys, to the effect that such transaction will not cause any of the Refunding Bonds or Special Obligation Bonds to be an "arbitrage bond" within the meaning of Section 103(c) of the Code.

Section 4.03. Arbitrage. The Board hereby covenants and agrees that it shall never request the Escrow Agent to exercise any power hereunder or permit any part of the money in the Escrow Fund or proceeds from the sale of Escrowed Securities to be used directly or indirectly to acquire any securities or obligations if the exercise of such power or the acquisition of such securities or obligations would cause any Refunding Bonds or Special Obligation Bonds to be an "arbitrage bond" within the meaning of Section 103(c) of the Code.

## ARTICLE V

### RECORDS AND REPORTS

Section 5.01. Records. The Escrow Agent will keep books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money and Escrowed Securities deposited to the Escrow Fund and all proceeds thereof, and such books shall be available for inspection at reasonable hours and under reasonable conditions by the Board and the bearers of the Underlying Bonds and the Special Obligation Bonds.

Section 5.02. Reports. For the period beginning on the date hereof and ending on \_\_\_\_\_, 1978 and for each \_\_\_\_\_ period thereafter while this Agreement remains in effect, the Escrow Agent shall prepare and send to the Board a written report summarizing all transactions relating to the Escrow Fund during such period, and the Paying Agents' separate accounts therein, including without limitation all credits as a result of interest payments or maturities on the Escrowed Securities, all withdrawals for payments on the Underlying Bonds, and all transfers to the Interest and Redemption Fund for the Special Obligation Bonds or otherwise, and a statement of the cash balance on deposit in the Escrow Fund, and the Paying Agents' separate accounts therein, as of the end of such period. Also, within thirty (30) days after August 31, 1979 and each succeeding August 31 while this Agreement is in effect, the Escrow Agent shall send the Board a report summarizing all credits to and transfers from the Escrow Fund, and the Paying Agents' separate accounts therein, during the twelve (12) month period ending on such date, together with a detailed statement of all Escrowed Securities and the cash balances on deposit as of such date.

## ARTICLE VI

### CONCERNING THE ESCROW AGENT

Section 6.01. Representations of Escrow Agent. The Escrow Agent hereby represents that it possesses and is exercising full trust powers and is otherwise qualified and empowered to enter into this Agreement, and it further represents that it is a qualified depository.

Section 6.02. Limitation on Liability. The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own action, neglect or default, nor for any loss unless the same shall have been through the negligence or want of good faith by the Escrow Agent.

The liability of the Escrow Agent to provide funds to the Paying Agents for the payment of the principal of and interest on the Underlying Bonds shall be limited to the proceeds of the principal amounts of the Escrowed Securities and the cash balances from time to time on deposit in the Escrow Fund and available for such purpose. The liability of the Escrow Agent to transfer funds to the Interest and Redemption Fund for the Special Obligation Bonds shall be limited to the actual receipt of interest on the Escrowed

Securities. Notwithstanding any provision contained herein to the contrary, the Escrow Agent shall have no liability whatsoever for the insufficiency of funds from time to time in the Escrow Fund or any failure of the obligors of the Escrowed Securities to make timely payment thereon, except for its obligation to notify the Board promptly of any such occurrence.

The recitals herein and in the proceedings authorizing the Refunding Bonds and Special Obligation Bonds shall be taken as the statements of the Board and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent. The Escrow Agent is not a party to the Refunding Bond Resolutions or the Underlying Bond Resolutions, is not responsible for nor bound by any of the provisions thereof, and need look only to the terms and provisions of this Agreement.

The Escrow Agent makes no representations as to the value, conditions or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the Board thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall incur no liability or responsibility in respect of any of such matters.

It is the intention of both the Board and the Escrow Agent that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the Board with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund and to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own misconduct or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the Board or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own misconduct or its negligence. In determining the occurrence of any of such event or contingency the Escrow Agent may request from the Board or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may inquire and consult, among others, with the Board at any time.

Section 6.03. Escrow Agent's Compensation. The Board has paid the Escrow Agent, as a fee for performing the services hereunder and for all expenses incurred or to be incurred by the Escrow Agent in the administration of this

Agreement, the sum of \$ \_\_\_\_\_, the receipt and sufficiency of which are hereby acknowledged by the Escrow Agent. Of such amount, \$ \_\_\_\_\_ represents that portion of Escrow Agent's fee allocable to the Refunding Bonds and \$ \_\_\_\_\_ represents that portion of Escrow Agent's fee allocable to the Special Obligation Bonds. In the event that the Escrow Agent is requested to perform any extraordinary services hereunder, the Board hereby agrees to pay reasonable fees to the Escrow Agent for such extraordinary services and to reimburse the Escrow Agent for all expenses incurred by the Escrow Agent in performing such extraordinary services, and the Escrow Agent hereby agrees to look only to the Board for the payment of such fees and reimbursement of such expenses. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its services, whether regular or extraordinary, as escrow agent or in any other capacity, or for reimbursement for any of its expenses.

Section 6.04. Successor Escrow Agents. At any time the Escrow Agent or its legal successor or successors should become unable, through operation of law or otherwise, to act as escrow agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the Board, by appropriate resolution, shall promptly appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the Board within 60 days, a successor may be appointed by the bearers of a majority in principal amount of the Underlying Bonds and Special Obligation Bonds then outstanding by an instrument or instruments in writing filed with the Board, signed by such bearers or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this Section within three months after a vacancy shall have occurred, the owner of any Underlying Bond or Special Obligation Bond may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be a corporation organized and doing business under the laws of the United States or the State of Texas, authorized under such laws to exercise corporate trust powers, having its principal office and place of business in the State of Texas, having a combined capital and surplus of at least \$ \_\_\_\_\_ and subject to the supervision or examination by Federal or State authority.

Any successor Escrow Agent shall execute, acknowledge and deliver to the Board and to the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the Board shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties. The Escrow Agent shall pay over to its successor Escrow Agent a proportional part of the Escrow Agent's fee hereunder.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed as follows:

To the Escrow Agent:

To the Board:

The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten (10) days prior notice thereof.

Section 7.02. Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the Board, the bearers of the Underlying Bonds or the Special Obligation Bonds or to any other person or persons in connection with this Agreement.

Section 7.03. This Agreement shall be binding upon the Board and the Escrow Agent and their respective successors and legal representatives, and shall inure solely to the benefit of the bearers of the Underlying Bonds and the Special Obligation Bonds, the Board, the Escrow Agent and their respective successors and legal representatives.

Section 7.04. 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 provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 7.05. This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Texas.

Section 7.06. Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

IN WITNESS WHEREOF, this Escrow Agreement has been executed in multiple counterparts, each one of which shall constitute one and the same original Agreement, as of the date and year appearing on the first page of this Agreement.

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

ATTEST:

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary

(SEAL)

ATTEST:

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

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

CONSENT TO ESCROW AGREEMENT

THE FIRST NATIONAL BANK OF FORT WORTH, as Paying Agent for the Series 1970 Bonds, hereby acknowledges its understanding that the Escrow Agreement to which this Consent is attached provides that an Escrow Fund shall be established and maintained, which Escrow Fund shall contain a separate account in the name of the undersigned as Series 1970 Paying Agent, for the purpose of providing funds to be made available to the Series 1970 Paying Agent which are intended to be sufficient to allow the Series 1970 Paying Agent to make timely payment of all principal, redemption premiums and interest on the Series 1970 Bonds in accordance with Section 3.04 of said Escrow Agreement. The Series 1970 Paying Agent hereby consents to the establishment of such Escrow Fund, and the separate account in its name therein, as a trust fund for the benefit of the bearers of the Series 1970 Bonds and further consents to the management of such Escrow Fund, and the separate account in its name therein, by the Escrow Agent in accordance with the terms and provisions of the Escrow Agreement to which this Consent is attached. The Series 1970 Escrow Agent also agrees that it shall not have, nor shall it assert, any right, title or claim to any interest earned or to be earned on the Escrowed Securities, which interest is pledged to the payment of the Special Obligation Bonds. The Series 1970 Paying Agent further agrees that it shall only make withdrawals from its special account within the Escrow Fund at the times and in the amounts set forth in Section 3.04 of the Escrow Agreement for payment of principal, redemption premiums and interest on the Series 1970 Bonds and, except for such amounts, shall never make any withdrawals from such Escrow Fund or assert any claims, liens or charges against the Escrow Fund. The Series 1970 Paying Agent further acknowledges that it has been paid the sum of \$ \_\_\_\_\_ by the Board, representing the present value of all future paying agency charges for the Series 1970 Bonds, which constitutes full and final payment for all of Series 1970 Paying Agent's future paying agency services to be rendered in connection with the Series 1970 Bonds. Terms used in this Consent shall have the same meanings as set forth in the Escrow Agreement to which it is attached.

THE FIRST NATIONAL BANK  
OF FORT WORTH

By \_\_\_\_\_  
Title

ATTEST:

\_\_\_\_\_  
Title

(SEAL)

CONSENT TO ESCROW AGREEMENT

NATIONAL BANK OF COMMERCE OF DALLAS, as Paying Agent for the Series 1974 Bonds, hereby acknowledges its understanding that the Escrow Agreement to which this Consent is attached provides that an Escrow Fund shall be established and maintained, which Escrow Fund shall contain a separate account in the name of the undersigned as Series 1974 Paying Agent, for the purpose of providing funds to be made available to the Series 1974 Paying Agent which are intended to be sufficient to allow the Series 1974 Paying Agent to make timely payment of all principal, redemption premiums and interest on the Series 1974 Bonds in accordance with Section 3.04 of said Escrow Agreement. The Series 1974 Paying Agent hereby consents to the establishment of such Escrow Fund, and the separate account in its name therein, as a trust fund for the benefit of the bearers of the Series 1974 Bonds and further consents to the management of such Escrow Fund, and the separate account in its name therein, by the Escrow Agent in accordance with the terms and provisions of the Escrow Agreement to which this Consent is attached. The Series 1974 Escrow Agent also agrees that it shall not have, nor shall it assert, any right, title or claim to any interest earned or to be earned on the Escrowed Securities, which interest is pledged to the payment of the Special Obligation Bonds. The Series 1970 Paying Agent further agrees that it shall only make withdrawals from its special account within the Escrow Fund at the times and in the amounts set forth in Section 3.04 of the Escrow Agreement for payment of principal, redemption premiums and interest on the Series 1974 Bonds and, except for such amounts, shall never make any withdrawals from such Escrow Fund or assert any claims, liens or charges against the Escrow Fund. The Series 1974 Paying Agent further acknowledges that it has been paid the sum of \$ \_\_\_\_\_ by the Board, representing the present value of all future paying agency charges for the Series 1974 Bonds, which constitutes full and final payment for all of Series 1974 Paying Agent's future paying agency services to be rendered in connection with the Series 1974 Bonds. Terms used in this Consent shall have the same meanings as set forth in the Escrow Agreement to which it is attached.

NATIONAL BANK OF COMMERCE  
OF DALLAS

By \_\_\_\_\_  
Title

ATTEST:

\_\_\_\_\_  
Title

(SEAL)

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
THE UNIVERSITY OF TEXAS AT AUSTIN  
COMBINED FEE REVENUE SPECIAL OBLIGATION REFUNDING BONDS  
SERIES 1978

\$3,695,000

SALE OF THE BONDS.--As authorized, bids were received at 10:00 A.M., CDT, on August 3, 1978, and then publicly opened and tabulated. The best bid was received from Republic National Bank of Dallas, Texas, who bid a net interest cost of 4.86255%.

DESIGNATION OF PAYING AGENCY.--As escrow agent on the bonds being advance refunded it is recommended that the City National Bank of Austin, Texas be appointed as paying agent on the Special Obligation Bonds with a charge of \$0.10 per coupon and \$0.20 per bond.

AWARD OF CONTRACT FOR PRINTING THE BONDS.--Attached is a tabulation of the bids received and publicly opened and tabulated 10:00 A.M., CDT, on August 2, 1978, in accordance with specifications previously furnished companies bidding on University issues.

It is recommended by the Executive Director for Investments, Trusts and Lands, joined by the President of the System, that the bid of Hart Graphics, Austin, Texas be accepted for printing the bonds with lithographed borders, as set out in the specifications, for the sum of \$710.00, there being eight interest rates.

\$3,530,000  
 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
 THE UNIVERSITY OF TEXAS AT AUSTIN  
 COMBINED FEE REVENUE SPECIAL OBLIGATION REFUNDING BONDS  
 SERIES 1978

Tabulation of Bids Received  
 August 2, 1978 - 10:00 A.M., C.D.T.

Bidder	One-Coupon Rate	Two-Coupon Rate	Three-Coupon Rate	Four-Coupon Rate	Five-Coupon Rate	Six-Coupon Rate	Seven-Coupon Rate	Number of Working Days
Hart Graphics & Office Centers, Inc. 8000 Shoal Creek Blvd. Austin, Texas 78758	\$ 570.00	\$ 590.00	\$ 610.00	\$ 630.00	\$ 650.00	\$ 670.00	\$ 690.00	
	Eight-Coupon Rate							
	\$ 710.00							15

TABULATION OF BIDS  
 \$3,530,000  
 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
 THE UNIVERSITY OF TEXAS AT AUSTIN  
 COMBINED FEE REVENUE SPECIAL OBLIGATION REFUNDING BONDS  
 SERIES 1978  
 Bids Opened Thursday, August 3, 1978

Account	Coupons				Interest Cost	Effective Rate
Public National Bank of Dallas	Maturing				Gross: <u>\$482,963.97</u> Plus Discount: <u>\$13,943.00</u> Net: <u>\$496,906.97</u>	4.86255
	Dec. 1		June 1			
	1978	4.200%		%		
	1979	4.450		4.300		
	1980	4.600		4.600		
	1981	4.700		4.700		
	1982	4.750		4.750		
	1983	4.800		4.800		
1984	4.850		4.850			
		1985	4.875			
National Bank of Commerce, Dallas	Maturing				Gross: <u>\$481,349.19</u> Plus Discount: <u>\$17,579.40</u> Net: <u>\$498,928.59</u>	4.88233
	Dec. 1		June 1			
	1978	4.25 %		%		
	1979	4.45		4.40		
	1980	4.55		4.50		
	1981	4.65		4.60		
	1982	4.75		4.70		
	1983	4.80		4.80		
1984	4.85		4.85			
		1985	4.90			
Fleen Center Bank, Houston	Maturing				Gross: <u>\$488,274.58</u> Plus Discount: <u>\$16,061.50</u> Net: <u>\$504,336.08</u>	4.935197
	Dec. 1		June 1			
	1978	4.25 %		%		
	1979	4.50		4.50		
	1980	4.60		4.60		
	1981	4.70		4.70		
	1982	4.80		4.80		
	1983	4.85		4.85		
1984	4.90		4.90			
		1985	5.00			
Mercantile National Bank at Dallas and Corpus Christi National Bank	Maturing				Gross: <u>\$506,412.50</u> Plus Discount: <u>\$ 0.00</u> Net: <u>\$506,412.50</u>	4.955517
	Dec. 1		June 1			
	1978	4.95 %		%		
	1979	4.95		4.95		
	1980	4.95		4.95		
	1981	4.95		4.95		
	1982	4.95		4.95		
	1983	4.95		4.95		
1984	4.95		4.95			
		1985	5.00			
First National Bank Dallas	Maturing				Gross: <u>\$492,155.41</u> Plus Discount: <u>\$16,257.09</u> Net: <u>\$508,412.50</u>	4.97508
	Dec. 1		June 1			
	1978	4.00 %		%		
	1979	4.75		4.75		
	1980	4.75		4.75		
	1981	4.75		4.75		
	1982	4.80		4.80		
	1983	4.85		4.85		
1984	4.90		4.90			
		1985	4.90			

5. Board of Regents - Combined Fee Revenue Special Obligation Refunding Bonds: (a) Resolution Authorizing Issuance of Approximately \$4,000,000 Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Special Obligation Refunding Bonds, Series 1978; (b) Approval of Escrow Agreement Including Authorized Purchase of Escrowed Securities: and (c) Award of Contract for Printing Bond. Bids Relating Thereto to be Opened on August 2 and 3, 1978. -- Pursuant to authorization by the Board of Regents at its meeting of June 9, 1978, the Board of Regents authorized the advance refunding of \$15,385,000 of U. T. Austin Combined Fee Revenue Bonds, Series 1970 and 1974. The Bond Resolution on the 1970 Series provided for full cash defeasance and made it necessary to issue the Special Obligation Combined Fee Refunding Bonds along with the new U. T. Austin Combined Fee Refunding Bonds.

Bids for Paying Agent will be opened on Wednesday, August 2, 1978, at 10:00 a. m. , C. D. T. , at Claudia Taylor Johnson Hall at 210 West Sixth Street, Austin, Texas. Bids on the bonds will be opened on Thursday, August 3, 1978, at 10:00 a. m. , C. D. T. , at the same place. The results will be presented to the Board at its 9:00 a. m. , C. D. T. , session on August 4, 1978, at Ashbel Smith Hall.

#### ACTION REQUIRED

- a. Adoption of Resolution, Pages B of R 63-72, Authorizing Issuance and Sale of The University of Texas at Austin Combined Fee Special Obligation Refunding Bonds, Series 1978
- b. Approval of Escrow Agreement Including Authorized Purchase of Escrowed Securities
- c. Award of Contract for Printing Bonds

RESOLUTION AUTHORIZING THE ISSUANCE OF  
\$ \_\_\_\_\_ BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM, THE UNIVER-  
SITY OF TEXAS AT AUSTIN, COMBINED FEE  
REVENUE SPECIAL OBLIGATION REFUNDING  
BONDS, SERIES 1978

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WHEREAS, the Board of Regents of The University of Texas System (hereinafter sometimes called the "Board" or "Board of Regents") authorized the issuance of and sold the following series of bonds, which are payable from, and secured by a first lien on and pledge of, certain hereinafter defined Pledged Revenues:

Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1970, in the aggregate principal amount of \$10,000,000 (hereinafter called the "Series 1970 Bonds");

Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1971, in the aggregate principal amount of \$20,000,000 (hereinafter called the "Series 1971 Bonds");

Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1972, in the aggregate principal amount of \$10,000,000 (hereinafter called the "Series 1972 Bonds");

Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1973, in the aggregate principal amount of \$34,000,000 (hereinafter called the "Series 1973 Bonds"); and

Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1974, in the aggregate principal amount of \$6,900,000 (hereinafter called the "Series 1974 Bonds"),

for the purpose of providing funds to acquire, purchase, construct, improve, enlarge and/or equip property, buildings, structures, or other facilities, for or on behalf of The University of Texas at Austin; and

WHEREAS, pursuant to Chapter 55 of the Texas Education Code, particularly Section 55.19 thereof, the Board may issue revenue refunding bonds for the purpose of refunding any of its outstanding bonds in advance of their maturities or dates of redemption; and

WHEREAS, in order to realize substantial annual savings in debt service, the Board desires to advance refund the Series 1970 Bonds and the Series 1974 Bonds; and

WHEREAS, due to certain terms and provisions contained in the resolutions authorizing the Series 1970 Bonds, Series 1971 Bonds and Series 1972 Bonds and incorporated by reference in the resolutions authorizing the Series 1973 Bonds and Series 1974 Bonds, the refunding of any such bonds in advance of their maturities or dates of redemption may be

accomplished only by use of the "full cash" method of advance refunding; and

WHEREAS, to accomplish the foregoing, the Board has adopted this Resolution to authorize the issuance of its Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Special Obligation Refunding Bonds, Series 1978 and by other resolutions adopted concurrently herewith has authorized the issuance of certain combined fee revenue refunding bonds, has authorized certain of the Series 1970 Bonds and Series 1974 Bonds to be called for redemption prior to their maturities, has authorized the Board to enter into an escrow agreement with \_\_\_\_\_, Texas, pursuant to which provision shall be made for the deposit and investment of proceeds of the special obligation bonds herein authorized and the combined fee revenue refunding bonds and other funds lawfully available for such purpose, for the application of the principal amount thereof to the payment in full of principal, redemption premium and interest to maturity or redemption on the Series 1970 Bonds and the Series 1974 Bonds and for the application of the interest earned thereon to the payment in full of principal and interest on the special obligation bonds herein authorized;

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

Section 1: NAME, AMOUNT, PURPOSE AND AUTHORIZATION. That for the purpose of effecting annual debt service savings, there shall be issued the negotiable, serial, coupon bonds of the Board of Regents of The University of Texas System in the aggregate principal amount of \$ \_\_\_\_\_, which shall be designated as "BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS AT AUSTIN, COMBINED FEE REVENUE SPECIAL OBLIGATION REFUNDING BONDS, SERIES 1978" (hereinafter called the "Bonds"), the proceeds of which shall be applied, together with the proceeds of the Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Refunding Bonds, Series 1978 (hereinafter called the "Series 1978 Bonds"), to refund bonds numbered \_\_\_\_\_ through 2000, both inclusive, of the Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1970 and bonds numbered \_\_\_\_\_ through 1380, both inclusive, of the Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1974, in advance of their maturities or redemption dates, as more fully provided herein, under and in strict conformity with the Constitution and laws of the State of Texas, including particularly Chapter 55 of the Texas Education Code, as amended.

Section 2: DATE, DENOMINATION AND MATURITIES. That the Bonds shall be dated August 1, 1978, shall be numbered consecutively from 1 upward in order of their maturities, shall be in the denomination of \$5,000 each, and shall mature serially on each December 1 and June 1 in the amounts, respectively, as follows:

<u>MATURITIES</u>	<u>AMOUNTS</u>	<u>MATURITIES</u>	<u>AMOUNTS</u>
December 1, 1978	\$	June 1, 1983	\$
June 1, 1979		December 1, 1983	
December 1, 1979		June 1, 1984	
June 1, 1980		December 1, 1984	
December 1, 1980		June 1, 1985	
June 1, 1981		December 1, 1985	
December 1, 1981		June 1, 1986	
June 1, 1982		December 1, 1986	
December 1, 1982		June 1, 1987	

Section 3: INTEREST RATES AND PAYMENT DATES. That the Bonds shall bear interest from their date until the principal sum is paid at the following rates per annum:

<u>Date Maturing</u>	<u>Interest Rate</u>	<u>Date Maturing</u>	<u>Interest Rate</u>
December 1, 1978		June 1, 1983	
June 1, 1979		December 1, 1983	
December 1, 1979		June 1, 1984	
June 1, 1980		December 1, 1984	
December 1, 1980		June 1, 1985	
June 1, 1981		December 1, 1985	
December 1, 1981		June 1, 1986	
June 1, 1982		December 1, 1986	
December 1, 1982		June 1, 1987	

with said interest being evidenced by interest coupons that shall appertain to said Bonds and shall be payable on the dates stated in Section 5 of this Resolution.

Section 4: MANNER OF PAYMENT AND EXECUTION OF BONDS. That the Bonds and the interest coupons appertaining thereto shall be payable, shall have the characteristics and shall be signed, executed and sealed all as provided, and in the manner indicated, in Section 5 of this Resolution.

Section 5: FORM OF BONDS, INTEREST COUPONS AND COMPTROLLER'S CERTIFICATE. That the form of the Bonds, the form of interest coupons to be attached to said Bonds, and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be printed and endorsed on each Bond shall be, respectively, in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and permitted by this Resolution:

NO. \_\_\_\_\_ \$5,000

UNITED STATES OF AMERICA  
STATE OF TEXAS  
BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
THE UNIVERSITY OF TEXAS AT AUSTIN  
COMBINED FEE REVENUE SPECIAL OBLIGATION REFUNDING BOND  
SERIES 1978

ON \_\_\_\_\_ 1, 19\_\_\_\_, the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM (hereinafter sometimes called the "Board"), for and on behalf of THE UNIVERSITY OF TEXAS AT AUSTIN, hereby promises to pay to bearer, solely from the pledged revenues hereinafter described, the sum of

FIVE THOUSAND DOLLARS

and to pay interest thereon from the date hereof at the rate of \_\_\_\_\_% per annum, payable December 1, 1978, and semi-annually thereafter on each June 1 and December 1 until said principal sum is paid, but only upon presentation and surrender of the interest coupons hereto appertaining as they severally become due. The principal of this bond and the interest coupons appertaining hereto shall be payable to bearer, in lawful money of the United States of America, without exchange or collection charges to the bearer, upon presentation and surrender of this bond or proper interest coupon, at the following, which shall constitute and be defined as the Banks of Payment for this series of bonds:

\_\_\_\_\_, Texas

or, at the option of the bearer, at

\_\_\_\_\_, Texas

THIS BOND IS ONE OF A DULY AUTHORIZED SERIES OF BONDS of like tenor and effect except as to serial number, interest rate and maturity, numbered 1 through \_\_\_\_\_, both inclusive, in the denomination of \$5,000 each, in the aggregate principal amount of \$\_\_\_\_\_, issued pursuant to a resolution (hereinafter called the "Resolution") adopted by the Board on the 4th day of August, 1978, the proceeds of which, together with the proceeds of the Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Refunding Bonds, Series 1978, will be applied for the purpose of refunding bonds numbered \_\_\_\_\_ through 2000, both inclusive, of the Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1970, dated June 1, 1970, and bonds numbered \_\_\_\_\_ through 1380, both inclusive, of the Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1974, dated December 1, 1974, under and in strict conformity with the Constitution and laws of the State of Texas, including particularly Chapter 55 of the Texas Education Code, as amended.

THIS BOND AND ALL BONDS OF THE SERIES OF WHICH IT IS A PART are equally and ratably payable from and secured by a first lien on and pledge of the interest income to be earned on certain direct obligations of the United States of America deposited in escrow at \_\_\_\_\_, Texas, the principal of which shall be applied to pay principal, interest and redemption premiums on the Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1970 and 1974. This bond and the issue of which it is a part, and the interest thereon, constitute special obligations of the Board and are payable solely from such pledged revenues and do not constitute an indebtedness of the State of Texas, the Board or The University of Texas at Austin. The bearer hereof and the coupons attached hereto shall never have the right to demand payment of this bond or of such coupons out of any funds raised or to be raised by taxation.

IT IS HEREBY DECLARED AND REPRESENTED that this bond has been duly and validly issued and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the issuance or delivery of this bond have been performed, existed, and been done in accordance with law; that this series of bonds does not exceed any Constitutional or statutory limitation; and that provision has been made for the payment of principal of and interest on this bond and the series of which it is a part by the irrevocable pledge of such pledged revenues.

IN WITNESS WHEREOF, the Board of Regents of The University of Texas System has caused the corporate seal of said Board to be impressed, printed or lithographed hereon and has caused this bond and the interest coupons attached hereto to be executed by the imprinted or lithographed facsimile signatures of the Chairman and the Secretary of the Board, respectively, and this bond has been dated August 1, 1978.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

By \_\_\_\_\_  
Chairman

[SEAL]

ATTEST:

\_\_\_\_\_  
Secretary

(FORM OF INTEREST COUPON)

\$ \_\_\_\_\_ NO. \_\_\_\_\_

On the first day of \_\_\_\_\_, \_\_\_\_\_, upon surrender of this coupon, the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM PROMISES TO PAY TO BEARER at \_\_\_\_\_, Texas, or, at the option of the bearer, at \_\_\_\_\_, Texas, but solely from the pledged revenues specified in the bond to which this coupon is attached, the amount shown above, without exchange or collection charges to the bearer hereof, payable in lawful money of the United States, being interest then due on the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS AT AUSTIN, COMBINED FEE REVENUE SPECIAL OBLIGATION REFUNDING BOND, SERIES 1978, bearing the number hereinafter specified, dated August 1, 1978. The bearer hereof shall never have the right to demand payment of this obligation out of funds raised or to be raised by taxation. Bond No. \_\_\_\_\_.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

\_\_\_\_\_  
Secretary Chairman

(FORM OF COMPTROLLER'S REGISTRATION CERTIFICATE)

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. \_\_\_\_\_

I HEREBY CERTIFY that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this bond and the proceedings for the issuance hereof have been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas and that it is a valid and binding special obligation of the Board of Regents of The University of Texas System payable from the revenues and other funds pledged to its payment by and in the proceedings authorizing the same, and I do further certify that this bond has this day been registered by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE at Austin, Texas, this \_\_\_\_\_.

[SEAL]

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

Section 6: DEFINITIONS. That as hereinafter used in this Resolution, the following terms shall have the meanings set forth below, unless the text of this Resolution indicates otherwise:

The term "Board" shall mean the Board of Regents of The University of Texas System.

The term "Bonds" shall mean the Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Special Obligation Refunding Bonds, Series 1978, authorized by this Resolution.

The terms "bondholder" or "holder" shall mean any person who shall be the bearer of one or more of the Bonds.

The term "Interest Income from the Escrow Fund" shall mean the Board's revenues in the form of interest income earned and derived by the Board from the principal amount of certain "Escrowed Securities" to be purchased with the cash to be deposited to the credit of the Escrow Fund, pursuant to the provisions of the Escrow Agreement, which interest income is scheduled to accrue at times and in amounts sufficient, and shall be used by the Escrow Agent, to pay when due the principal of and interest on the Bonds, all as shown in appropriate schedules attached to the Escrow Agreement.

The term "Interest and Redemption Fund" shall mean The University of Texas at Austin Combined Fee Revenue Special Obligation Refunding Bonds Interest and Redemption Fund created and established by this Resolution for the sole purpose of paying the principal of and interest on the Bonds as the same matures and comes due.

The term "Series 1970 Bonds" shall mean the Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1970, which bonds are being refunded and defeased with the proceeds of the Series 1978 Bonds and the Bonds.

The term "Series 1974 Bonds" shall mean the Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1974, which bonds are being refunded and defeased with the proceeds of the Series 1978 Bonds and the Bonds.

The term "Series 1978 Bonds" shall mean the Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Refunding Bonds, Series 1978, dated August 1, 1978, authorized to be issued and sold by another resolution adopted by the Board concurrently herewith.

The term "Escrow Agent" shall mean \_\_\_\_\_, Texas.

The term "Escrow Agreement" shall mean that certain Escrow Agreement to be entered into between the Board and the Escrow Agent concurrently with the delivery of the Bonds to the purchasers thereof, pursuant to which (a) cash proceeds of the Bonds and the Series 1978 Bonds and other cash of the Board lawfully available for such purpose shall be deposited with the Escrow Agent (to be held in the name of the paying agents for the Series 1970 Bonds and Series 1974 Bonds) in an amount equivalent to the principal amount of the redemption price of the Series 1970 Bonds and Series 1974 Bonds, with interest to their respective dates of maturity or redemption, and (b) such cash deposited with the Escrow Agent shall be invested in certain "Escrowed Securities", consisting entirely of direct obligations of the United States of America, maturing at such dates and in such amounts and bearing interest at such rates so as to provide (i) principal payments fully sufficient to pay when due principal of, interest on and redemption premiums on the Series 1970 Bonds and the Series 1974 Bonds and (ii) interest payments fully sufficient to pay when due principal of and interest on the Bonds.

The term "Escrow Fund" shall mean the Board's special fund established with the Escrow Agent pursuant to the Escrow Agreement.

The term "University" shall mean The University of Texas at Austin.

Section 7: APPLICATION OF BOND PROCEEDS. That the proceeds from the sale of the Bonds shall be disbursed as follows:

(a) To the Interest and Redemption Fund, the accrued interest and premium, if any, received from the sale of the Bonds;

(b) To be applied, together with the proceeds of the Series 1978 Bonds and other funds lawfully available for such purpose, to fund and establish the Escrow Fund;

(c) To pay expenses connected with the refunding of the Series 1970 Bonds and the Series 1974 Bonds and the issuance of the Bonds; and

(d) The balance, if any, to the Interest and Redemption Fund.

Section 8: SOURCE OF PAYMENT. That the Bonds and the interest coupons appertaining thereto are and shall be secured by and payable from an irrevocable first lien on and pledge of the Interest Income from the Escrow Fund. The

Bonds and the interest coupons appertaining thereto shall constitute special obligations of the Board, payable solely from the Interest Income from the Escrow Fund, and such obligations shall not constitute an indebtedness of the University, the Board or the State of Texas, and the holders of the Bonds and the coupons attached thereto shall never have the right to demand payment thereof out of funds raised or to be raised by taxation.

Section 9: INTEREST AND REDEMPTION FUND. That for the sole purpose of paying the principal of and interest on the Bonds as the same come due there is hereby created and there shall be established and maintained by the Escrow Agent, a separate fund to be entitled the "University of Texas at Austin Combined Fee Revenue Special Obligation Refunding Bonds Interest and Redemption Fund" (herein called the "Interest and Redemption Fund"). Money from time to time on deposit in the Interest and Redemption Fund shall be secured in the manner prescribed by law for securing funds of the University, in principal amounts at all times not less than the amounts of money credited to such Fund.

Section 10: DEBT SERVICE REQUIREMENTS. (a) That on or prior to the delivery of the Bonds to the purchasers thereof, the Board shall establish and fund the Escrow Fund and enter into the Escrow Agreement.

(b) That the Escrow Agent, pursuant to the Escrow Agreement, shall be required to transfer from the Interest Income from the Escrow Fund and deposit to the credit of the Interest and Redemption Fund, the amounts, at the times, as follows:

(1) On or before December 1, 1978, and on or before each June 1 and December 1 thereafter, such amounts as will be sufficient, together with other amounts, if any, then on hand in the Interest and Redemption Fund and available for such purpose, to pay the interest scheduled to accrue and come due on the Bonds on each such December 1 and June 1; and

(2) On or before December 1, 1978, and on or before each June 1 and each December 1 thereafter, such amounts as will be sufficient, together with other amounts, if any, then on hand in the Interest and Redemption Fund and available for such purpose, to pay the principal scheduled to mature and come due on the Bonds on each such December 1 and June 1.

Section 11: DEFICIENCIES. That if on any occasion there shall not be sufficient Interest Income from the Escrow Fund to make the required deposits into the Interest and Redemption Fund, then the Board shall make up such deficiency from the next available Interest Income from the Escrow Fund.

Section 12: PAYMENT OF BONDS. On or before December 1, 1978, and semiannually on or before each June 1 and December 1 thereafter while any Bonds are outstanding and unpaid, \_\_\_\_\_, in its capacity as Escrow Agent and paying agent for the Bonds, shall pay, or cause to be paid by the other named paying agent for the Bonds, but solely from money then on deposit in the Interest and Redemption Fund, such interest on and such principal of the Bonds as will come due and mature on each such date, upon presentation of the proper interest coupon or Bond. The paying agents for the Bonds shall destroy all paid Bonds

and interest coupons appertaining thereto and furnish the Board with an appropriate certificate of cancellation or destruction.

Section 13: NO FURTHER ENCUMBRANCES. That while the Bonds are outstanding and unpaid, the Board will not in any manner additionally encumber or pledge the Interest Income from the Escrow Fund, or issue any additional bonds payable from such source.

Section 14: NO ARBITRAGE. That the Board certifies that based upon all facts, estimates and circumstances now known or reasonably expected to be in existence on the date the Bonds are delivered and paid for, the Board reasonably expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds or any portion thereof to be an "arbitrage bond" under Section 103(c) of the Internal Revenue Code of 1954, as amended, and the temporary and proposed regulations heretofore prescribed thereunder. Furthermore, all officers, employees and agents of the Board are authorized and directed to provide certifications of facts, estimates and circumstances which are material to the reasonable expectations of the Board as of the date the Bonds are delivered and paid for, and any such certifications may be relied upon by counsel, by the holders of the Bonds, or by any person interested in the exemption of interest on the Bonds from federal income taxation. Moreover, the Board covenants that it shall make such use of the proceeds of the Bonds, regulate investments of proceeds of the Bonds, and take such other and further action as may be required so that the Bonds shall not be "arbitrage bonds" under Section 103(c) of the Internal Revenue Code of 1954, as amended, and regulations prescribed from time to time thereunder.

Section 15: APPROVAL AND REGISTRATION. That the Chairman of the Board is hereby authorized to have control of the Bonds and all necessary records and proceedings pertaining to the Bonds pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of said Bonds, said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate printed and endorsed on each of the Bonds and the seal of said Comptroller shall be impressed, or placed in facsimile, on each of the Bonds.

Section 16: SALE AND DELIVERY. That the sale of the Bonds is hereby awarded to \_\_\_\_\_ and Associates, for a price of \_\_\_\_\_ % of par, plus accrued interest thereon from the date thereof to the date of actual delivery, subject to the approving opinions, as to the legality of the Bonds, of the Attorney General of the State of Texas and Vinson & Elkins, Houston, Texas, market attorneys. When said Bonds have been approved by the Attorney General and registered by the Comptroller of Public Accounts of the State of Texas, they shall be delivered to the named purchaser upon receipt of the full purchase price.

Section 17: OFFERING DOCUMENTS. That the Preliminary Official Statement, Official Notice of Sale and Official Statement, together with any supplements and amendments thereto, are hereby ratified, authorized and approved for use in connection with the solicitation of bids for, and the sale and distribution of, the Bonds.

Section 19: CAPTIONS. The captions of the Sections of this Resolution have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof.

ADOPTED AND APPROVED at Austin, Texas, this 4th day of August, 1978.

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

ATTEST:

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

6. Board of Regents - General Tuition Revenue Refunding Bonds: (a) Resolution Authorizing the Issuance and Sale of Board of Regents of The University of Texas System General Tuition Revenue Refunding Bonds, Series 1978, \$33,000,000; (b) Designation of Escrow Agent; (c) Designation of Banks of Payment (Paying Agents); and (d) Award of Contract for Printing. Bids Relating Thereto to be Opened on August 2 and August 3, 1978. -- It has been deemed advisable by the Administration that there be issued Board of Regents of The University of Texas System General Tuition Revenue Refunding Bonds, Series 1978, in the amount of \$33,000,000 to refund a like amount of General Tuition Revenue Bonds, Series 1974. This issue is recommended in order to save interest costs.

Bids for the sale of these refunding bonds will be opened at 10:00 a. m. , C. D. T. , on Thursday, August 3, 1978, at Claudia Taylor Johnson Hall, 210 West Sixth Street, Austin, Texas. Bids for paying agent will be opened on Wednesday, August 2, 1978, at 10:00 a. m. at the same place.

Bids for the sale of these bonds will be considered by the Board of Regents at its 9:00 a. m. , C. D. T. , session on Friday, August 4, 1978, Regents' Meeting Room, Ashbel Smith Hall, Austin, Texas.

#### ACTION REQUIRED

- a. Adoption of Resolution, Pages B of R 74-8<sup>6</sup> Authorizing the Issuance and Sale of The University of Texas System General Tuition Revenue Refunding Bonds, Series 1978
- b. Approval of Escrow Agent
- c. Designation of Banks of Payment
- d. Award of Contract for Printing Bonds

RESOLUTION AUTHORIZING THE ISSUANCE OF  
\$33,000,000 BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM GENERAL TUI-  
TION REVENUE REFUNDING BONDS, SERIES 1978

WHEREAS, the Board of Regents of The University of Texas System (hereinafter sometimes called the "Board" or "Board of Regents"), for the purpose of providing funds to acquire, purchase, construct, improve, enlarge, and/or equip property, buildings, structures, and facilities for The University of Texas at Dallas, The University of Texas of the Permian Basin, The University of Texas at San Antonio, The University of Texas Medical School at Houston, The University of Texas Dental School at San Antonio, The University of Texas (Undergraduate) Nursing School at El Paso, and The University of Texas (Clinical) Nursing School at San Antonio, heretofore authorized the issuance of and sold the following series of bonds payable from, and secured by a first lien on and pledge of, certain pledged revenues:

Board of Regents of The University of Texas System General Tuition Revenue Bonds, Series 1971, dated October 1, 1971, in the original principal amount of \$50,000,000 (hereinafter called the "Series 1971 Bonds");

Board of Regents of The University of Texas System General Tuition Revenue Bonds, Series 1972, dated April 1, 1972, in the original principal amount of \$50,000,000 (hereinafter called the "Series 1972 Bonds"); and

Board of Regents of The University of Texas System General Tuition Revenue Bonds, Series 1972-A, dated October 1, 1972, in the original principal amount of \$17,000,000 (hereinafter called the "Series 1972-A Bonds"); and

WHEREAS, the resolution authorizing the issuance of the Series 1971 Bonds (hereinafter called the "Series 1971 Resolution"), and the resolutions authorizing the issuance of the Series 1972 Bonds and the Series 1972-A Bonds, permit the Board to issue additional parity bonds upon certain terms and conditions, including a coverage test based upon certain pledged revenues; and

WHEREAS, the Board subsequently issued and sold its Board of Regents of The University of Texas System General Tuition Revenue Bonds, New Series 1974, dated October 1, 1974, in the aggregate principal amount of \$33,000,000 (hereinafter called the "Series 1974 Bonds") for the purposes named above and to refund the Board of Regents of The University of Texas System General Tuition Revenue Bonds, New Series 1973, in the aggregate principal amount of \$8,000,000, which had been issued for the same purposes, both of which series of bonds were secured by a junior lien on certain pledged revenues and by a first lien on other revenues because at such times there were insufficient pledged revenues to satisfy the coverage test contained in the requirements for the issuance of additional parity bonds set forth in the Series 1971 Resolution; and

WHEREAS, the Board can now satisfy all of the requirements for the issuance of \$33,000,000 of bonds on a parity with the Series 1971 Bonds, the Series 1972 Bonds and the Series 1972-A Bonds; and

WHEREAS, pursuant to Chapter 55 of the Texas Education Code, particularly Section 55.19 thereof, the Board may issue revenue refunding bonds for the purpose of refunding any of its outstanding bonds in advance of their maturities or dates of redemption; and

WHEREAS, in order to realize substantial annual savings in debt service, the Board desires to advance refund the Series 1974 Bonds by the issuance of revenue refunding bonds on a parity with the Series 1971 Bonds, Series 1972 Bonds and Series 1972-A Bonds, the proceeds of which, together with other funds lawfully available for such purpose, shall be applied to purchase certain direct obligations of the United States of America in amounts, maturities and bearing interest at rates sufficient to provide funds, when needed, which together with other proceeds of the refunding bonds will be sufficient to pay in full the principal, redemption premiums and interest to maturity or redemption on the Series 1974 Bonds and to pay all costs arising in connection with such refunding; and

WHEREAS, to accomplish the foregoing, the Board has adopted this Resolution to authorize the issuance of its Board of Regents of The University of Texas System General Tuition Revenue Refunding Bonds, Series 1978 and contemporaneously herewith has adopted another resolution calling certain of the Series 1974 Bonds for redemption prior to their maturities, authorizing the subscription for certain direct obligations of the United States of America and authorizing the Board to enter into an escrow agreement with City National Bank of Austin, Austin, Texas, pursuant to which provision shall be made for the deposit of such investments and other proceeds to the credit of the escrow fund to be established pursuant to such escrow agreement and for the application of the proceeds thereof to the payment in full of principal, redemption premium and interest to maturity or redemption on the Series 1974 Bonds; and

WHEREAS, upon the issuance of the refunding bonds herein authorized and the application of the proceeds therefrom to fund and establish the escrow fund provided for in the escrow agreement, the Series 1974 Bonds shall no longer be regarded as outstanding obligations of the Board of Regents, and the money and investments credited to the funds established and maintained pursuant to the resolution authorizing the Series 1974 Bonds shall be released from such funds and applied in accordance with the terms of this Resolution; and

WHEREAS, the Board desires to supplement the pledged revenues securing payment of the Series 1971 Bonds, Series 1972 Bonds, Series 1972-A Bonds and the Series 1978 Bonds herein authorized, by agreeing to fix, charge and collect, when and to the extent needed, an Administration Use Fee, without limit as to rate or amount, from regularly enrolled students at each and every institution, branch and school now or hereafter operated by or under the jurisdiction of the Board;

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

Bonds, shall be, respectively, in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and permitted by this Resolution:

NO. \_\_\_\_\_

\$5,000

UNITED STATES OF AMERICA  
STATE OF TEXAS  
BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
GENERAL TUITION REVENUE REFUNDING BOND  
SERIES 1978

ON APRIL 1, \_\_\_\_\_, the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM (hereinafter sometimes called the "Board") hereby promises to pay to bearer, solely from the Pledged Revenues hereinafter described, the sum of

FIVE THOUSAND DOLLARS

and to pay interest thereon from the date hereof at the rate of \_\_\_\_\_% per annum, payable April 1, 1979, and semi-annually thereafter on each October 1 and April 1 until said principal sum is paid, but only upon presentation and surrender of the interest coupons hereto appertaining as they severally become due. The principal of this bond and the interest coupons appertaining hereto shall be payable to bearer, in lawful money of the United States of America, without exchange or collection charges to the bearer, upon presentation and surrender of this bond or proper interest coupon, at the following, which shall be the Banks of Payment for this series of bonds:

or, at the option of the bearer, at

THIS BOND IS ONE OF A DULY AUTHORIZED SERIES OF BONDS of like tenor and effect except as to serial number, interest rate, right of prior redemption and maturity, numbered 1 through 660, both inclusive, in the denomination of \$5,000 each, in the aggregate principal amount of \$33,000,000, issued pursuant to a resolution (hereinafter called the "Resolution") adopted by the Board on the 4th day of August, 1978, for the purpose of refunding all of the bonds of the Board of Regents of The University of Texas System General Tuition Revenue Bonds, New Series 1974, dated October 1, 1974, under and in strict conformity with the Constitution and laws of the State of Texas, including particularly Chapter 55 of the Texas Education Code, as amended.

THIS BOND AND ALL BONDS OF THE SERIES OF WHICH IT IS A PART, together with the outstanding bonds of the Board of Regents of The University of Texas System General Tuition Revenue Bonds, Series 1971, Series 1972 and Series 1972-A (hereinafter called the "Outstanding Bonds"), are equally and ratably payable from, and secured by a first lien on and pledge of, certain Pledged Revenues, which include (i) certain Pledged General Tuition, being certain tuition charges imposed on students enrolled at each and every institution, branch and school now or hereafter operated by or under the jurisdiction of the Board, (ii) the gross collections of an Administration Use Fee to be fixed, charged and collected from all students (excepting those exempt as now provided by law) regularly enrolled at each and every institution, branch and school now or hereafter operated by

Section 1: NAME, AMOUNT, PURPOSE AND AUTHORIZATION.

That for the purpose of effecting annual debt service savings, there shall be issued the negotiable, serial, coupon bonds of the Board of Regents of The University of Texas System in the aggregate principal amount of \$33,000,000, which shall be designated as "BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM GENERAL TUITION REVENUE REFUNDING BONDS, SERIES 1978" (hereinafter called the "Series 1978 Bonds"), the proceeds of which shall be applied to refund all of the bonds of the Board of Regents of The University of Texas System General Tuition Revenue Bonds, New Series 1974, in advance of their maturities or redemption dates, as more fully provided herein, under and in strict conformity with the Constitution and laws of the State of Texas, including particularly Chapter 55 of the Texas Education Code, as amended.

Section 2: DATE, DENOMINATION AND MATURITIES. That the Series 1978 Bonds shall be dated August 1, 1978, shall be numbered consecutively from 1 upward in order of their maturities, shall be in the denomination of \$5,000 each, and shall mature serially on April 1 in each of the years and in the amounts, respectively, as follows:

<u>YEARS</u>	<u>AMOUNTS</u>	<u>YEARS</u>	<u>AMOUNTS</u>	<u>YEARS</u>	<u>AMOUNTS</u>
1981	\$1,510,000	1987	\$1,985,000	1992	\$2,400,000
1982	1,565,000	1988	2,065,000	1993	2,400,000
1983	1,640,000	1989	2,170,000	1994	2,395,000
1984	1,715,000	1990	2,285,000	1995	2,340,000
1985	1,810,000	1991	2,415,000	1996	2,410,000
1986	1,895,000				

Section 3: INTEREST RATES AND PAYMENT DATES. That the Series 1978 Bonds shall bear interest from their date until the principal sum is paid at the following rates per annum:

<u>Year</u> <u>Maturing</u>	<u>Interest</u> <u>Rate</u>	<u>Year</u> <u>Maturing</u>	<u>Interest</u> <u>Rate</u>
1981		1989	
1982		1990	
1983		1991	
1984		1992	
1985		1993	
1986		1994	
1987		1995	
1988		1996	

with said interest being evidenced by interest coupons that shall appertain to the Series 1978 Bonds and shall be payable on the dates stated in Section 5 of this Resolution.

Section 4: MANNER OF PAYMENT, OPTIONAL REDEMPTION AND EXECUTION OF BONDS. That the Series 1978 Bonds and the interest coupons appertaining thereto shall be payable, shall have the characteristics, may be redeemed prior to their scheduled maturities, and shall be signed, executed and sealed all as provided, and in the manner indicated, in Section 5 of this Resolution.

Section 5: FORM OF BONDS, INTEREST COUPONS AND COMPTROLLER'S CERTIFICATE. That the form of the Series 1978 Bonds, including the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be printed and endorsed on each Series 1978 Bond, and the form of interest coupons to be attached to said Series 1978

or under the jurisdiction of the Board, (iii) the gross collections of a Library Use Fee to be fixed, charged and collected from all students (excepting those exempt as now provided by law) regularly enrolled at certain designated New System Institutions of the Board, and (iv) certain debt service subsidy grants from the United States Government. This bond and the issue of which it is a part, and the interest thereon, constitute special obligations of the Board and are payable solely from the Pledged Revenues and do not constitute an indebtedness of the State of Texas or the Board. The bearer hereof and the coupons attached hereto shall never have the right to demand payment of this bond or of such coupons out of any funds raised or to be raised by taxation.

ON APRIL 1, 1988, OR ON ANY INTEREST PAYMENT DATE THEREAFTER, the Board shall have the option of calling bonds of this series maturing serially on or after April 1, 1989, for redemption prior to maturity, in whole or in part, in inverse numerical order, at par and accrued interest to the date of redemption.

NOTICE OF REDEMPTION IS TO BE PUBLISHED in a financial publication published in the English language in the City of New York, New York, or in the City of Austin, Texas, at least once, not less than thirty (30) days before the date fixed for such redemption, and thirty (30) days' notice in writing is to be given to the Banks of Payment before the date so fixed for such redemption. On or before the date fixed for redemption, funds shall be placed in the Banks of Payment sufficient to pay the bonds called and accrued interest thereon. If such written notice of redemption is published, and if due provision for such payment is made, all as provided above, the bonds which are to be so redeemed thereby automatically shall be redeemed prior to their scheduled maturities, they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the purpose of being paid by the Banks of Payment with the funds so provided for such payment.

IT IS HEREBY DECLARED AND REPRESENTED that, so long as this bond or the issue of bonds of which it is a part remains outstanding, the Board has covenanted and agreed that it will fix, charge and collect the Administration Use Fee and the Library Use Fee at rates which, together with other Pledged Revenues, will be sufficient to provide money to pay, when due, all principal of and interest on the Outstanding Bonds and the bonds of this series.

IT IS FURTHER DECLARED AND REPRESENTED that this bond has been duly and validly issued and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the issuance or delivery of this bond have been performed, existed, and been done in accordance with law; that this series of bonds does not exceed any Constitutional or statutory limitation; and that provision has been made for the payment of principal of and interest on this bond and the series of which it is a part by the irrevocable pledge of the Pledged Revenues.

THE BOARD HAS RESERVED THE RIGHT, subject to the restrictions referred to in the Resolution, to issue additional parity revenue bonds which also may be made equally and ratably payable from, and secured by an irrevocable first lien and pledge of, the aforesaid Pledged Revenues.

IN WITNESS WHEREOF, the Board of Regents of The University of Texas System has caused the corporate seal of said Board to be impressed, printed or lithographed hereon and has caused this bond and the interest coupons attached hereto to be executed by the imprinted or lithographed facsimile signatures of the Chairman and the Secretary of the Board, respectively, and this bond has been dated August 1, 1978.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

By \_\_\_\_\_  
Chairman

[SEAL]

ATTEST:

\_\_\_\_\_  
Secretary

(FORM OF INTEREST COUPON)

\$ \_\_\_\_\_ NO. \_\_\_\_\_

On the first day of \_\_\_\_\_, \_\_\_\_\_, unless the bond to which this coupon appertains shall have been called for previous redemption and due provision made to redeem same, upon surrender of this coupon, the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM PROMISES TO PAY TO BEARER at \_\_\_\_\_, Texas, or, at the option of the bearer, at \_\_\_\_\_, New York, New York, but solely from the Pledged Revenues specified in the bond to which this coupon is attached, the amount shown above, without exchange or collection charges to the bearer hereof, payable in lawful money of the United States, being interest then due on the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM GENERAL TUITION REVENUE REFUNDING BOND, SERIES 1978, bearing the number hereinafter specified, dated August 1, 1978. The bearer hereof shall never have the right to demand payment of this obligation out of funds raised or to be raised by taxation. Bond No. \_\_\_\_\_.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

\_\_\_\_\_  
Secretary Chairman

(FORM OF COMPTROLLER'S REGISTRATION CERTIFICATE)

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. \_\_\_\_\_

I HEREBY CERTIFY that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this bond and the proceedings

for the issuance hereof have been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas and that it is a valid and binding special obligation of the Board of Regents of The University of Texas System payable from the revenues and other funds pledged to its payment by and in the proceedings authorizing the same, and I do further certify that this bond has this day been registered by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE at Austin, Texas, this \_\_\_\_\_.

[SEAL]

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

Section 6: DEFINITIONS. That as used in this Resolution (except in Section 5 hereof) all of the definitions of terms contained in the Series 1971 Resolution (as hereinafter defined) are hereby adopted by reference except to the extent specifically modified or supplemented below, and the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

The term "Additional Bonds" shall mean the additional parity revenue bonds permitted to be authorized in the Series 1971 Resolution, excluding any Bonds heretofore issued.

The term "Administration Use Fee" shall mean the gross collections of a special fee to be fixed, charged and collected from all students (excepting those exempt as provided by law) regularly enrolled at each and every institution, branch and school now or hereafter operated by or under the jurisdiction of the Board, respectively, for the use and availability of the principal administration building or buildings, and all administration and student services facilities provided therein, at each such institution, branch and school, respectively, in the manner and to the extent provided in this Resolution.

The term "Board" shall mean the Board of Regents of The University of Texas System.

The term "Bonds" shall mean collectively the Board of Regents of The University of Texas System General Tuition Revenue Bonds, Series 1971, authorized by the resolution of the Board on December 2, 1971; the Board of Regents of The University of Texas System General Tuition Revenue Bonds, Series 1972, authorized by resolution of the Board on March 16, 1972; the Board of Regents of The University of Texas System General Tuition Revenue Bonds, Series 1972-A, authorized by resolution of the Board on December 8, 1972; and the Series 1978 Bonds herein authorized.

The term "bondholder" or "holder" shall mean any person who shall be the bearer of any one or more of the Bonds.

The term "Interest and Sinking Fund" shall mean the General Tuition Revenue Bonds Interest and Sinking Fund established in the Series 1971 Resolution.

The term "Pledged Revenues" shall mean collectively (a) the Pledged General Tuition, as defined in the Series 1971

Resolution, (b) the Administration Use Fee, (c) the Library Use Fee, as defined in the Series 1971 Resolution, (d) all debt service subsidy and interest grants received from the United States Government in connection with the Bonds and Additional Bonds, and (e) any additional revenues, income, receipts, or other resources, including, without limitation, any grants, donations, or income received or to be received from the United States Government, or any other public or private source, whether pursuant to an agreement or otherwise, which hereafter may be pledged to the payment of the Bonds or the Additional Bonds.

The term "Reserve Fund" shall mean the General Tuition Revenue Bonds Reserve Fund established in the Series 1971 Resolution.

The term "Revenue Fund" shall mean the separate account or accounts established on the books of the Board pursuant to the Series 1971 Resolution, to which all collections of Pledged Revenues are credited immediately upon receipt.

The term "Series 1971 Resolution" shall mean the resolution adopted by the Board on December 2, 1971, authorizing the issuance of the Series 1971 Bonds.

The term "Series 1978 Bonds" shall mean the bonds authorized by this Resolution.

The term "Series 1974 Bonds" shall mean the Board of Regents of The University of Texas System General Tuition Revenue Bonds, New Series 1974, which shall be refunded and defeased with the proceeds of the Series 1978 Bonds.

The term "Series 1974 Resolution" shall mean the resolution adopted by the Board on September 20, 1974 authorizing the issuance of the Series 1974 Bonds.

Section 7: APPLICATION OF SERIES 1978 BOND PROCEEDS.  
That the proceeds from the sale of the Series 1978 Bonds shall be disbursed as follows:

(a) To the Interest and Sinking Fund, the accrued interest and premium, if any, received from the sale of the Series 1978 Bonds;

(b) To be applied, along with certain proceeds of funds maintained pursuant to the Series 1974 Resolution (the disposition of which is provided for in Section 8 of this Resolution), to fund and establish at City National Bank of Austin, Austin, Texas, as Escrow Agent, an escrow fund to be entitled "Board of Regents of The University of Texas System General Tuition Revenue Bonds, New Series 1974 Escrow Fund" in accordance with the terms of that certain Escrow Agreement to be entered into between the Board and said Escrow Agent at or prior to delivery of the Series 1978 Bonds, which escrow fund shall have deposited to its credit the required beginning cash balance (if necessary) and direct obligations of the United States of America, in amounts, bearing interest and maturing in such a manner as to provide funds sufficient for the payment of principal of, redemption premiums on and interest to maturity or redemption on the Series 1974 Bonds, all as more fully set forth in such Escrow Agreement;

(c) To pay expenses connected with the refunding of the Series 1974 Bonds and the issuance of the Series 1978 Bonds; and

(d) The balance, if any, to the Interest and Sinking Fund.

Section 8: DISPOSITION OF FUNDS MAINTAINED PURSUANT TO SERIES 1974 RESOLUTION. That the Board has heretofore maintained in accordance with the terms of the Series 1974 Resolution the New Series Tuition Revenue Bonds Interest and Redemption Fund and the New Series Tuition Revenue Bonds Reserve Fund. Upon the establishment of the escrow fund referred to in Section 7(b) hereof, the Series 1974 Bonds and the Series 1974 Resolution shall be defeased and all moneys and investments deposited to the credit of the above funds shall no longer be subject to the terms of the Series 1974 Resolution. Therefore, upon the issuance of, and payment of the purchase price for, the Series 1978 Bonds, all proceeds of such funds shall be disposed of as follows:

(a) Proceeds of the New Series Tuition Revenue Bonds Interest and Redemption Fund shall be transferred to the Interest and Sinking Fund for the benefit of the Bonds and any Additional Bonds.

(b) Proceeds of the New Series Tuition Revenue Bonds Reserve Fund shall be applied as follows:

(i) \$ \_\_\_\_\_ shall be deposited with the Escrow Agent, to be applied in accordance with the terms of the Escrow Agreement; and

(ii) \$ \_\_\_\_\_ shall be transferred to the Interest and Sinking Fund for the benefit of the Bonds; and

(iii) the balance shall be transferred to the Reserve Fund for the benefit of the Bonds and any Additional Bonds.

Section 9: SOURCE OF PAYMENT. That the Series 1978 Bonds are "Additional Bonds" as permitted by Sections 19, 20 and 21 of the Series 1971 Resolution, and the Series 1971 Bonds, the Series 1972 Bonds, the Series 1972-A Bonds and the Series 1978 Bonds (herein collectively called the "Bonds") are and shall be secured and payable equally and ratably on a parity. The Bonds, any Additional Bonds and the interest thereon, are and shall be payable from, and secured by an irrevocable first lien on and pledge of, the Pledged Revenues, as that term has been amended in this Resolution. The Bonds, any Additional Bonds and interest coupons appertaining thereto shall constitute special obligations of the Board, payable solely from the Pledged Revenues, and such obligations shall not constitute an indebtedness of the University, the Board, or the State of Texas, and the holders of the Bonds, any Additional Bonds and the coupons attached thereto shall never have the right to demand payment thereof out of funds raised or to be raised by taxation.

Section 10: ADOPTION OF CERTAIN SECTIONS OF SERIES 1971 RESOLUTION. That Sections 7 through 22 of the Series 1971 Resolution are hereby adopted by reference and shall be and are hereby made applicable to the Series 1978 Bonds for all purposes, except to the extent herein specifically modified and supplemented.

Section 11: ADDITIONAL DEPOSITS TO INTEREST AND SINKING FUND. That, in addition to all deposits required to be made to the Interest and Sinking Fund in the Series 1971 Resolution, and in the resolutions authorizing the issuance

of the Series 1972 Bonds and the Series 1972-A Bonds, the Board shall transfer or cause to be transferred from the Pledged Revenues in the Revenue Fund, and deposit or cause to be deposited to the Interest and Sinking Fund, the following amounts at the following times:

(a) On or before March 25, 1979, and semi-annually on or before each September 25th and March 25th thereafter, an amount which will be sufficient, together with other monies, if any, then on hand therein and available for such purpose, to pay the interest scheduled to accrue and come due on the Series 1978 Bonds on the next succeeding interest payment date; and

(b) On or before March 25, 1979, an amount equal to the principal scheduled to mature and come due on the Series 1978 Bonds on April 1, 1979; and

(c) On or before September 25, 1979, and semi-annually on or before each March 25th and September 25th thereafter, an amount equal to one-half of the principal scheduled to mature and come due on the Series 1978 Bonds on the next succeeding principal maturity date.

Section 12: ADDITIONAL DEPOSITS TO RESERVE FUND. That on or before September 25, 1978, and semi-annually on or before each March 25th and September 25th thereafter, the Board shall transfer from the Pledged Revenues in the Revenue Fund and deposit to the credit of the Reserve Fund an amount equal to 1/10th of the average annual principal and interest requirements of the Series 1978 Bonds; provided, however, that when the money and investments in the Reserve Fund are at least equal in market value to the amount of the average annual principal and interest requirements of the Bonds, then such deposits may be discontinued, unless and until the Reserve Fund should be depleted to less than said amount in market value, in which case said deposits shall be resumed and continued until the Reserve Fund is restored to said amount.

Section 13: ADMINISTRATION USE FEE. (a) That the Board covenants and agrees to fix, levy, charge and collect a uniform Administration Use Fee from all students (excepting those exempt as now provided by law) regularly enrolled in each and every institution, branch and school now or hereafter operated by or under the jurisdiction of the Board, respectively, at each regular fall and spring semester and at each term of each summer session, for the use and availability of the principal administration building or buildings, and all administration and student services facilities provided therein, at each such institution, branch and school, respectively, in such amounts, without any limitation whatsoever, as will be at least sufficient at all times to provide, together with other Pledged Revenues, the money for making all deposits required to be made to the credit of the Interest and Sinking Fund in connection with the Bonds, and to pay, when due, all principal of and interest on the Bonds and any Additional Bonds.

(b) The Administration Use Fee shall be fixed, levied, charged and collected when and as required by this Section; and the Administration Use Fee shall be increased if and when required by this Section, and may be decreased or abrogated, so long as all Pledged Revenues are sufficient to provide the money for making all deposits required to be made to the credit of the Interest and Sinking Fund in connection with

the Bonds and any Additional Bonds. All changes in such Administration Use Fee shall be made by resolution of the Board, but such procedure shall not constitute or be regarded as an amendment of this Resolution, but merely the carrying out of the provisions hereof.

Section 14: NO ARBITRAGE. (a) That the Board certifies that based upon all facts, estimates and circumstances now known or reasonably expected to be in existence on the date the Series 1978 Bonds are delivered and paid for, the Board reasonably expect that the proceeds of the Series 1978 Bonds will not be used in a manner that would cause the Series 1978 Bonds or any portion thereof to be an "arbitrage bond" under Section 103(c) of the Internal Revenue Code of 1954, as amended, and the temporary and proposed regulations heretofore prescribed thereunder. Furthermore, all officers, employees and agents of the Board are authorized and directed to provide certifications of facts, estimates and circumstances which are material to the reasonable expectations of the Board as of the date the Series 1978 Bonds are delivered and paid for, and any such certifications may be relied upon by counsel, by the holders of the Series 1978 Bonds, or by any person interested in the exemption of interest on the Series 1978 Bonds from federal income taxation. Moreover, the Board covenants that it shall make such use of the proceeds of the Series 1978 Bonds, regulate investments of proceeds of the Series 1978 Bonds, and take such other and further action as may be required so that the Series 1978 Bonds shall not be "arbitrage bonds" under Section 103(c) of the Internal Revenue Code of 1954, as amended, and regulations prescribed from time to time thereunder.

(b) That the Board further certifies that based on all facts, estimates and circumstances now known or reasonably expected to be in existence on the date the Series 1978 Bonds are delivered and paid for, the Board does not reasonably expect to use any amounts accumulated in the Reserve Fund to pay principal or interest on the Series 1978 Bonds.

Section 15: DISCHARGE BY DEPOSIT. That the Board may discharge its obligation to the holders of any or all of the Series 1978 Bonds and coupons appertaining thereto to pay principal, interest and redemption premium (if any) thereon by depositing with the State Treasurer or at the Banks of Payment either: (1) cash equivalent to the principal amount and redemption premium, if any, plus interest to the date of maturity or redemption, or (2) direct obligations of, or obligations the principal and interest of which are guaranteed by, the United States of America, in principal amounts and maturities and bearing interest at rates sufficient to provide for the timely payment of the principal amount and redemption premium, if any, on such Series 1978 Bonds plus interest to the date of maturity or redemption; provided, however, that if any of such Series 1978 Bonds are to be redeemed prior to their date of maturity, provision shall have been made for giving notice of redemption as provided herein. Upon such deposit, the Series 1978 Bonds and coupons appertaining thereto shall no longer be regarded as outstanding and unpaid. Also, whenever provision is made in the above manner for payment of any Series 1974 Bonds or Additional Bonds, such bonds shall no longer be deemed outstanding for purposes of any provision contained herein.

Section 16: APPROVAL AND REGISTRATION. That the Chairman of the Board is hereby authorized to have control of the Series 1978 Bonds and all necessary records and proceedings pertaining to the Series 1978 Bonds pending

their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of said Series 1978 Bonds, said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate printed and endorsed on each of the Series 1978 Bonds and the seal of said Comptroller shall be impressed, or placed in facsimile, on each of the Series 1978 Bonds.

Section 17: SALE AND DELIVERY. That the sale of the Series 1978 Bonds is hereby awarded to \_\_\_\_\_ and Associates, for a price of \_\_\_\_\_ % of par, plus accrued interest thereon from the date thereof to the date of actual delivery, subject to the approving opinions, as to the legality of the Bonds, of the Attorney General of the State of Texas and Vinson & Elkins, Houston, Texas, market attorneys. When said Series 1978 Bonds have been approved by the Attorney General and registered by the Comptroller of Public Accounts of the State of Texas, they shall be delivered to the named purchaser upon receipt of the full purchase price.

Section 18: OFFERING DOCUMENTS. That the Preliminary Official Statement, Official Notice of Sale and Official Statement, together with any supplements and amendments thereto, are hereby ratified, authorized and approved for use in connection with the solicitation of bids for, and the sale and distribution of, the Series 1978 Bonds.

Section 19: CAPTIONS. The captions of the Sections of this Resolution have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof.

ADOPTED AND APPROVED at Austin, Texas, this 4th day of August, 1978.

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

ATTEST:

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

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
GENERAL TUITION REVENUE REFUNDING BONDS, SERIES 1978

82,280,000  
4,639,099

SALE OF THE BONDS.--As authorized, bids were called for and received until 10:00 A.M., CDT on August 3, 1978, and then publicly opened and tabulated. The best bid was from a syndicate headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated who bid a net interest cost of 5.570811%. Proceeds from this issue will be used to redeem The University of Texas System General Tuition Revenue Bonds, Series 1974 when this issue becomes callable and provide a net savings of ~~2,620,000~~ over the life of bonds and a present value savings of \$2,062,064 as computed by Rauscher Pierce Securities Corp.

It is recommended by the Executive Director for Investments, Trusts and Lands, joined by the President of the System, that the Board of Regents adopt the resolution authorizing the issuance of the bonds and the sale to Merrill Lynch, Pierce, Fenner & Smith Incorporated.

DESIGNATION OF PAYING AGENCY.--Attached is a tabulation of the bids received and publicly opened and tabulated at 10:00 A.M., CDT, on August 2, 1978, in accordance with specifications previously furnished the qualified bidders (Texas Banks with assets in excess of \$200,000,000).

It is recommended by the Executive Director for Investments, Trusts and Lands, joined by the President of the System, that the bid of Bank of the Southwest, N.A., Houston, Texas to serve as Paying Agent for this issue be accepted. The bank will charge \$0.00 per coupon and \$0.00 per bond paid. Co-paying agent is Bankers Trust Company, New York.

AWARD OF CONTRACT FOR PRINTING THE BONDS.--Attached is a tabulation of the bids received and publicly opened and tabulated 10:00 A.M., CDT, on August 2, 1978, in accordance with specifications previously furnished companies bidding on University issues.

It is recommended by the Executive Director for Investments, Trusts and Lands, joined by the President of the System, that the bid of Hart Graphics, Austin, Texas, be accepted for printing the bonds with lithographed borders, as set out in the specifications, for the sum of \$3,222.00, there being ten interest rates.

TABULATION OF BIDS  
 \$33,000,000  
 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
 GENERAL TUITION REVENUE REFUNDING BONDS, SERIES 1978  
 Bids Opened Thursday, August 3, 1978

Account	Coupons	Interest Cost	Effective Rate																																																
Merrill Lynch, Pierce, Fenner & Smith Incorporated	<table border="0"> <tr><td>1981</td><td>to</td><td>86</td><td>5.00%</td></tr> <tr><td>1987</td><td></td><td>88</td><td>5.10</td></tr> <tr><td>1989</td><td></td><td></td><td>5.25</td></tr> <tr><td>1990</td><td></td><td></td><td>5.30</td></tr> <tr><td>1991</td><td></td><td></td><td>5.40</td></tr> <tr><td>1992</td><td></td><td></td><td>5.50</td></tr> <tr><td>1993</td><td></td><td></td><td>5.60</td></tr> <tr><td>1994</td><td></td><td></td><td>5.75</td></tr> <tr><td>1995</td><td></td><td></td><td>5.80</td></tr> <tr><td>1996</td><td></td><td></td><td>5.95</td></tr> </table>	1981	to	86	5.00%	1987		88	5.10	1989			5.25	1990			5.30	1991			5.40	1992			5.50	1993			5.60	1994			5.75	1995			5.80	1996			5.95	Gross: <u>\$19,589,657.50</u> Plus Discount: <u>\$375,272.80</u>  Net: <u>\$19,965,230.30</u>	5.570811								
1981	to	86	5.00%																																																
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Morgan Guaranty Trust Co., New York	<table border="0"> <tr><td>1981</td><td>to</td><td>82</td><td>4.90%</td></tr> <tr><td>1983</td><td></td><td>84</td><td>5.00</td></tr> <tr><td>1985</td><td></td><td>86</td><td>5.10</td></tr> <tr><td>1987</td><td></td><td></td><td>5.20</td></tr> <tr><td>1988</td><td></td><td></td><td>5.25</td></tr> <tr><td>1989</td><td></td><td></td><td>5.30</td></tr> <tr><td>1990</td><td></td><td></td><td>5.40</td></tr> <tr><td>1991</td><td></td><td></td><td>5.50</td></tr> <tr><td>1992</td><td></td><td></td><td>5.60</td></tr> <tr><td>1993</td><td></td><td></td><td>5.70</td></tr> <tr><td>1994</td><td></td><td></td><td>5.80</td></tr> <tr><td>1995</td><td></td><td>96</td><td>5.90</td></tr> </table>	1981	to	82	4.90%	1983		84	5.00	1985		86	5.10	1987			5.20	1988			5.25	1989			5.30	1990			5.40	1991			5.50	1992			5.60	1993			5.70	1994			5.80	1995		96	5.90	Gross: <u>\$19,827,227.49</u> Plus Discount: <u>362,877.89</u>  Net: <u>\$20,190,105.38</u>	5.6335
1981	to	82	4.90%																																																
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First National Bank in Dallas Associates	<table border="0"> <tr><td>1981</td><td>to</td><td>85</td><td>5.00%</td></tr> <tr><td>1986</td><td></td><td>87</td><td>5.10</td></tr> <tr><td>1988</td><td></td><td></td><td>5.20</td></tr> <tr><td>1989</td><td></td><td></td><td>5.30</td></tr> <tr><td>1990</td><td></td><td></td><td>5.40</td></tr> <tr><td>1991</td><td></td><td></td><td>5.50</td></tr> <tr><td>1992</td><td></td><td></td><td>5.60</td></tr> <tr><td>1993</td><td></td><td></td><td>5.70</td></tr> <tr><td>1994</td><td></td><td></td><td>5.80</td></tr> <tr><td>1995</td><td></td><td></td><td>5.90</td></tr> <tr><td>1996</td><td></td><td></td><td>6.00</td></tr> </table>	1981	to	85	5.00%	1986		87	5.10	1988			5.20	1989			5.30	1990			5.40	1991			5.50	1992			5.60	1993			5.70	1994			5.80	1995			5.90	1996			6.00	Gross: <u>\$19,840,319.02</u> Plus Discount: <u>\$395,808.50</u>  Net: <u>\$20,236,127.52</u>	5.64639				
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The Halsey Stuart, Inc.	<table border="0"> <tr><td>1981</td><td>to</td><td>82</td><td>5.20%</td></tr> <tr><td>1983</td><td></td><td>88</td><td>5.25</td></tr> <tr><td>1989</td><td></td><td>90</td><td>5.30</td></tr> <tr><td>1991</td><td></td><td></td><td>5.40</td></tr> <tr><td>1992</td><td></td><td></td><td>5.50</td></tr> <tr><td>1993</td><td></td><td></td><td>5.60</td></tr> <tr><td>1994</td><td></td><td></td><td>5.75</td></tr> <tr><td>1995</td><td></td><td></td><td>5.90</td></tr> <tr><td>1996</td><td></td><td></td><td>6.00</td></tr> </table>	1981	to	82	5.20%	1983		88	5.25	1989		90	5.30	1991			5.40	1992			5.50	1993			5.60	1994			5.75	1995			5.90	1996			6.00	Gross: <u>\$19,847,013.33</u> Plus Discount: <u>\$493,152.00</u>  Net: <u>\$20,340,165.33</u>	5.6754												
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\$33,000,000  
 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
 GENERAL TUITION REVENUE REFUNDING BONDS, SERIES 1978

Tabulation of Bids Received  
 August 2, 1978 - 10:00 A.M., C.D.T.

Bidder	New York Co-Paying Agent	Per Coupon Paid	Per Bond Paid
Bank of the Southwest, N.A., Houston	Bankers Trust Company	\$ .00	\$ .00
The First National Bank of Fort Worth	The Bank of New York	.08	.75
The Capital National Bank, Austin	Citibank, N.A.	.095	.90
Mercantile National Bank at Dallas	Manufacturers Hanover Trust Co.	.08	.75
First National Bank in Dallas	Manufacturers Hanover Trust Co.	.125	1.30
Republic National Bank of Dallas	Citibank, N.A.	.175	1.575
The State National Bank of El Paso	Citibank, N.A.	.125	7.50
Texas Commerce Bank National Association, Houston	Bankers Trust Company	.175	2.00
American Bank, Austin	Citibank, N.A.	.20	2.00
Corpus Christi National Bank	Citibank, N.A.	.15	2.00

\$33,000,000  
 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
 GENERAL TUITION REVENUE REFUNDING BONDS, SERIES 1978

Tabulation of Bids Received  
 August 2, 1978 - 10:00 A.M., C.D.T.

Bidder	One-Coupon Rate	Two-Coupon Rate	Three-Coupon Rate	Four-Coupon Rate	Five-Coupon Rate	Six-Coupon Rate	Seven-Coupon Rate	Number of Working Days
Hart Graphics & Office Centers, Inc. 8000 Shoal Creek Blvd. Austin, Texas 78758	\$3,042.00	\$3,062.00	\$3,082.00	\$3,102.00	\$3,122.00	\$3,142.00	\$3,162.00	
	Eight-Coupon Rate	Nine-Coupon Rate	Ten-Coupon Rate					
	\$3,182.00	\$3,202.00	\$3,222.00					15

THE UNIVERSITY OF TEXAS SYSTEM  
 \$32,280,000 GENERAL TUITION REVENUE REFUNDING BONDS  
 SCHEDULE OF DEBT SERVICE REQUIREMENTS AND DEBT SERVICE SAVINGS

\$32,280,000 Issue  
 Dated: August 1, 1978

Payment Date	Principal	Coupon Rate	Interest	Annual Debt Service	Refunded Bonds Debt Service	Annual Debt Service Savings
10/01/78	\$		\$	\$	\$	\$
4/01/79			1,146,085	1,146,085	3,470,187	-2,324,102
10/01/79			859,563			
4/01/80			859,563	1,719,127	3,440,187	-1,721,060
10/01/80			859,563			
4/01/81	1,510,000	5.00	859,563	3,229,127	3,431,187	-202,060
10/01/81			821,813			
4/01/82	1,565,000	5.00	821,813	3,208,627	3,416,187	-207,560
10/01/82			782,688			
4/01/83	1,640,000	5.00	782,688	3,205,377	3,420,187	-214,810
10/01/83			741,688			
4/01/84	1,715,000	5.00	741,688	3,198,377	3,416,187	-217,810
10/01/84			698,813			
4/01/85	1,810,000	5.00	698,813	3,207,627	3,429,187	-221,560
10/01/85			653,563			
4/01/86	1,895,000	5.00	653,563	3,202,127	3,432,187	-230,060
10/01/86			606,188			
4/01/87	1,985,000	5.10	606,188	3,197,377	3,425,187	-227,810
10/01/87			555,571			
4/01/88	2,065,000	5.10	555,571	3,176,142	3,408,187	-232,045
10/01/88			502,913			
4/01/89	2,170,000	5.25	502,913	3,175,827	3,409,987	-234,160
10/01/89			445,951			
4/01/90	2,285,000	5.30	445,951	3,176,902	3,414,437	-237,535
10/01/90			385,398			
4/01/91	2,415,000	5.40	385,398	3,185,797	3,429,937	-244,140
10/01/91			320,193			
4/01/92	2,400,000	5.50	320,193	3,040,387	3,282,750	-242,362
10/01/92			254,193			
4/01/93	2,400,000	5.60	254,193	2,908,387	3,152,750	-244,362
10/01/93			186,993			
4/01/94	2,395,000	5.75	186,993	2,768,987	3,019,000	-250,012
10/01/94			118,137			
4/01/95	2,340,000	5.80	118,137	2,576,275	2,831,500	-255,225
10/01/95			50,277			
4/01/96	<u>1,690,000</u>	5.95	<u>50,277</u>	<u>1,790,555</u>	<u>2,769,000</u>	<u>-978,445</u>
	<u>\$32,280,000</u>		<u>\$18,833,117</u>	<u>\$51,113,117</u>	<u>\$59,598,237</u>	<u>\$-8,485,120</u>

Average Interest Rate - 5.55449%

Plus Accrued Interest Received	\$ 138,485
Less Net Cash Disbursed	<u>(3,984,506)</u>
NET DEBT SERVICE SAVINGS	<u>\$ 4,639,099</u>

GENERAL TUITION REVENUE BONDS  
REFUNDING PROGRAM

Debt Service Savings Summary

Gross Savings Analysis

Total Debt Service Requirements - Outstanding Bonds	\$59,598,237
Total Debt Service Requirements - Refunding Bonds	<u>\$51,113,117</u>
Gross Debt Service Savings	<u>\$ 8,485,120</u>
Plus Accrued Interest Received	\$ 138,485
Less Net Cash Disbursed	<u>(3,984,506)</u>
NET DEBT SERVICE SAVINGS	<u>\$ 4,639,099</u>

Present Value Savings Analysis (@ 5.60% Discount Rate)

Present Value of Debt Service Requirements - Outstanding Bonds	\$38,327,255
Present Value of Debt Service Requirements - Refunding Bonds	<u>\$31,969,696</u>
Gross Present Value Debt Service Savings	<u>\$ 6,357,559</u>
Plus Present Value Accrued Interest Received	\$ 138,485
Less Present Value Net Cash Disbursed	(3,984,506)
Less Present Value Interest Adjustment on Restricted Investments	<u>(449,474)</u>
NET PRESENT VALUE DEBT SERVICE SAVINGS	<u>\$ 2,062,064</u>

THE UNIVERSITY OF TEXAS AT AUSTIN  
 \$16,710,000 COMBINED FEE REVENUE REFUNDING BONDS  
 SCHEDULE OF DEBT SERVICE REQUIREMENTS AND DEBT SERVICE SAVINGS

Payment Date	\$16,710,000 Issue Dated: August 1, 1978			Annual Debt Service	Refunded Bonds Debt Service	Annual Debt Service Savings
	Principal	Coupon Rate	Interest			
12/01/78	\$		\$	\$	\$	\$
6/01/79	465,000	5.00	763,097	1,228,097	1,473,402	-245,304
12/01/79			446,233			
6/01/80	520,000	5.00	446,233	1,412,467	1,482,327	-69,860
12/01/80			433,233			
6/01/81	545,000	5.00	433,233	1,411,467	1,483,377	-71,910
12/01/81			419,608			
6/01/82	560,000	5.00	419,608	1,399,217	1,476,952	-77,735
12/01/82			405,608			
6/01/83	585,000	5.00	405,608	1,396,217	1,473,452	-77,235
12/01/83			390,983			
6/01/84	605,000	5.00	390,983	1,386,967	1,467,477	-80,510
12/01/84			375,858			
6/01/85	630,000	5.00	375,858	1,381,717	1,464,027	-82,310
12/01/85			360,108			
6/01/86	660,000	5.00	360,108	1,380,217	1,464,567	-84,350
12/01/86			343,608			
6/01/87	690,000	5.10	343,608	1,377,217	1,463,397	-86,180
12/01/87			326,013			
6/01/88	720,000	5.10	326,013	1,372,027	1,459,167	-87,140
12/01/88			307,653			
6/01/89	745,000	5.25	307,653	1,360,307	1,446,912	-86,605
12/01/89			288,097			
6/01/90	785,000	5.30	288,097	1,361,195	1,447,392	-86,197
12/01/90			267,295			
6/01/91	815,000	5.40	267,295	1,349,590	1,434,902	-85,312
12/01/91			245,290			
6/01/92	845,000	5.50	245,290	1,335,580	1,424,437	-88,857
12/01/92			222,052			
6/01/93	885,000	5.60	222,052	1,329,105	1,420,627	-91,522
12/01/93			197,272			
6/01/94	925,000	5.75	197,272	1,319,545	1,412,347	-92,802
12/01/94			170,678			
6/01/95	970,000	5.80	170,678	1,311,357	1,404,562	-93,205
12/01/95			142,548			
6/01/96	1,005,000	5.95	142,548	1,290,097	1,381,525	-91,427
12/01/96			112,650			
6/01/97	1,050,000	6.00	112,650	1,275,300	1,369,700	-94,400
12/01/97			81,150			
6/01/98	1,085,000	6.00	81,150	1,247,300	1,347,950	-100,650
12/01/98			48,600			
6/01/99	1,145,000	6.00	48,600	1,242,200	1,340,825	-98,625
12/01/99			14,250			
6/01/00	475,000	6.00	14,250	503,500	823,900	-320,400
	<u>\$16,710,000</u>		<u>\$11,960,692</u>	<u>\$28,670,692</u>	<u>\$30,963,232</u>	<u>\$-2,292,540</u>

Average Interest Rate - 5.78293%

Plus Accrued Interest Received	\$ 73,766
Less Net Cash Disbursed	(239,413)
Less HUD Interest Subsidy Adjustment	(630,000)
<b>NET DEBT SERVICE SAVINGS</b>	<u><u>\$ 1,496,893</u></u>

COMBINED FEE REVENUE BONDS  
REFUNDING PROGRAM

Debt Service Savings Summary

Gross Savings Analysis

Total Debt Service Requirements - Outstanding Bonds	\$30,963,232
Total Debt Service Requirements - Refunding Bonds	<u>\$28,670,692</u>
Gross Debt Service Savings	<u>\$ 2,292,540</u>
Plus Accrued Interest Received	\$ 73,766
Less Net Cash Disbursed	(239,413)
Less HUD Interest	
Subsidy Adjustment	<u>(630,000)</u>
NET DEBT SERVICE SAVINGS	<u>\$ 1,496,893</u>

Present Value Savings Analysis (@ 5.84% Discount Rate)

Present Value of Debt Service Requirements - Outstanding Bonds	\$17,774,574
Present Value of Debt Service Requirement - Refunding Bonds	<u>\$16,476,591</u>
Gross Present Value Debt Service Savings	<u>\$ 1,297,983</u>
Plus Present Value Accrued Interest Received	\$ 73,766
Less Present Value Net Cash Disbursed	(239,413)
Less Present Value Interest Adjustment	
on Restricted Investments	(70,151)
Less Present Value HUD Interest	
Subsidy Adjustment	<u>(357,721)</u>
NET PRESENT VALUE DEBT SERVICE SAVINGS	<u>\$ 704,464</u>

THE UNIVERSITY OF TEXAS AT AUSTIN  
 \$6,310,000 BUILDING REVENUE REFUNDING BONDS  
 SCHEDULE OF DEBT SERVICE REQUIREMENTS AND DEBT SERVICE SAVINGS

Payment Date	\$6,310,000 Issue Dated: August 1, 1978			Annual Debt Service	Refunded Bonds Debt Service	Annual Debt Service Savings
	Principal	Coupon Rate	Interest			
10/01/78	\$		\$	\$	\$	\$
04/01/79	45,000	5.00	228,611	273,611	542,445	-268,833
10/01/79			170,333			
04/01/80	190,000	5.00	170,333	530,667	548,945	-18,277
10/01/80			165,583			
04/01/81	205,000	5.00	165,583	536,167	554,170	-18,002
10/01/81			160,458			
04/01/82	220,000	5.00	160,458	540,917	563,120	-22,202
10/01/82			154,958			
04/01/83	235,000	5.00	154,958	544,917	565,370	-20,452
10/01/83			149,083			
04/01/84	250,000	5.00	149,083	548,167	571,345	-23,177
10/01/84			142,833			
04/01/85	270,000	5.00	142,833	555,667	575,620	-19,952
10/01/85			136,083			
04/01/86	290,000	5.00	136,083	562,167	583,195	-21,027
10/01/86			128,833			
04/01/87	310,000	5.10	128,833	567,667	588,645	-20,977
10/01/87			120,928			
04/01/88	330,000	5.10	120,928	571,857	596,970	-25,112
10/01/88			112,513			
04/01/89	340,000	5.25	112,513	565,027	587,745	-22,717
10/01/89			103,588			
04/01/90	355,000	5.30	103,588	562,177	585,995	-23,817
10/01/90			94,181			
04/01/91	370,000	5.40	94,181	558,362	582,795	-24,432
10/01/91			84,191			
04/01/92	380,000	5.50	84,191	548,382	572,635	-24,252
10/01/92			73,741			
04/01/93	400,000	5.60	73,741	547,482	571,010	-23,527
10/01/93			62,541			
04/01/94	415,000	5.75	62,541	540,082	567,130	-27,047
10/01/94			50,610			
04/01/95	430,000	5.80	50,610	531,220	556,350	-25,130
10/01/95			38,140			
04/01/96	440,000	5.95	38,140	516,280	544,050	-27,770
10/01/96			25,050			
04/01/97	460,000	6.00	25,050	510,100	537,900	-27,800
10/01/97			11,250			
04/01/98	375,000	6.00	11,250	397,500	535,000	-137,500
	<u>\$ 6,310,000</u>		<u>\$ 4,198,424</u>	<u>\$10,508,424</u>	<u>\$11,330,435</u>	<u>\$ -822,011</u>

Average Interest Rate - 5.67099%

Plus Accrued Interest Received \$ 27,623  
 Less Net Cash Disbursed (259,519)

NET DEBT SERVICE SAVINGS \$ 590,114

BUILDING REVENUE BONDS  
REFUNDING PROGRAM

Debt Service Savings Summary

Gross Savings Analysis

Total Debt Service Requirements - Outstanding Bonds	\$11,330,435
Total Debt Service Requirements - Refunding Bonds	<u>\$10,508,424</u>
Gross Debt Service Savings	<u>\$ 822,011</u>
Plus Accrued Interest Received	\$ 27,623
Less Net Cash Disbursed	<u>(259,519)</u>
NET DEBT SERVICE SAVINGS	<u>\$ 590,115</u>

Present Value Savings Analysis (@ 5.73% Discount Rate)

Present Value of Debt Service Requirements - Outstanding Bonds	\$ 6,808,934
Present Value of Debt Service Requirements - Refunding Bonds	<u>\$ 6,248,877</u>
Gross Present Value Debt Service Savings	<u>\$ 560,057</u>
Plus Present Value Accrued Interest Received	\$ 27,623
Less Present Value Net Cash Disbursed	(259,519)
Less Present Value Interest Adjustment on Restricted Investments	<u>(50,544)</u>
NET PRESENT VALUE DEBT SERVICE SAVINGS	<u>\$ 277,617</u>

THE UNIVERSITY OF TEXAS AT AUSTIN  
 \$3,695,000 COMBINED FEE REVENUE  
 SPECIAL OBLIGATION REFUNDING BONDS  
 SCHEDULE OF DEBT SERVICE REQUIREMENTS

\$3,695,000 Issue  
 Dated: August 1, 1978

Payment Date	Principal	Coupon Rate	Interest	Total Semiannual Payments	Annual Debt Service
12/01/78	\$ 225,000	4.200	\$ 56,670.83	\$ 281,670.83	\$
6/01/79	510,000	4.300	80,281.25	590,281.25	871,952.08
12/01/79	495,000	4.450	69,316.25	564,316.25	
6/01/80	495,000	4.600	58,302.50	553,302.50	1,117,618.75
12/01/80	215,000	4.600	46,917.50	261,917.50	
6/01/81	210,000	4.700	41,972.50	251,972.50	513,890.00
12/01/81	205,000	4.700	37,037.50	242,037.50	
6/01/82	205,000	4.750	32,220.00	237,220.00	479,257.50
12/01/82	195,000	4.750	27,351.25	222,351.25	
6/01/83	200,000	4.800	22,720.00	222,720.00	445,071.25
12/01/83	190,000	4.800	17,920.00	207,920.00	
6/01/84	190,000	4.850	13,360.00	203,360.00	411,280.00
12/01/84	180,000	4.850	8,752.50	188,752.50	
6/01/85	180,000	4.875	4,387.50	184,387.50	373,140.00
	<u>\$3,695,000</u>		<u>\$517,209.58</u>	<u>\$4,212,209.58</u>	

Average Interest Rate - 4.86259%

7. Resolution Authorizing Redemption of Certain Board of Regents of The University of Texas System General Tuition Revenue Bonds, New Series 1974, Prior to Maturity; Execution and Delivery of Escrow Agreement to Provide for Payment of Said Bonds, Subscription for Certain Escrowed Securities and Other Matters Relating Thereto. -- In connection with the issuance of General Tuition Revenue Refunding Bonds, Series 1978, in the amount of \$33,000,000, the resolution on Pages B of R 86-100 is submitted

**ACTION REQUIRED**

- a. Adoption of Resolution, Pages B of R 86-100 Authorizing Redemption of The University of Texas System General Tuition Bonds, Series 1974
- b. Approval of Escrow Agreement Including Purchase of Escrowed Securities.

This resolution will be considered immediately following the adoption of the resolution authorizing \$33,000,000 General Tuition Revenue Bonds.

RESOLUTION AUTHORIZING PEDEMPTION OF CERTAIN BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM GENERAL TUITION REVENUE BONDS, NEW SERIES 1974, PRIOR TO MATURITY, EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT TO PROVIDE FOR THE PAYMENT OF SAID BONDS, SUBSCRIPTION FOR CERTAIN ESCROWED SECURITIES AND OTHER MATTERS RELATING THERETO

WHEREAS, the Board of Regents of The University of Texas System (the "Board") desires to refund, in advance of their maturities, the Board of Regents of The University of Texas System General Tuition Revenue Bonds, New Series 1974 (the "Underlying Bonds") in order to realize an annual savings in debt service; and

WHEREAS, the Board is authorized by Chapter 55, Texas Education Code, to issue, sell and deliver refunding bonds in amounts necessary to pay the principal, interest and redemption premium on bonds to be refunded, at maturity or on any redemption date; and

WHEREAS, contemporaneously herewith, the Board has adopted a resolution (the "Refunding Bond Resolution") authorizing the issuance of Board of Regents of The University of Texas System General Tuition Revenue Refunding Bonds, Series 1978, for the purpose of providing funds to be used in refunding the Underlying Bonds; and

WHEREAS, the Board desires to call certain of the Underlying Bonds for redemption prior to their scheduled maturities; and

WHEREAS, the Board desires to enter into an Escrow Agreement with \_\_\_\_\_, Texas, pursuant to which provision will be made for the full and timely payment of principal, interest and redemption premium on the Underlying Bonds; and

WHEREAS, the Board desires to authorize the subscription for certain United States Treasury obligations to be purchased for deposit into such escrow;

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

Section 1. Redemption of Certain Underlying Bonds: The Board hereby calls for redemption and authorizes the redemption of, and payment of the applicable redemption premium for, such of the Underlying Bonds at such dates prior to their scheduled maturities as shall be provided for and contemplated in the Escrow Agreement described in the following section. Notice of such redemption in substantially the form attached hereto as Attachment "A" is hereby authorized to be delivered to the paying agents for the Underlying Bonds and to be published in the Texas Bond Reporter and/or The Daily Bond Buyer, and notice of such redemption is further authorized to be given in any other manner required by the resolution authorizing the Underlying Bonds.

Section 2. Escrow Agreement: The refunding of the Underlying Bonds shall be effectuated pursuant to the terms and provisions of an Escrow Agreement to be entered into by and between the Board and \_\_\_\_\_, Texas; such Escrow Agreement shall be in substantially the form attached hereto as Attachment "B," the terms and provisions of which are hereby approved, subject to such revisions and modifications as shall be necessary to assure the greatest

possible debt service savings, to comply with all applicable laws and regulations relating to the refunding of the Underlying Bonds and to carry out the other intents and purposes hereof; and the Chairman of the Board is hereby authorized to execute and deliver such Escrow Agreement on behalf of the Board in multiple counterparts and the Secretary of the Board is hereby authorized to attest thereto and affix the Board's seal.

Section 3. Subscription for Escrowed Securities: In order to assure the purchase of the Escrowed Securities referred to in the Escrow Agreement, the Board hereby authorizes the subscription for United States Treasury certificates of indebtedness, notes and bonds, State and Local Government Series, and other Escrowed Securities, in such amounts, maturities and bearing interest at such rates as may be provided for in the Escrow Agreement, and the Chairman of the Board and all other appropriate officials of The University of Texas System are hereby authorized to take all necessary and appropriate action to provide for the purchase of such Escrowed Securities pursuant to the Escrow Agreement.

Section 4. Related Matters: In order that the Board shall satisfy in a timely manner all of its obligations under the Escrow Agreement and the Refunding Bond Resolution, the Chairman and Secretary of this Board and all other appropriate officials of The University of Texas System are hereby authorized and directed to take all other actions that are reasonably necessary to provide for the refunding of the Underlying Bonds, including without limitation, executing and delivering on behalf of the Board all certificates, consents, receipts, requests, and other documents as may be reasonably necessary to satisfy the Board's obligations under the Escrow Agreement and the Refunding Bond Resolution and to direct the transfer of funds of the Board consistent with the provisions of such Escrow Agreement and the Refunding Bond Resolution.

ADOPTED AND APPROVED this 4th day of August, 1978.

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

ATTEST:

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

(SEAL)

Attachment "A"

NOTICE OF PRIOR REDEMPTION

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM,  
GENERAL TUITION REVENUE BONDS, NEW SERIES 1974, Bond  
Nos. \_\_\_\_\_ through 6600, maturing on April 1 in each  
of the years 19\_\_ through 1996 in the aggregate  
principal amount of \$ \_\_\_\_\_.

NOTICE IS HEREBY GIVEN that the Board of Regents of The  
University of Texas System has called the above bonds for  
redemption on April 1, 19\_\_\_. Such bonds will be redeemed  
at National Bank of Commerce of Dallas, Dallas, Texas, or,  
at the option of the holder, at Manufacturers Hanover Trust  
Company, New York, New York, where due provision shall be  
made to pay the principal amount of such bonds plus a  
redemption premium of \_\_\_% of the principal amount of such  
bonds plus unpaid accrued interest. Such bonds shall not  
bear interest after April 1, 19\_\_.

BY RESOLUTION of the Board of Regents of The University  
of Texas System adopted August 4, 1978.

Allan Shivers  
Chairman, Board of Regents of  
The University of Texas System

ESCROW AGREEMENT

(Board of Regents of The University  
of Texas System General Tuition  
Revenue Bonds, New Series 1974)

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THIS ESCROW AGREEMENT, dated as of August \_\_\_\_, 1978 (herein, together with any amendments or supplements hereto, called the "Agreement") is entered into by and between the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM (herein, together with any successor to its duties and functions, called the "Board"), and \_\_\_\_\_, a \_\_\_\_\_ banking corporation with its principal office located in \_\_\_\_\_, Texas, as escrow agent (herein, together with any successor in such capacity, called the "Escrow Agent"), and consented to by NATIONAL BANK OF COMMERCE OF DALLAS, a national banking corporation with its principal office located in Dallas, Texas, as paying agent (herein, together with any successor in such capacity, called the "Paying Agent"),

W I T N E S S E T H:

WHEREAS, the Board has heretofore issued and there presently remain outstanding the following bonds (the "Underlying Bonds"):

\$33,000,000 Board of Regents of The University of Texas System General Tuition Revenue Bonds, New Series 1974, dated October 1, 1974;

WHEREAS, the Underlying Bonds were issued pursuant to a resolution (the "Underlying Bond Resolution") which provides that the Underlying Bonds shall mature serially in such years, bear interest at such rates and be subject to redemption at such redemption prices as are set forth in Schedule \_\_ attached hereto and made a part hereof; and

WHEREAS, when notice of redemption of the Underlying Bonds to be redeemed prior to maturity has been given as provided in the Underlying Bond Resolution and firm banking arrangements have been made for the payment of principal, redemption premium and interest to maturity or redemption for all of the Underlying Bonds, then such Underlying Bonds shall no longer be regarded as outstanding except for the purpose of receiving the funds provided for such payment; and

WHEREAS, the Underlying Bonds to be called for redemption prior to their maturities have been called for redemption in accordance with the terms of the Underlying Bond Resolution; and

WHEREAS, the Board is authorized by the Texas Education Code, particularly Section 55.19 thereof, to sell and deliver refunding bonds in amounts necessary to pay the principal, interest, and redemption premium, if any, of the bonds to be refunded, at maturity or on any redemption date; and

WHEREAS, the Board has adopted a resolution authorizing the issuance of \$ \_\_\_\_\_ Board of Regents of The University of Texas System General Tuition Revenue Refunding Bonds, Series 1978 (the "Refunding Bonds") for the purpose of providing, together with other funds to be provided by the Board, the amounts necessary to pay the principal, interest and redemption premium of the Underlying Bonds at their respective maturities and redemption dates; and

WHEREAS, the Board desires that, concurrently with the delivery of the Refunding Bonds to the purchasers thereof, the proceeds of the Refunding Bonds, together with other funds to be provided by the Board, shall be applied to purchase certain direct obligations of the United States of America hereinafter defined as the Escrowed Securities for deposit to the credit of the Escrow Fund created pursuant to the terms of this Agreement and to establish a beginning cash balance in such Escrow Fund; and

WHEREAS, the Escrowed Securities shall mature and the interest thereon shall be payable at such times and in such amounts so as to provide moneys which, together with cash balances from time to time on deposit in the Escrow Fund, will be sufficient to pay interest on the Underlying Bonds as it accrues and becomes payable and principal of and redemption premium on the Underlying Bonds as they mature or are redeemed; and

WHEREAS, in order to assure that proceeds of the Escrow Fund herein provided for are available to the Paying Agent for the timely payment of principal, interest and redemption premium on the Underlying Bonds, the Escrow Fund shall be created and maintained pursuant to this Agreement on the books of the Escrow Agent in the name of the Paying Agent; and

NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, the sufficiency of which are hereby acknowledged, and in order to secure the payment of principal of, redemption premium on and the interest on the Underlying Bonds, as the same mature, or are called for redemption, and become due, the Board and the Escrow Agent mutually undertake, promise and agree for themselves and their respective representatives and successors, as follows:

## ARTICLE I

### DEFINITIONS AND INTERPRETATIONS

Section 1.01. Definitions. Unless the context clearly indicates otherwise, the following terms shall have the meanings assigned to them below when they are used in this Agreement:

"Board" means the Board of Regents of The University of Texas System.

"Code" means the Internal Revenue Code of 1954, as amended, and the rules and regulations thereunder.

"Escrow Agent" means \_\_\_\_\_, Texas, and its successors as Escrow Agent under this Agreement.

"Escrow Fund" means the fund created by this Agreement to be administered by the Escrow Agent pursuant to the provisions of this Agreement.

"Escrowed Securities" means Limited Yield Securities and the Open Market Securities.

"Limited Yield Securities" means the United States Treasury obligations described in Schedule \_\_\_ to this Agreement purchased with the proceeds of the Refunding Bonds.

"Open Market Securities" means the United States Treasury obligations described in Schedule \_\_\_ to this Agreement.

"Paying Agent" means National Bank of Commerce of Dallas, Dallas, Texas, and its successors in such capacity.

"Refunding Bonds" means the \$ \_\_\_\_\_ Board of Regents of The University of Texas System General Tuition Revenue Refunding Bonds, Series 1978, dated August 1, 1978.

"Refunding Bond Resolution" means the Board's resolution authorizing the issuance, sale and delivery of the Refunding Bonds.

"Underlying Bonds" means the Board's bonds more fully described in the first recital on page 1 of this Agreement.

Section 1.02. Interpretations. The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the refunding of the Underlying Bonds in accordance with applicable law.

## ARTICLE II

### DEPOSITS WITH ESCROW AGENT AND APPLICATIONS THEREOF

Section 2.01. Deposits with Escrow Agent. The Board has deposited, or caused to be deposited, with the Escrow Agent, the following:

- (a) the proceeds of the Refunding Bonds; and
- (b) \$ \_\_\_\_\_ from lawfully available funds other than the proceeds of the Refunding Funds or any other bond proceeds.

Section 2.02. Application of Refunding Bond Proceeds. The Escrow Agent has applied the proceeds of the Refunding Bonds as follows:

- (a) accrued interest on the Refunding Bonds, in the amount of \$ \_\_\_\_\_ has been transferred to the Interest and Sinking Fund for the Refunding Bonds;
- (b) \$ \_\_\_\_\_ has been paid to the United States of America for the purchase of the Limited Yield Securities;
- (c) \$ \_\_\_\_\_ has been retained by the Escrow Agent to create the beginning cash balance in the Escrow Fund;
- (d) \$ \_\_\_\_\_ has been disbursed in accordance with written instructions from the Board for the payment of

expenses incurred in refunding the Underlying Bonds and issuing the Refunding Bonds; and

(e) the balance of \$ \_\_\_\_\_ has been transferred to the Interest and Sinking Fund for the Refunding Bonds.

Section 2.03. Application of Other Funds. The Escrow Agent has applied the funds described in Section 2.01(b) to purchase the Open Market Securities.

### ARTICLE III

#### CREATION AND OPERATION OF ESCROW FUND

Section 3.01. Escrow Fund. The Escrow Agent has created on its books in the name of the Paying Agent a special trust fund and irrevocable escrow to be known as "Board of Regents of The University of Texas System General Tuition Revenue Bonds, New Series 1974 Escrow Fund" (the "Escrow Fund"). The Escrow Agent hereby acknowledges that there has been deposited to the credit of such Escrow Fund the Limited Yield Securities, the beginning cash balance described in Section 2.02(c) and the Open Market Securities. The Escrowed Securities (which include both the Limited Yield Securities and the Open Market Securities), all proceeds therefrom and the beginning cash balance shall be the property of the Escrow Fund, and shall be applied only in strict conformity with the terms and conditions of this Agreement. All of the Escrowed Securities, all proceeds therefrom and all cash balances from time to time on deposit in the Escrow Fund are hereby irrevocably pledged to the payment of the principal of, redemption premium on and interest on the Underlying Bonds, which payment shall be made by making available to the Paying Agent in cash such amounts at such times as are provided for in Section 3.02 of this Agreement. When the final cash amounts have been made available to and withdrawn by the Paying Agent for the payment of principal of, redemption premium on and interest on the Underlying Bonds, any balance then remaining in the Escrow Fund shall be transferred to the Board.

Section 3.02. Payment of Principal, Redemption Premium and Interest. (a) The Escrow Agent is hereby irrevocably instructed to use the cash balances scheduled to accrue in the Escrow Fund on September 30, 1978 and semiannually on each March 31 and September 30 thereafter to make available to the Paying Agent for its withdrawal from the Escrow Fund the amounts required to pay the principal, redemption premium and interest on the Underlying Bonds as follows:

Interest. Interest coming due on October 1, 1978 and each April 1 and October 1 thereafter until each of the Underlying Bonds matures or is redeemed.

Principal and Redemption Premium. Principal on all Underlying Bonds not redeemed pursuant to Subsection (b) hereof on their respective maturity dates; principal and redemption premium (if any) on all Underlying Bonds called for redemption prior to maturity on the dates and in the amounts indicated in Subsection (b) hereof.

The amounts of such payments are summarized in Schedule \_\_\_\_\_ attached hereto.

(b) The Board has called for redemption prior to maturity certain of the Underlying Bonds described below, on the dates set forth below, for the principal amounts thereof and accrued interest thereon to the date fixed for redemption, plus a premium (if any) on the principal amount of each such bond as follows:

<u>Bond Nos.</u>	<u>Aggregate Principal Amount</u>	<u>Redemption Dates</u>	<u>Redemption Premium (% of Principal Amount)</u>
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The Board has caused notice of each such redemption to be given in manner required by the Underlying Bond Resolution.

Section 3.03. Sufficiency of Escrow Fund. The Board represents that the successive receipts of the principal of and interest on the Escrowed Securities will assure that the cash balances from time to time on deposit in the Escrow Fund will be at all times sufficient to provide moneys at the times and in the amounts required to be available to the Paying Agent for the payment of interest on the Underlying Bonds as such interest comes due and the principal of and redemption premium on the Underlying Bonds as the Underlying Bonds mature or are redeemed prior to maturity, all as more fully set forth in Schedules \_\_\_\_\_ and \_\_\_\_\_ attached hereto. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Escrow Fund shall be insufficient to make available to the Paying Agent the amounts required to make the payments set forth in Section 3.02 hereof, the Board shall timely deposit in the Escrow Fund, from lawfully available funds, additional funds in the amounts required to make such payments. Notice of any such insufficiency shall be given promptly as herein-after provided, but neither the Escrow Agent nor the Paying Agent shall in any manner be responsible for any insufficiency of funds in the Escrow Fund or the Board's failure to make additional deposits thereto.

Section 3.04. Trust Fund. The Escrow Agent shall hold at all times the Escrow Fund, the Escrowed Securities and all other assets of such Fund, wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The Escrowed Securities and other assets of the Escrow Fund shall always be maintained by the Escrow Agent as trust funds held in a special account in the name of the Paying Agent for the benefit of the bearers of the Underlying Bonds; and a special account thereof evidencing such fact shall at all times be maintained on the books of the Escrow Agent. The bearers of the Underlying Bonds shall be entitled to the same preferred claim and first lien upon the Escrowed Securities, the proceeds thereof and all other assets of the Escrow Fund as are enjoyed by other trust

## ARTICLE V

### RECORDS AND REPORTS

Section 5.01. Records. The Escrow Agent will keep books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money and Escrowed Securities deposited to the Escrow Account and all proceeds thereof, and such books shall be available for inspection at reasonable hours and under reasonable conditions by the Board and the bearers of the Underlying Bonds.

Section 5.02. Reports. For the period beginning on the date hereof and ending on \_\_\_\_\_, 1978 and for each \_\_\_\_\_ period thereafter while this Agreement remains in effect, the Escrow Agent shall prepare and send to the Board a written report summarizing all transactions relating to the Escrow Fund during such period, including without limitation credits to the Escrow Fund as a result of interest payments or maturities on the Escrowed Securities and transfers from the Escrow Fund for payments on the Underlying Bonds or otherwise, and a statement of the cash balance on deposit in the Escrow Fund as of the end of such period. Also, within thirty (30) days after August 31, 1979 and each succeeding August 31 while this Agreement is in effect, the Escrow Agent shall send the Board a report summarizing all credits to and transfers from the Escrow Fund during the twelve (12) month period ending on such date, together with a detailed statement of all Escrowed Securities and the cash balance on deposit in the Escrow Fund as of such date.

## ARTICLE VI

### CONCERNING THE ESCROW AGENT

Section 6.01. Representations of Escrow Agent. The Escrow Agent hereby represents that it possesses and is exercising full trust powers and is otherwise qualified and empowered to enter into this Agreement, and it further represents that it is a qualified depository.

Section 6.02. Limitation on Liability. The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own action, neglect or default, nor for any loss unless the same shall have been through the negligence or want of good faith by the Escrow Agent.

The liability of the Escrow Agent to provide funds to the Paying Agent for the payment of the principal of and interest on the Underlying Bonds shall be limited to the proceeds of the Escrowed Securities and the cash balances from time to time on deposit in the Escrow Fund. Notwithstanding any provision contained herein to the contrary, the Escrow Agent shall have no liability whatsoever for the insufficiency of funds from time to time in the Escrow Fund or any failure of the obligors of the Escrowed Securities to

make timely payment thereon, except for its obligation to notify the Board promptly of any such occurrence.

The recitals herein and in the proceedings authorizing the Refunding Bonds shall be taken as the statements of the Board and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent. The Escrow Agent is not a party to the Refunding Bond Resolution or the Underlying Bond Resolution, is not responsible for nor bound by any of the provisions thereof, and need look only to the terms and provisions of this Agreement.

The Escrow Agent makes no representations as to the value, conditions or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the Board thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall incur no liability or responsibility in respect of any of such matters.

It is the intention of both the Board and the Escrow Agent that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the Board with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund and to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own misconduct or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the Board or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own misconduct or its negligence. In determining the occurrence of any of such event or contingency the Escrow Agent may request from the Board or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may inquire and consult, among others, with the Board at any time.

Section 6.03. Escrow Agent's Compensation. The Board has paid the Escrow Agent, as a fee for performing the services hereunder and for all expenses incurred or to be incurred by the Escrow Agent in the administration of this Agreement, the sum of \$ \_\_\_\_\_, the receipt and sufficiency of which are hereby acknowledged by the Escrow Agent. In the event that the Escrow Agent is requested to perform any extraordinary services hereunder, the Board

hereby agrees to pay reasonable fees to the Escrow Agent for such extraordinary services and to reimburse the Escrow Agent for all expenses incurred by the Escrow Agent in performing such extraordinary services, and the Escrow Agent hereby agrees to look only to the Board for the payment of such fees and reimbursement of such expenses. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its services, whether regular or extraordinary, as escrow agent or in any other capacity, or for reimbursement for any of its expenses.

Section 6.04. Successor Escrow Agents. At any time the Escrow Agent or its legal successor or successors should become unable, through operation of law or otherwise, to act as escrow agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the Board, by appropriate resolution, shall promptly appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the Board within 60 days, a successor may be appointed by the bearers of a majority in principal amount of the Underlying Bonds then outstanding by an instrument or instruments in writing filed with the Board, signed by such bearers or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this Section within three months after a vacancy shall have occurred, the owner of any Underlying Bond may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be a corporation organized and doing business under the laws of the United States or the State of Texas, authorized under such laws to exercise corporate trust powers, having its principal office and place of business in the State of Texas, having a combined capital and surplus of at least \$ \_\_\_\_\_ and subject to the supervision or examination by Federal or State authority.

Any successor Escrow Agent shall execute, acknowledge and deliver to the Board and to the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the Board shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties. The Escrow Agent shall pay over to its successor Escrow Agent a proportional part of the Escrow Agent's fee hereunder.

## ARTICLE VII

### MISCELLANEOUS

Section 7.01. Any notice, authorization, request, or demand required or permitted to be given hereunder shall be

in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed as follows:

To the Escrow Agent:

To the Board:

The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten (10) days prior notice thereof.

Section 7.02. Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the Board, the bearers of the Underlying Bonds or to any other person or persons in connection with this Agreement.

Section 7.03. This Agreement shall be binding upon the Board and the Escrow Agent and their respective successors and legal representatives, and shall inure solely to the benefit of the bearers of the Underlying Bonds, the Board, the Escrow Agent and their respective successors and legal representatives.

Section 7.04. 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 provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 7.05. This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Texas.

Section 7.06. Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

IN WITNESS WHEREOF, this Escrow Agreement has been executed in multiple counterparts, each one of which shall constitute one and the same original Agreement, as of the date and year appearing on the first page of this Agreement.

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

\_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

(SEAL)

ATTEST:

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

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

CONSENT TO ESCROW AGREEMENT

NATIONAL BANK OF COMMERCE OF DALLAS, as Paying Agent for the Underlying Bonds, hereby acknowledges its understanding that the Escrow Agreement to which this Consent is attached provides that an Escrow Fund shall be established and maintained in an account in its name on the books of the Escrow Agent for the purpose of providing funds to be made available to the Paying Agent which are intended to be sufficient to allow Paying Agent to make timely payment of all principal, redemption premiums and interest on the Underlying Bonds in accordance with Section 3.02 of said Escrow Agreement. The Paying Agent hereby consents to the establishment of such Escrow Fund as a trust fund for the benefit of the bearers of the Underlying Bonds and further consents to the management of such Escrow Fund by the Escrow Agent in accordance with the terms and provisions of the Escrow Agreement to which this Consent is attached. The Paying Agent further agrees that it shall only make withdrawals from the Escrow Fund at the times and in the amounts set forth in Section 3.02 of the Escrow Agreement for payment of principal, redemption premiums and interest on the Underlying Bonds and, except for such amounts, shall never make any withdrawals from such Escrow Fund or assert any claims, liens or charges against the Escrow Fund. The Paying Agent further acknowledges that it has been paid the sum of \$ \_\_\_\_\_ by the Board, representing the present value of all future paying agency charges for the Underlying Bonds, which constitutes full and final payment for all of Paying Agent's future paying agency services to be rendered in connection with the Underlying Bonds. Terms used in this Consent shall have the same meanings as set forth in the Escrow Agreement to which it is attached.

NATIONAL BANK OF COMMERCE  
OF DALLAS

By \_\_\_\_\_  
Title

ATTEST:

\_\_\_\_\_  
Title

(SEAL)

**F. INTRODUCTIONS**

**G. RECESS FOR COMMITTEE MEETINGS**

1. System Administration Committee  
Committee Chairman Williams
2. Academic and Developmental Affairs Committee  
Committee Chairman Sterling
3. Buildings and Grounds Committee  
Committee Chairman Bauerle
4. Health Affairs Committee  
Committee Chairman Law
5. Land and Investment Committee  
Committee Chairman Clark
6. Committee of the Whole  
Chairman Shivers
  - a. Open Session
  - b. Executive Session: The Board of Regents will retire to the Regents' Committee Room and resolve into Executive Session of the Committee of the Whole pursuant to V. T. C. S., Article 6252-17, Sections 2(e), (f) and (g) to discuss:
    - (1) Pending or Contemplated Litigation - Section 2(e)
    - (2) Land Acquisition and Negotiated Contracts - Section 2(f)  

Galveston Medical Branch: Proposed Acquisition  
of Lots 9, 10 and East 1/2 of Lot 11, Block 547,  
City and County of Galveston, Texas, and Improve-  
ments Thereon
    - (3) Personnel Matters - Section 2(g)  

University Cancer Center

**Meeting of  
the Board**

2014-2015

(continued)

MEETING OF THE BOARD OF REGENTS  
of  
THE UNIVERSITY OF TEXAS SYSTEM

Date: August 4, 1978  
Time: Following the Executive Session of the Committee of the Whole  
Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall  
Austin, Texas

A -G. (Pages B of R 1 - 102 )

H. RECONVENE

I. REPORTS OF STANDING COMMITTEES

1. System Administration Committee  
by Committee Chairman Williams
2. Academic and Developmental Affairs Committee  
by Committee Chairman Sterling
3. Buildings and Grounds Committee  
by Committee Chairman Bauerle
4. Health Affairs Committee  
by Committee Chairman Law
5. Land and Investment Committee  
by Committee Chairman Clark

J. REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS  
by Vice-Chairman Williams

K. REPORTS OF SPECIAL COMMITTEES, IF ANY

L. REPORT OF THE COMMITTEE OF THE WHOLE - OPEN SESSION  
by Chairman Shivers

M. CONSIDERATION OF THE ITEMS REFERRED TO EXECUTIVE  
SESSION OF THE COMMITTEE OF THE WHOLE. -- The Board of  
Regents discussed in the Executive Session of the Whole pursuant  
to V. T. C. S. , Article 6252-17, Sections 2(e), (f) and (g) the items  
listed below:

1. Pending or Contemplated Litigation - Section 2(e)
2. Land Acquisition and Negotiated Contracts - Section 2(f)

Galveston Medical Branch: Proposed Acquisition of  
Lots 9, 10 and East 1/2 of Lot 11, Block 547, City  
and County of Galveston, Texas, and Improvements  
Thereon

Personnel Matters - Section 2(g)

University Cancer Center

N. ADJOURNMENT

*Other matters*

**System Administration  
Committee**

SYSTEM ADMINISTRATION COMMITTEE  
Committee Chairman Williams

Date: August 4, 1978

Time: Following the 9:00 a. m. Session of the Board of Regents

Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall  
Austin, Texas

Page  
SAC

System Administration, U. T. Austin, U. T. El Paso,  
Houston Health Science Center and its Houston Dental  
Branch, and San Antonio Health Science Center (San  
Antonio Medical School) (9-B-78 and 10-B-78):

Proposed Amendments to 1977-78  
Operating Budgets

Below

---

System Administration, U. T. Austin, U. T. El Paso, Houston  
Health Science Center and its Houston Dental Branch, and San  
Antonio Health Science Center (San Antonio Medical School)  
(9-B-78 and 10-B-78). --

RECOMMENDATION

The appropriate chief administrative officers, concurred in by  
System Administration, recommend that their respective 1977-78  
Operating Budget be amended as indicated on the pages set out  
below:

The University of Texas System Administration  
Page SAC - 2

The University of Texas at Austin, Pages SAC 2-5  
The University of Texas at El Paso, Pages SAC 6-7

The University of Texas Health Science Center at  
Houston and its Houston Dental Branch  
Pages SAC 7-8

The University of Texas Health Science Center at  
San Antonio (San Antonio Medical School)  
Page SAC -8

The source of funds will be from departmental appropriations in all  
cases unless otherwise specified.

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
2.	West Texas Lands - Conservation and Land Utilization Projects			
	Transfer of Funds	From: Available University Fund Unappropriated Balance	To: Conservation and Land Utilization Projects	
	Amount of Transfer	\$ 12,500	\$ 12,500	---

To fund interagency agreement between The University of Texas System and Texas Tech University as set out in HB 510. This is a continuation of an Interagency Contract for a cooperative effort regarding feasibility of growing grapes in the State of Texas.

THE UNIVERSITY OF TEXAS AT AUSTIN

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
34.	Auxiliary Enterprises - Jester Center Store			
	Transfer of Funds	From: Jester Center Store Unappropriated Balance via Estimated Income	To: Jester Center Store - Other Expenses	
	Amount of Transfer	\$ 60,000	\$ 60,000	---
35.	Plant Funds - Texas Olympic Swim Center			
	Transfer of Funds	From: Available University Fund Unappropriated Balance (Allocation for Operation and Capital Improvements)	To: Texas Olympic Swim Center - Improvements	
	Amount of Transfer	\$ 110,000	\$ 110,000	---

THE UNIVERSITY OF TEXAS AT AUSTIN  
(continued)

35. Plant Funds - Texas Olympic Swim Center (continued)

The estimated costs of the projects, in order of priority, are as follows:

<u>Recommended Priority</u>		
	Insulating Windows	
1.	a. Phase 1	\$ 3,500
6.	b. Phase 2	24,000
2.	Provide Additional Handrails - estimated cost	10,000
3.	Painting - estimated cost	70,000
4.	Security Doors - estimated cost	2,500
5.	Remote Power Cutoff for Scoreboards - estimated cost	1,200

SAC - 3

<u>Item No.</u>	<u>Explanation</u>	<u>Present Status</u>	<u>Proposed Status</u>	<u>Effective Dates</u>
36.	Home Economics - Renovation of Research Facilities for Dr. Betty Haskell Transfer of Funds	From: Available University Fund Unappropriated Balance (Allocation for Academic and Research Development Projects)	To: Home Economics - Renovation of Research Facilities for Dr. Betty Haskell	---
	Amount of Transfer	\$ 75,000	\$ 75,000	---

(continued)

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
37.	Auxiliary Enterprises - Intercollegiate Athletics for Women Transfer of Funds	From: Intercollegiate Athletics for Women Unappropriated Balance via Estimated Income	To: Intercollegiate Athletics for Women Other Expenses \$ 53,860 Allocation for Budget Adjustments <u>9,750</u> <u>\$ 63,610</u>	---
	Amount of Transfer	\$ 63,610		
This will adjust the 1977-78 Budget for the following Special Events omitted from the 1977-78 Budget:				
	TAIAW Zone Basketball Championship (Feb. 23-25, 1978) Texas Classic (Jan. 26-28, 1978) AIAW Cross Country National Championships (Nov. 19, 1977) SEC Stanford Tennis (March 29, 1978) SWAIAW Regional Volleyball Championships (Nov. 18-19, 1977) USA-USSR Dual Swim Meet (April 15-16, 1978) Longhorn Tennis Camp (July 10-22, 1978) Biomechanics Workshop for Coaches (June 5-24, 1978) Actual Student Fee Income in Excess of Estimate		\$ 609.00 3,762.00 2,397.00 5,952.00 3,040.00 23,100.00 5,500.00 9,500.00 <u>9,750.00</u>	
	Total		<u>\$ 63,610.00</u>	
38.	Auxiliary Enterprises - Special Events Center Transfer of Funds	From: Special Events Center Unappropriated Balance via Estimated Income	To: Special Events Center - Salaries and Wages \$ 73,794 Other Operating Expenses 287,134 Allocation for Budget Adjustments <u>99,000</u>	---
	Amount of Transfer	\$ 459,928	<u>\$ 459,928</u>	

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THE UNIVERSITY OF TEXAS AT AUSTIN  
(continued)

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
39.	Plant Funds - Special Events Center Transfer of Funds	From: Available University Fund Unappropriated Balance (Allocation for Academic and Research Development Projects)	To: Special Events Center - Ventilation Projects and Machine Room Painting \$ 32,000 Internal Primary Power Distribution Circuits <u>42,500</u>	
	Amount of Transfer	\$ 74,500	<u>\$ 74,500</u>	---
40.	Plant Funds - Electron Microscope Laboratory Transfer of Funds	From: Available University Fund Unappropriated Balance (Allocation for Academic and Research Development Projects)	To: Electron Microscope Laboratory - Update Facilities for Dr. Dennis T. Brown	
	Amount of Transfer	\$ 60,000	\$ 60,000	---

SAC - 5

THE UNIVERSITY OF TEXAS AT EL PASO

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
8.	Kenneth M. DeWeese Intercollegiate Athletics Salary Rate	Assistant Basketball Coach \$ 11,950	Assistant Basketball Coach \$ 15,000	6/1/78
9.	Auxiliary Enterprises - Student Services Fee (Required) Transfer of Funds	From: Student Services Fee Unappropriated Balance via Estimated Income	To: Intramurals Activity Equipment \$ 6,110 Student Attorney Books and Equipment 753 Student Publications Production Equipment 18,500 Swimming Pool Equipment 3,698 Athletics Weight and Gym Equipment 17,735 Drama Playhouse Rear Screen 2,325 Band Marching Percussion Equipment 1,100 Ballet Video Tape Recorder 1,000 Dormitory Outdoor Furnishings 1,550 Student Programs License Fees 2,000 Day Care Project 6,000 Improvements to Memorial Gym 2,650 Conversion of Tennis Courts 12,000 Volleyball and Handball Courts Improvements 10,000 Intramurals Field Improvements 20,000	

THE UNIVERSITY OF TEXAS AT EL PASO  
(continued)

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
9.	Auxiliary Enterprises - Student Services Fee (Required) (Continued)		To: Student Publications Rehabilitation \$ 24,000 Student Publications Furnishings and Equipment 4,500 Swimming Pool Bulkhead <u>23,000</u>	
	Amount of Transfer	\$ 156,921	<u>\$156,921</u>	---

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
22.	Plant Funds - Special Projects and Equipment			
	Transfer of Funds	From: Unexpended Plant Funds - Special Project Allocation Fund	To: Special Projects and Equipment - Texas Medical Center Heating and Cooling Cooperative Association	
	Amount of Transfer	\$ 734,918	\$ 734,918	---

Pursuant to action taken by the Board of Regents at its meeting on April 15, 1977, approving participation by The University of Texas System in its efforts and commitments of the Texas Medical Center Heating and Cooling Cooperative Association to buy the Houston Natural Gas Corporation's thermal energy plant which is located on the campus of the Texas Medical Center, this is to request approval on behalf of The University of Texas Health Science Center at Houston to make payments to said cooperative at the time of closing, for the Health Science Center's pro-rata share of establishing an operating reserve (\$717,038) and establishing the Health Science Center's pro-rata units of interest (\$17,880).

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON  
(continued)

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
<u>Houston Dental Branch</u>				
23.	Don M. Ranly (Tenure) Physiology - Physiology and Preventive Dentistry - Pedodontics	Professor	Professor	
	Salary Rate	\$ 30,000	\$ 34,000	6/1/78

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO

SAC - 8

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
<u>San Antonio Medical School</u>				
Department of Anesthesiology				
Nurse Anesthetist				
38.	Carolyn A. Bluhm	\$ 17,004	\$ 24,564	6/1/78
39.	Wayne R. Bray	15,900	22,980	6/1/78
40.	Evelyn M. Naugle	18,180	26,268	6/1/78
41.	Patricia J. Olinder	19,440	28,080	6/1/78
42.	Audrey M. Robinson	17,004	24,564	6/1/78
43.	Barbara F. Roig	17,580	24,564	6/1/78
44.	Elizabeth A. Sabo	17,004	24,564	6/1/78
45.	Geraldine V. Sharpe	18,180	26,268	6/1/78
46.	Kathleen A. Tynan	15,900	22,980	6/1/78
47.	Shirley R. Wood	18,180	26,268	6/1/78

**Aca. & Dev.  
Affairs Com.**

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ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE  
Committee Chairman Sterling

Date: August 4, 1978

Time: Following the Meeting of the System Administration Committee

Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall  
Austin, Texas

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2. U. T. Austin: Proposed Policy for Supplemental Compensation for Athletic Coaches of All Sports in Department of Intercollegiate Athletics for Men Whose Teams Participate in Post-season Athletic Events	3
3. U. T. Austin: Proposed Appointment to E. W. Doty Professorship in Fine Arts for One Year Only Effective September 1, 1978	4
4. U. T. Austin: Request for Authority to Submit to Coordinating Board for Appropriate Action Joint Program by College of Engineering and Lyndon Baines Johnson School of Public Affairs Leading to Degrees of Master of Science in Engineering and Master of Public Affairs	4
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10. U. T. Dallas: Proposed Establishment of Aerospace Heritage Foundation, Inc. , and Articles of Incorporation (Amendment to <u>Regents' Rules and Regulation, Part One,</u> <u>Chapter VII, Section 3.17 to Conform</u> )	13
11. U. T. San Antonio and San Antonio Health Science Center: Proposal to Extend Authority of U. T. San Antonio to Award Degrees of B. S. in Medical Technology, B. S. in Occupational Therapy, and B. S. in Physical Therapy to San Antonio Health Science Center in Order that These Degrees May be Awarded Jointly and to Submit Pro- posal to Coordinating Board for Appropriate Action	20

## Documentation

1. U. T. System: Docket No. 7 of the President of the System. --

### RECOMMENDATION

It is recommended that Docket No. 7 of the President of the System be approved.

It is requested that the Committee confirm that authority to execute contracts, documents, or instruments approved therein has been delegated to the officer or official executing the same.

2. U. T. Austin: Proposed Policy for Supplemental Compensation for Athletic Coaches of All Sports in the Department of Inter-collegiate Athletics for Men Whose Teams Participate in Post-season Athletic Events. --

### RECOMMENDATION

The University of Texas at Austin requests Regental approval of a policy for supplemental compensation for athletic coaches whose teams are involved in post-season athletic contests. Such compensation is to be limited to eight percent of gross salary and will be made to coaches of all sports in the Department of Intercollegiate Athletics for Men whose teams are **approved** to participate in after-season NCAA championship events or equivalent competitions. The supplemental compensation will be granted only on recommendation of the Athletics Council with approval of the institutional head and the President of the System. Such compensation will come only from profits from the event or from private donations and may not exceed eight percent of the gross salary of the coach. The specific policy proposed by the Men's Intercollegiate Athletics Council is as follows:

It is the policy of the Athletics Council to recommend to the Administration supplementary compensation for coaches, who by participating in after-season championship events in NCAA or equivalent competition (in the judgment of the Council), have assumed more than normal mental, physical and time loads and who have achieved an outstanding team performance, and provided participation in such events produces income or donations to cover fully costs of the events (including supplementary compensations).

System Administration recommends approval.

### Additional Information

On October 6, 1962, the Board of Regents adopted a Bowl Game Policy which included among other things a policy for payment of extra compensation (8% of annual salary) for all football coaches for participation in bowl games.

3. U. T. Austin: Proposed Appointment to E. W. Doty Professorship in Fine Arts for One Year Only Effective September 1, 1978. --

RECOMMENDATION

President Rogers requests approval for the appointment of Elizabeth Mannion to the E. W. Doty Professorship in Fine Arts effective September 1, 1978, for one year. System Administration has reviewed this request and recommends its approval.

BACKGROUND INFORMATION

Professor Mannion is one of the outstanding voice teachers in this nation. She has served as Professor of Music at Indiana University and Florida State University and is an internationally renowned concert artist. Her qualifications are exceptional and her credits attest to her abilities and accomplishments. This request has the endorsement of the Dean of the College of Fine Arts and the Vice President for Academic Affairs. Professor Mannion's appointment to the Department of Music would be at the academic rate of \$24,500 with a \$6,000 supplement to be provided from the Doty Professorship endowment. The Doty Professorship was approved by the Board of Regents on September 16, 1977. This one year appointment is to be subject to review and possible reappointment in the subsequent year.

This will not be the first appointee to this professorship since there was an appointee for the month of February when a visiting professor was appointed.

If approved, details of the appointment will be reported in a subsequent docket.

4. U. T. Austin: Request for Authority to Submit to Coordinating Board for Appropriate Action Joint Program by College of Engineering and Lyndon Baines Johnson School of Public Affairs Leading to Degrees of Master of Science in Engineering and Master of Public Affairs (Catalog Change). --

RECOMMENDATION

U.T. Austin requests approval of an integrated program in the College of Engineering and the LBJ School of Public Affairs, which will lead to the simultaneous award of the Master of Science in Engineering and Master of Public Affairs degrees upon completion of the program. System Administration has carefully reviewed this program and recommends its approval. Further, this request will be communicated with the Commissioner of Higher Education for appropriate action if approved by the Board of Regents.

BACKGROUND INFORMATION

This proposed joint program leading to degrees for a Master of Science in Engineering and a Master of Public Affairs is intended to fulfill a need for those engineers who seek advanced training in both engineering and public affairs so they may strengthen their preparation for engineer/executive roles in public policy-making areas. No new degree programs are involved since both the M.S. in Engineering and the Master of Public Affairs are already authorized. Students that complete the joint program will have completed the requirements for the separate degrees of Master of Science in Engineering and Master of Public Affairs. The integrating link is a series of policy research seminars which emphasize engineering questions. Also, the required internship with an appropriate agency will involve activities related to both engineering and public policy. All applicants for this program will be graduate engineers and will separately and independently meet the qualifications for admission to graduate programs in the College

of Engineering and the LBJ School of Public Affairs. The program will be jointly administered by the College of Engineering and the LBJ School of Public Affairs through a committee with representation from the faculty of each unit.

**Secretary's Note:** If this recommendation is approved, the minute order will reflect that after the program is approved by the Coordinating Board, the next appropriate catalogs published will be amended to reflect this action.

5. U. T. Austin: Request for Authorization to Submit Proposal to Coordinating Board to Establish a New Teacher Certificate Program, Teachers of Young Children, in College of Education (Catalog Change). --

#### RECOMMENDATION

It is recommended by President Rogers and System Administration that approval be given to establish a new Teacher Certificate Program, Teachers of Young Children. The program will constitute Career Option VII in the Bachelor of Science in Education program in the College of Education. If approved by the Board of Regents the proposal will be transmitted to the Coordinating Board for its consideration and will become effective upon its approval.

#### BACKGROUND INFORMATION

The Teachers of Young Children Certificate program is responsive to the June 1977 action of the State Board of Education which established this new teaching certificate. The program is designed for certification of those who are to teach children ages three through eight. The proposal was developed jointly by the Child Development group in the Department of Home Economics and the Early Childhood Education group in the Department of Curriculum and Instruction. The program will enhance the job possibilities of both kindergarten and nursery school teachers by certifying them to teach kindergarten children in the public schools of Texas. Existing faculty and facilities are adequate for the program and no increased costs are anticipated.

**Secretary's Note:** If this recommendation is approved by the Board of Regents, the minute order will read that when and if this item is approved by the Coordinating Board the next appropriate catalog published at U. T. Austin will be amended to reflect this action.

6. U. T. Austin: Proposed Amendments to Declaration of Trust Executed by Board of Operating Trustees of Student Publications. --

#### BACKGROUND INFORMATION

On September 8, 1971, the Board of Regents adopted a Declaration of Trust with the Board of Operating Trustees for Student Publications. On March 15, 1974, and again on December 12, 1975, the Board of Regents adopted revisions to the Declaration of Trust. In recent years the Texas Student Publications' Board of Operating Trustees has proposed additional changes in the Declaration of Trust. Five of those proposed changes are now ready for consideration by the Board of Regents.

## RECOMMENDATIONS

- (a) President Rogers recommends and System Administration concurs that Sections 5, B, 6, and 17 should be amended as stated below:

### Section 5, B

Two undergraduate students elected at large from the student body of The University of Texas at Austin (one to be elected in even-numbered years and one to be elected in odd-numbered years after the initial election, at the first election under these rules both shall be elected with provision for staggered terms as hereinafter set out) at the same time as the editor of The Daily Texan, pursuant to Section 11 hereof. If the President of the Students' Association is not one of the students elected at the election, then the President of the Students' Association shall serve as an ex-officio member of the Board of Operating Trustees without vote. A student who qualifies as a candidate under Section 5, A, shall be neither qualified as a candidate nor eligible to serve as an at-large member of the board.

### Section 6

Voting members of the Board of Operating Trustees shall serve a term of two years beginning June 1 of each calendar year. No voting member shall serve more than four years consecutively. However, in order to provide staggered terms, the following procedure shall be used concerning the first Board of Operating Trustees under this section, to take office June 1, 1972.

### Section 17

There shall be established within the Board of Operating Trustees a Review Committee which shall be composed of one member of the journalism faculty, one Journalism or Advertising student, and one professional newspaperman. Such members are to be elected by the Operating Trustees out of the membership of the Board of Operating Trustees. All appeals on material withheld from publication by the Editorial Manager, or respective publications supervisors, shall be considered by the Review Committee within 24 hours of the action. A decision of the Review Committee may be appealed to the Operating Trustees, but seven affirmative votes of the Operating Trustees are required to overrule said decision of the Review Committee. In all such matters, the actions of the Operating Trustees shall be final and complete without review outside the Operating Trustees.

- (b) It is the recommendation of President Walker, and President Rogers now concurs, that Section 13 should be changed as stated below:

### Section 13

There shall be an Executive Committee of the Board of Operating Trustees to be composed of three faculty members and two [journalism] students from the Department of Journalism and/or the Department of Advertising to be elected by the Board of Operating Trustees from its membership.

When the original Declaration of Trust was adopted, advertising students were a part of the Department of Journalism. With the existence of a Department of Advertising and the current interest in media management training within the School of Communication, it seems advisable to provide an amendment that best meets the needs of those students.

If this recommendation is adopted by the Board of Regents, it will be submitted to the Board of Operating Trustees for their reconsideration. Their amendment proposed that two student Board members from any department within The University of Texas at Austin should be considered eligible to serve on the Executive Committee.

- (c) President Rogers recommends the adoption of Section 14. System Administration supports the adoption of this change with the understanding that everything in Section 14 is subject to the provisions of Section 24. \*

#### Section 14

The Executive Committee shall appoint a general manager who shall be selected annually during the month of May for the fiscal year beginning September 1. The Executive Committee shall determine the compensation of the General Manager. The duties of the General Manager shall be prescribed by the Executive Committee, subject to the basic policies set forth by the Operating Trustees. The Editorial Manager(s) will be appointed by the Executive Committee, subject to basic policies set forth by the Operating Trustees. The Executive Committee shall determine the compensation of the Editorial Manager(s). The duties of the Editorial Manager(s) shall be prescribed by the Executive Committee, subject to basic policies set forth by the Operating Trustees. The Editorial Manager of The Daily Texan shall be authorized to coordinate the activities between The Daily Texan and the Department of Journalism so as to secure the most effective use of the journalism laboratories and classes in the preparation of material for The Daily Texan. The Executive Committee shall fix the compensation of all editorial workers on student publications, subject to the final approval of the Operating Trustees. The Executive Committee shall appoint and fill all vacancies for Editor and Managing Editor of every publication, except The Daily Texan, and shall fix their compensation subject to final approval of the Operating Trustees at their next regular meeting.

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#### \* Section 24

Subject to Section 23 of this Declaration of Trust, the Operating Trustees shall have the authority: (1) to appoint the Managing Editor of The Daily Texan from among qualified students; (2) to take disciplinary action against the employees, editors, editorial workers and staff members of student publications, including the removal from office after due notice, for a violation of the policies of the Operating Trustees or for nonperformance of duties; such removal shall require a majority vote (action of the Operating Trustees in the matter of the appointment, discipline and removal of editors shall be final and complete); provided, however, that no action taken by the Operating Trustees with respect to the employment, dismissal, salary or duties and responsibilities of either the General Manager or the Editorial Manager(s) shall have any force or effect until it has been approved by the Board of Regents; and (3) to determine the character and policies of all student publications.

7. U. T. Austin: Consideration of Student Referendum to Amend Constitution of Students' Association (Deletion of Section 9.1). --

RECOMMENDATION

It is recommended by President Rogers and concurred in by System Administration that Section 9.1 of the Constitution of the Students' Association at The University of Texas at Austin not be deleted as proposed in a student referendum held on April 26, 1978, in which 919 students voted to delete the section and 170 voted to retain it.

Proposal and Background Information of President Rogers:

July 3, 1978

Mr. E. D. Walker  
President  
The University of Texas System  
OHH 405

U.T. SYSTEM - President's Office	
REC'D	JUL 5 1978
TO _____	FOR INFO AND RETURN
TO _____	PLEASE ADVISE ME
TO _____	PLEASE HANDLE

Dear President Walker:

I am forwarding a recommendation from the Dean of Students and the Vice President for Student Affairs concerning the April 26, 1978, student referendum election on Section 9.1 of the Students' Association Constitution. Section 9.1 reads:

"This constitution and laws of the Students' Association and amendments hereto, are subject to the provisions of the Rules and Regulations of the Board of Regents of the University of Texas System."

In that referendum, 919 students voted to delete the section from the constitution and 170 students voted to retain it, according to published reports of the election results. Normally, the referendum results would be formally certified by the Students' Association and recommendations stemming therefrom would be forwarded to the administration by the Association. Since the governing structure of the Association had been abolished in early April, the Dean of Students had requested the chairman of the Election Commission to certify the results of the referendum, but the chairman of the Commission was unable to do so prior to his departure from campus for the summer. Accordingly, the Dean of Students recommends that the results of the referendum be considered certified on the basis of proper public notice of referendum results published in The Daily Texan on April 27, 1978.

As required under the Rules and Regulations of the Board of Regents, Part One, Chapter VI, Section 5.12, the Dean of Students has received this recommendation to amend the Students' Association constitution and has now recommended to me that it not be approved. This recommendation is concurred in by the Vice President for Student Affairs for the following reasons:

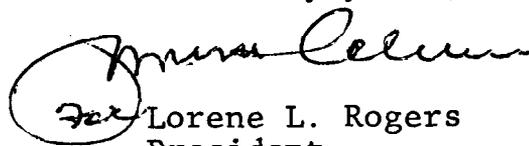
- a) If the recommended amendments of the Students' Association Constitution were approved the Association would be outside the jurisdiction of the Board of Regents of the University of Texas System. By virtue of the fact that

the existence of a Students' Association is authorized by Regents' Rules and participates in the allocation of funds from student services fees, it would be unreasonable to remove the Association from jurisdiction of the Board.

- b) Since the governing structure of the Students' Association was deleted on the basis of a student referendum and subsequent administrative and Regental approval earlier this year, it seems inappropriate to consider further amendments to the Students' Association Constitution at this time.

I concur in the recommendations of the Dean of Students and the Vice President for Student Affairs and, accordingly, recommend to you that the proposal to amend the Students' Association Constitution by deletion of Section 9.1 not be approved. Subject to your concurrence, I ask that this matter be submitted to the Board of Regents for consideration at the August meeting.

Sincerely yours,

  
Lorene L. Rogers  
President

System Administration concurs and submits the following statement:

RECOMMENDATION

President Rogers has transmitted to System Administration the results of the April 26, 1978, Student Referendum in which 919 students voted to delete Section 9.1 from the Constitution of the Students' Association while 170 students voted to retain it. Section 9.1 reads as follows:

"This Constitution and Laws of the Students' Association and amendments thereto, are subject to provisions of the Rules and Regulations of the Board of Regents of the University of Texas System."

President Rogers endorses the recommendations of the Dean of Students and the Vice President for Student Affairs that this proposal not be approved. System Administration concurs with President Rogers' recommendation that Section 9.1 of the Constitution of the Students' Association not be deleted.

BACKGROUND INFORMATION

The Students' Association is authorized by the Regents' Rules and Regulations and participates in the allocation of funds from the student services fee. So long as these conditions exist, it is the view of System Administration that it would be legally and administratively inappropriate for the Board to accede to the results of this Referendum. Further, in view of the fact that the governing structure of the Students' Association was abolished as a result of an earlier student referendum and subsequent administrative and Regental approval, it is inappropriate to consider further amendments of the Students' Association Constitution at this time. This matter is brought to the Board of Regents for action in view of the fact that Part One, Chapter VI, Section 5.12 of the Regents' Rules and Regulations requires that any changes in the Constitution of the Students' Association will not become effective until transmitted to and acted upon by the Dean of Students, the institutional head, and the President of the System, and approved by the Board of Regents.

Both System Administration and the Board of Regents voiced concern when the students voted to abolish student government at U.T. Austin, since the belief remains that some sort of democratic student government organization is essential for student input concerning academic programs and student activities to be formally transmitted to the administration and the Board of Regents. This concern remains and the Board of Regents has instructed the administration of U.T. Austin to make every effort to assist in the re-establishment of a student government organization at U.T. Austin at the earliest possible time.

**Secretary's Note:** This constitution was adopted on July 27, 1972, and the only amendments thereto were adopted on April 7, 1978.

8. U. T. Austin and U. T. Permian Basin: Recommendation to Establish Center for Advanced Petroleum Technology in Midland-Odessa Area of the Permian Basin Under Auspices of U. T. Austin in Cooperation with U. T. Permian Basin and to Submit to Coordinating Board for Appropriate Action. --

#### RECOMMENDATION

System Administration recommends that a Center for Advanced Petroleum Technology be established effective September 1, 1978, in the Midland-Odessa area under the auspices of the College of Engineering of The University of Texas at Austin in cooperation with The University of Texas of the Permian Basin. Both The University of Texas at Austin and The University of Texas of the Permian Basin support this recommendation. Any degrees granted under this program will be by The University of Texas at Austin from those that are currently authorized in the College of Engineering. If approved by the Board of Regents, the proposal will be forwarded to the Coordinating Board for information and appropriate action.

#### BACKGROUND INFORMATION

The Center for Advanced Petroleum Technology will provide high quality professional continuing education/training programs in the Permian Basin area. These programs will serve the very pressing needs of the petroleum industry and related industries in meeting the technological challenges of developing new sources of oil and gas. As a cooperative venture of two component institutions of The University of Texas System, the System can bring to bear a highly efficient utilization of educational resources to serve the state and its economy.

For several months a means to serve the education needs of the usually large concentration of engineers and other technical professional staff in the petroleum industry concentrated in the Midland-Odessa area has been under study by the U.T. System involving representatives of the oil and gas industry, and U.T. Austin and U.T. Permian Basin. This proposed program has resulted, and it will be a cooperative effort using the strengths of both U.T. Austin and U.T. Permian Basin as well as the support of the technical experts in the industry.

The first courses are expected to be offered in January 1979. Facilities used will include those of The University of Texas of the Permian Basin as well as selected field sites made available by the petroleum industry. The Center will have an advisory council with representation from U.T. Austin, U.T. Permian Basin, and the petroleum industry. The Center is designed to operate as a financially self-supporting continuing education activity.

**Secretary's Note:** If this proposal is approved by the Board of Regents, the minute order will state that when the item has been approved by the Coordinating Board the next catalogs published by the institutions involved will be revised to reflect this action.

9. U. T. Austin and U. T. San Antonio: Request to Implement Program for U. T. Austin to Provide Graduate Engineering Training in San Antonio in Cooperation with U. T. San Antonio and to Submit Program to Coordinating Board for Appropriate Action (Catalog Change). --

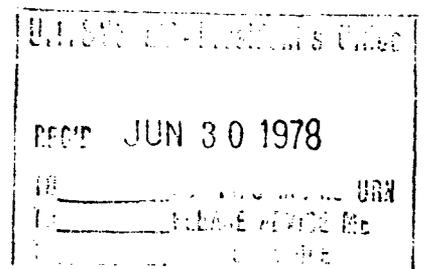
#### RECOMMENDATION

It is recommended jointly by President Rogers and Acting President Wagener and concurred in by System Administration that a program be implemented on September 1, 1978, whereby The University of Texas at Austin will provide graduate engineering training in San Antonio in cooperation with The University of Texas at San Antonio.

If this program is approved by the Board of Regents, it will be transmitted to the Coordinating Board for appropriate action.

#### Background Information and Proposal of President Rogers:

June 29, 1978



Mr. E. D. Walker  
President  
The University of Texas System  
OHH 405

Dear President Walker:

On June 21, 1978, I forwarded to you with my approval the draft "Proposal to Extend Graduate Engineering Course Offerings and Degree Programs," a joint proposal from The University of Texas at Austin and The University of Texas at San Antonio. This proposal has been discussed by representatives of both institutions, and both Acting President Wagener and I have endorsed its substance.

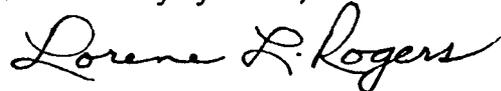
The objective of the proposal is to provide needed professional educational services in the San Antonio area through a program of graduate level resident instruction courses in the fields of Electrical Engineering, Civil Engineering and Mechanical Engineering administered by the College of Engineering and approved by the Graduate School. All faculty participating in this program will hold appropriate appointment in the Graduate Faculty of The University of Texas at Austin. Individuals will be admitted to the program as graduate students of The University of Texas at Austin and must meet all the admission requirements of the Graduate School. The program will provide courses of instruction leading to the Master's degree in the areas of Electrical Engineering, Civil Engineering and Mechanical Engineering awarded by The University of Texas at Austin, and I note thereby that this does not constitute a new degree program.

Acting President Wagener and I are now prepared to implement this program on September 1, 1978. A full range of coursework cannot be made available immediately, but it is anticipated that the several instructional areas will be phased in during the 1978-79 academic year. Preliminary budget estimates are provided in the draft proposal and should be considered as information only, pending the

development of specific details during the first phase of the program. Final budget requirements will be submitted to you for review and subsequent approval by the Board of Regents.

I approve the implementation of this program effective September 1, 1978, and subject to your concurrence, request that it be submitted to the Board of Regents for consideration. Acting President Wagener has informed me that he will by separate letter concur in this recommendation.

Sincerely yours,



Lorene L. Rogers  
President

System Administration concurs and submits the following statement:

#### Recommendation

System Administration recommends that a program be implemented effective September 1, 1978, for The University of Texas at Austin to provide graduate engineering training in San Antonio in cooperation with The University of Texas at San Antonio. The programs to be implemented initially are the Master of Science degrees in Civil Engineering, Electrical Engineering and Mechanical Engineering. These degree programs are currently authorized at U.T. Austin, so no new degree programs are being proposed. This program in San Antonio will utilize engineering faculty from U.T. Austin to be located in San Antonio as well as other U.T. Austin faculty through a communication link for television instruction or by traveling to San Antonio to teach special courses not otherwise available. Also, the U.T. San Antonio faculty will be involved in teaching appropriate supporting courses for this program. If approved by the Board of Regents, this program will be transmitted to the Coordinating Board for appropriate action.

#### Background Information

There have been many requests for graduate training for baccalaureate degree engineers in San Antonio. These efforts led to a detailed analysis supported by the San Antonio Chamber of Commerce to determine the magnitude of this graduate engineering education need. System Administration has supported the concept that such a program could be best provided by utilizing the strong engineering programs at U.T. Austin with U.T. San Antonio being an active cooperator and contributor to the program. The major details of the program have been worked out by officials at U.T. Austin and U.T. San Antonio and both President Rogers and Acting President Wagener have recommended its approval. This program has the strong support of officials at San Antonio and will meet a very real need for engineering training in that area without the cost of attempting to develop an engineering program at U.T. San Antonio.

**Secretary's Note:** If this program is approved by the Board of Regents, the minute order will state that when the program is approved by the Coordinating Board the next appropriate catalogs published by the institutions involved will be revised to reflect this action.

10. U. T. Dallas: Proposed Establishment of Aerospace Heritage Foundation, Inc., and Articles of Incorporation (Amendment to Regents' Rules and Regulations, Part One, Chapter VII, Section 3.17 to Conform). --

RECOMMENDATION

System Administration recommends approval of the request of President Jordan that the proposed Aerospace Heritage Foundation, Inc., be established. The Articles of Incorporation\*and purpose of the internal foundation have been reviewed by the Office of Academic Affairs and approved. The Office of General Counsel has approved the proposed Foundation Charter as to form.

BACKGROUND INFORMATION

The University of Texas at Dallas is in the process of building one of the major collections in the country on the history of aviation. However, much of the financial support for this type of special collection activity must come from private sources. To aid in soliciting private funds to be used to insure the growth and viability of collections in aviation history at U.T. Dallas, it is appropriate to create an internal foundation for this purpose, to be organized as a Texas nonprofit corporation. As proposed, the Board of Directors of the Foundation would be appointed and the Bylaws of the Foundation approved by the Board of Regents of The University of Texas System. The Foundation will be designed to operate under Section 501(c)(3) of the U.S. Internal Revenue Code.

If this proposal is approved, it is recommended that the Regents' Rules and Regulations, Part One, Chapter VII, Section 3.17 be amended to include this foundation.

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\*The Articles of Incorporation are set out on Pages A&D 14-19 .

ARTICLES OF INCORPORATION  
OF  
THE AEROSPACE HERITAGE FOUNDATION, INC.

We, the undersigned natural persons of the age of twenty-one (21) years or more, at least two (2) of whom are citizens of the State of Texas, acting as incorporators of a non-profit corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such non-profit corporation.

ARTICLE I

The name of the corporation is THE AEROSPACE HERITAGE FOUNDATION, INC.

ARTICLE II

The corporation is a non-profit corporation.

ARTICLE III

The period of its duration is perpetual.

ARTICLE IV

The corporation shall have no members.

ARTICLE V

(a) The corporation is formed for exclusively charitable, educational, and scientific purposes. It shall receive property (whether real, personal, or mixed) by donations, gift, grant, devise, bequest, or purchase and shall maintain a fund or funds of real or personal property, or both, and, subject to the restrictions and limitations hereinafter set forth, use and apply the whole or any part of the income therefrom and the

principal thereof for the acquisition, maintenance, development, preservation, and protection of library and memorabilia collections having to do with aerospace heritage. The corporation's stated goal will be to build at The University of Texas at Dallas an unexcelled collection of materials on the subject of aerospace heritage. However, from time to time, the corporation may use its assets to assist in aerospace heritage efforts at other general academic components of The University of Texas System. The corporation shall not distribute its assets (other than operating expenses) outside The University of Texas System.

(b) No part of the net earnings of the corporation shall inure to the benefit of any Director of the corporation, officer of the corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the corporation affecting one or more of its purposes), and no Director or officer of the corporation, or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the corporation. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting, to influence legislation, and the corporation shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

(c) The corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws.

(d) The corporation shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws.

(e) The corporation shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws.

(f) The corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws.

(g) The corporation shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws.

(h) Notwithstanding any other provision of these Articles of Incorporation, the corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended, or by an organization, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code and Regulations as they now exist or as they may hereafter be amended.

(i) Upon liquidation, dissolution, or winding up of the affairs of the corporation, whether voluntary or involuntary or by operation of law, all the net assets of the corporation after the payment of all liabilities shall be distributed to the Board of Regents of The University of Texas System for the use and benefit of The University of Texas at Dallas. In no event shall such assets or the proceeds therefrom be subject to appropriation by the Legislature or become a part of the Permanent University Fund.

#### ARTICLE VI

The street address of the initial registered office of the corporation is 2201 Waterview Drive, Richardson, Texas, 75080 and the name

of the initial registered agent at such address is STEWART C. FALLIS whose commonly used mailing address is P. O. Box 688, Richardson, Texas, 75080.

#### ARTICLE VII

The corporation shall accept gifts for specific purposes only so long as the purposes are in accord with the programs and policies established by the Board of Regents of The University of Texas System.

#### ARTICLE VIII

Neither The University of Texas System, nor any official thereof, nor any Director, Officer or Agent of this Corporation, shall ever be personally liable for any debt, or other obligation, of the corporation.

#### ARTICLE IX.

The direction and management of the affairs of the corporation and the control and disposition of its property and funds shall be vested in a board of directors composed of persons appointed by the Board of Regents of The University of Texas System. The number of persons on the board of directors may be fixed by the bylaws of the corporation, which bylaws shall not be effective until they shall have been approved by the Board of Regents. All amendments to this charter and to the bylaws shall be adopted by majority vote of the board of directors of the corporation in compliance with law and shall not be effective until they shall have been approved by the Board of Regents of The University of Texas System. Until changed pursuant to the bylaws, the number of the directors shall be five (5).

The names and addresses of the persons who shall serve as directors of the corporation until their successors are duly appointed and

qualified are as follows:

James L. Crowson  
P. O. Box 688  
Richardson, Texas 75080

James T. Fitzpatrick  
201 West 7th Street  
Austin, Texas 78701

George Haddaway  
P. O. Box 688  
Richardson, Texas 75080

H. Bryce Jordan  
P. O. Box 688  
Richardson, Texas 75080

E. D. Walker  
601 Colorado Street  
Austin, Texas 78701

ARTICLE X

The names and addresses of the incorporators are as

follows:

James L. Crowson  
P. O. Box 688  
Richardson, Texas 75080

James T. Fitzpatrick  
201 West 7th Street  
Austin, Texas 78701

George Haddaway  
P. O. Box 688  
Richardson, Texas 75080

IN WITNESS WHEREOF we have hereunto set our hands.

\_\_\_\_\_  
JAMES L. CROWSON

\_\_\_\_\_  
JAMES T. FITZPATRICK

\_\_\_\_\_  
GEORGE HADDAWAY

THE STATE OF TEXAS I  
                                  I  
COUNTY OF TRAVIS I

I, \_\_\_\_\_, a Notary Public, do hereby certify that on the \_\_\_\_\_ day of \_\_\_\_\_, 1978, personally appeared JAMES T. FITZPATRICK, who being by me first duly sworn declared that he is the person who signed the foregoing document as incorporator and that the statements therein contained are true.

\_\_\_\_\_  
Notary Public in and for Travis  
County, Texas

THE STATE OF TEXAS I  
                                  I  
COUNTY OF DALLAS I

I, \_\_\_\_\_, a Notary Public, do hereby certify that on the \_\_\_\_\_ day of \_\_\_\_\_, 1978, personally appeared JAMES L. CROWSON and GEORGE HADDAWAY who each being by me duly sworn severally declared that they are the persons who signed the foregoing document as incorporators and that the statements therein contained are true.

\_\_\_\_\_  
Notary Public in and for Dallas  
County, Texas

11. U. T. San Antonio and San Antonio Health Science Center: Proposal to Extend Authority of U. T. San Antonio to Award Degrees of B. S. in Medical Technology, B. S. in Occupational Therapy, and B. S. in Physical Therapy to San Antonio Health Science Center in Order that These Degrees May be Awarded Jointly and to Submit Proposal to Coordinating Board for Appropriate Action (Catalog Change). --

## RECOMMENDATIONS

### Joint Recommendation of Acting President Wagener and President Harrison:

Dear Mr. Walker:

We seek authorization of the Board of Regents to make the following changes in the academic degree programs of our two institutions:

1. The baccalaureate degrees in physical therapy and occupational therapy authorized for The University of Texas at San Antonio would be listed as joint degrees between that institution and The University of Texas Health Science Center at San Antonio and will be developed cooperatively. Both institutions will be named on the diplomas.

2. The baccalaureate degree program in medical technology would have two options: an integrated program option offered jointly by The University of Texas at San Antonio and The University of Texas Health Science Center at San Antonio, and a traditional program option from UTSA only.

The former option will be developed cooperatively and both institutions will be named on the diplomas. The number of students taking this route would be restricted to the clinical teaching places available through the Health Science Center and its affiliates. Students would be admitted jointly by both institutions. A mixture of academic course work and clinical experience, designed to integrate conceptual and practice learning tasks, would be scheduled throughout the four years.

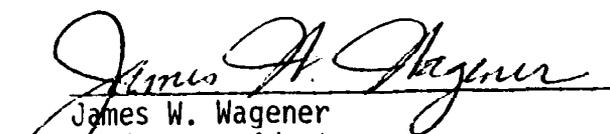
The latter option, a traditional program of three years of course work in a general academic institution plus one year in a clinical setting, will remain solely a UTSA program. Admission will be by UTSA only and the diploma will bear only that institution's name.

Authorization for these three programs was given to UTSA as a part of the list of offerings approved for that institution by the Coordinating Board on April 21, 1972. In planning for the implementation of these programs it is apparent that benefits from combining the resources of UTSA and the Health Science Center in these degrees are manifold. The joint programs will be stronger academically; clinically and professionally more relevant; and less duplicative of faculty, equipment, and facilities.

We recommend these changes and seek your support in submitting them to the Regents for their consideration at the August 4 meeting.

Subsequent to Regental approval, these programs will be submitted to the Coordinating Board for approval.

Sincerely yours,

  
James W. Wagener  
Acting President  
The University of Texas  
at San Antonio

  
Frank Harrison  
President  
The University of Texas Health Science  
Center at San Antonio

System Administration concurs and submits the following statement:

RECOMMENDATION

The University of Texas at San Antonio currently has authorization to offer baccalaureate degrees in physical therapy, occupational therapy, and medical technology. Acting President Wagener and President Harrison jointly propose that the authority for offering these degrees be extended to The University of Texas Health Science Center at San Antonio so that these degrees may be offered jointly by the two institutions with the name of both institutions appearing on the diploma. In summary form the authority for offering these degrees would be:

Bachelor of Science in Medical Technology

- a. Authorized to be jointly offered by U.T. San Antonio and the San Antonio Health Science Center as an integrated program with enrollment limited by clinical teaching places available at the Health Science Center. This would be a joint degree with the name of both institutions appearing on the diploma.
- b. The authorization for U.T. San Antonio to offer the degree alone in the format whereby students take three years of academic training at U.T. San Antonio followed by one year of clinical training at an approved hospital school of medical technology is retained.

Bachelor of Science in Occupational Therapy

Extend the authorization for this degree to the San Antonio Health Science Center so it may be offered as a joint degree by U.T. San Antonio and the San Antonio Health Science Center with both institutions participating in the educational activities, and the name of both institutions appearing on the diploma.

Bachelor of Science in Physical Therapy

Extend the authorization for this degree to the San Antonio Health Science Center so it may be offered as a joint degree by U.T. San Antonio and the San Antonio Health Science Center with both institutions participating in the educational activities, and the name of both institutions appearing on the diploma.

System Administration has reviewed the proposals and recommends approval. If approved by the Board of Regents, the proposals for the authorization for the San Antonio Health Science Center to participate in the jointly offered Bachelor of Science in Medical Technology, the Bachelor of Science in Occupational Therapy, and the Bachelor of Science in Physical Therapy will be forwarded to the Coordinating Board for appropriate action.

BACKGROUND INFORMATION

U.T. San Antonio currently has Regental and Coordinating Board authority to offer the B.S. in Medical Technology, B.S. in Occupational Therapy, and B.S. in Physical Therapy. There have been efforts underway for more than a year to develop closer cooperation between the two component institutions in San Antonio so that these educational programs could benefit from the strengths at both institutions. The plans for the integrated joint degree programs have been developed with input from faculties of both institutions and reviewed at all levels. The proposals are not for a new degree program, but to strengthen the degrees and involve the Health Science Center in the award of the degrees.

Facilities for the program are already provided. Funds for the program at U.T. San Antonio will come from formula generated revenue. The funding for the San Antonio Health Science Center part of the program will be in their budget request. The joint degree programs will be administered by appropriate U.T. San Antonio/San Antonio Health Science Center steering committees with members cross-appointed as appropriate.

**Buildings &  
Grounds Com.**

Report of the Buildings & Grounds Commission

**BUILDINGS AND GROUNDS COMMITTEE**  
Committee Chairman Bauerle

Date and Time: August 3, 1978 at 2:00 p. m. -- Items on this Agenda to Be Discussed and Acted On

August 4, 1978 - This Committee will reconvene following the meeting of the Academic and Developmental Affairs Committee if the business of the B&G Committee is not completed at its meeting on Thursday, August 3, 1978.

Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall  
Austin, Texas

Page  
B&G

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August 3-4, 1978

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Documentation

1. Student Housing: Recommended Consulting Architect. --

ALBERT S. KOMATSU & ASSOCIATES	FT. WORTH, TEXAS
GEREN ASSOCIATES	FT. WORTH, TEXAS
CORGAN ASSOCIATES, INC.	DALLAS, TEXAS
HARPER, KEMP, CLUTTS & PARKER	DALLAS, TEXAS
BERAN & SHELMIRE	DALLAS, TEXAS

1. U. T. ARLINGTON: STUDENT HOUSING - REQUEST FOR AUTHORIZATION FOR FEASIBILITY STUDY, APPOINTMENT OF CONSULTING ARCHITECT AND APPROPRIATION THEREFOR

#### BACKGROUND INFORMATION

At the February 1978 meeting of the Board, the U. T. Arlington Administration presented a detailed report on housing requirements to serve projected enrollments of approximately 20,000 students in 1980 and 25,000 students in 1985. The concept of accommodating a minimum of 15% of the student enrollment in University-owned housing through phased construction received Board approval. In addition, the Board authorized U. T. Arlington Administration and System Administration to develop funding recommendations to support expansion of student housing on the campus.

Bond Advisor has estimated that only 75 percent of the total cost should be financed through sale of student housing bonds. An application submitted in July 1978 for Federal assistance under Title IV of the College Housing Program may receive favorable consideration. Therefore, funding for the needed expansion of U. T. Arlington student housing will likely require sale of student housing bonds, assistance under the College Housing Loan Program of the Department of Housing and Urban Development, and sale of other types of revenue bonds.

It is considered advantageous to start a feasibility study to define the project scope and to develop a cost estimate for phased construction of student housing at The University of Texas at Arlington.

#### RECOMMENDATIONS

President Nedderman and System Administration recommend that the Board:

- a. Authorize a feasibility study to define the required functions, project scope, campus site location, and estimated cost of Student Housing at The University of Texas at Arlington
  - b. Appoint a consulting architect from a list to be submitted at the meeting to work with a Planning Committee from The University of Texas at Arlington and The University of Texas System Office of Facilities Planning and Construction on the feasibility study, with recommendations to be brought to a future Board meeting for consideration
  - c. Appropriate \$20,000 from The University of Texas at Arlington Housing System Account for the feasibility study including fees and other related expenses.
2. U. T. AUSTIN: LITTLE CAMPUS BUILDINGS - (PROJECT NO. 102-395) - REPORT OF FEASIBILITY STUDY; REQUEST FOR PROJECT AUTHORIZATION; REQUEST TO APPOINT PROJECT ARCHITECT TO PREPARE PRELIMINARY PLANS AND APPROPRIATION FOR FEES

#### BACKGROUND INFORMATION

In accordance with authorization of the Board of Regents at its meeting on November 11, 1977, a Feasibility Study with construction cost estimates has been completed by the Architectural Consultant, Beran & Shelmire, Dallas, Texas, for consideration of the preservation of Building "C", the restoration of Building "H" and site development for the preservation of the grove of trees on the U. T. Austin Little Campus site.

For purposes of the Feasibility Study, the functional reuse of the 5,532 gross square feet of Building "C" has been assumed as museum space. The functional reuse of the 20,376 gross square feet of Building "H" has been assumed to be office space. These assumptions were made for preparation of cost estimates in the absence of any known U. T. Austin high priority needs for reusing the two buildings. If other programmatic functions were deemed desirable, changes in cost may possibly be incurred.

The explorations conducted for the Feasibility Study indicate that both Building "C" and Building "H" have some structural deficiencies and general deterioration attributable to age and numerous revisions and modifications. The Architectural Consultant, Beran & Shelmire, utilized the expertise of an area contractor experienced in historic building preservation and restoration for the explorations and development of cost estimates. All of the cost estimates were based on the assumed functions of museum space for Building "C" and office space for Building "H". Preliminary total project cost estimates, in excess of comparable new construction, indicate a Building "C" unit cost of \$176 a gross square foot for total building preservation and a Building "H" unit cost of \$95 a gross square foot for total building restoration and adaptive reuse. The cost estimates are based on July 1978 construction costs plus anticipated escalation to a September 1979 bid date. Approximately fourteen months will be required for development of preliminary plans, project approval by the Coordinating Board, final plan preparation and competitive bidding procedure.

In recognition of possible limited availability of funding for the preservation and restoration project, the Office of Facilities Planning and Construction has prepared various total project cost estimates which range as follows:

- 1) Minimum expenditure - "mothballing" of each building.
- 2) Median expenditure - building exteriors only.
- 3) Maximum expenditure - total preservation of Building "C" interior and exterior and total restoration of Building "H" exterior and adaptive reuse of interior.
- 4) Site Development estimates supporting one or both buildings.
- 5) Perimeter wall for either Site Development.

The tabulation below lists nine possible items:

<u>Division</u>	<u>T.P.C.</u>
No. 1 - Building "C" "mothballed"	\$ 10,000
No. 2 - Preserve Building "C" exterior only, circa 1859	544,000
No. 3 - Preserve Building "C" interior and exterior, circa 1859	\$ 976,000
No. 4 - Building "H" "mothballed"	22,000
No. 5 - Restore Building "H" exterior only, circa 1900	622,000
No. 6 - Restore Building "H" exterior circa 1900 with interior adapted for reuse	1,935,000
No. 7 - Site Development PLAN ONE supporting Building "C", Building "H", grove of trees and 84 parking spaces	499,000

- |  |         |
|--|---------|
| No. 8 - Site Development PLAN TWO supporting Building "C", grove of trees and 151 parking spaces | 513,000 |
| No. 9 - Perimeter wall for either Site Development PLAN ONE or Site Development PLAN TWO         | 153,000 |

The completed Feasibility Study by Beran & Shelmire represents a commendable study in exploratory efforts for the preservation of Building "C" and the restoration of Building "H". Since the costs of this specialized construction work exceeds new construction costs, several alternatives can be reviewed by the Board in consideration of a proposed project.

RECOMMENDATIONS

Accordingly, System Administration recommends that the Board:

- a. Appropriate \$20,000 from Interest on Bond proceeds for the previously authorized and completed Feasibility Study and related expenses
- b. Consider one of the alternatives listed below for an authorized project for the two remaining Little Campus buildings at U. T. Austin

ALTERNATIVE A:

- a. Authorize the total preservation of Building "C", associated site development and the perimeter wall at an estimated total project cost of \$1,642,000
- b. Appoint Beran & Shelmire, Dallas, Texas, as Project Architect for the U. T. Austin Little Campus project with authorization for the preparation of preliminary plans which will be presented at a future Board meeting for consideration
- c. Appropriate \$16,500 from Interest on Bond proceeds for fees and related project expenses through completion of preliminary plans

ALTERNATIVE B:

- a. Authorize the total preservation of Building "C", the mothballing of Building "H", associated site development for the two buildings and the perimeter wall at an estimated total project cost of \$1,650,000
- b. Appoint Beran & Shelmire, Dallas, Texas, as Project Architect for the U. T. Austin Little Campus project with authorization for the preparation of preliminary plans which will be presented at a future Board meeting for consideration
- c. Appropriate \$16,500 from Interest on Bond proceeds for fees and related project expenses through completion of preliminary plans

ALTERNATIVE C:

- a. Authorize the total preservation of Building "C", exterior restoration only of Building "H", associated site development for the two buildings and the perimeter wall at an estimated total project cost of \$2,250,000

- b. Appoint Beran & Shelmire, Dallas, Texas, as Project Architect for the U. T. Austin Little Campus project with authorization for the preparation of preliminary plans which will be presented at a future Board meeting for consideration
- c. Appropriate \$22,500 from Interest on Bond proceeds for fees and related project expenses through completion of preliminary plans

ALTERNATIVE D:

- a. Authorize the total preservation of Building "C", total restoration of Building "H", associated site development for the two buildings, and the perimeter wall at an estimated total project cost of \$3,563,000
- b. Appoint Beran & Shelmire, Dallas, Texas, as Project Architect for the U. T. Austin Little Campus project with authorization for the preparation of preliminary plans which will be presented at a future Board meeting for consideration
- c. Appropriate \$34,000 from Interest on Bond proceeds for fees and related project expenses through completion of preliminary plans.

3. U. T. AUSTIN: ROBERT LEE MOORE HALL - FUSION RESEARCH CENTER - TEXAS EXPERIMENTAL TOKAMAK (TEXT) PROJECT (PROJECT NO. 102-391) - REQUEST FOR APPROVAL OF FINAL PLANS AND FOR AUTHORIZATION TO ADVERTISE FOR BIDS

BACKGROUND INFORMATION

In accordance with authorization of the Board of Regents at its meeting on June 9, 1978, final plans and specifications for the construction of the Fusion Research Center at The University of Texas at Austin have been prepared by the Project Engineer, Bovay Engineers, Inc., Austin, Texas. The total estimated project cost for modification of the existing underground laboratory and construction of approximately 1,308 square feet of new space at R. L. Moore Hall is \$756,000. The project will accommodate a new and larger Tokamak machine and ancillary equipment.

RECOMMENDATIONS

President Rogers and System Administration recommend that the Board:

- a. Approve the final plans and specifications for the U. T. Austin Fusion Research Center at an estimated project cost of \$756,000
- b. Subject to completion of final reviews and granting agency approvals, authorize the Office of Facilities Planning and Construction to advertise for bids which will be presented to a future Board meeting for consideration.

4. U. T. AUSTIN: REQUEST FOR AUTHORIZATION TO GRANT AN UNDERGROUND EASEMENT TO THE CITY OF AUSTIN FOR IMPROVED WATER SERVICE IN NORTH-EAST CAMPUS AREA

BACKGROUND INFORMATION

In order to provide greatly improved underground water service to the U. T. Austin campus in the vicinity of 26th Street and San Jacinto Boulevard, an easement should be granted to the City of Austin to provide connection of a new 16" water service on University property at the corner of San Jacinto Boulevard and 26th Street. The improved water service is required to serve the three areas of the campus listed below:

- 1) Fire protection system for the cooling tower on Chilling Station No. 4
- 2) Domestic water to the Townes Hall Addition
- 3) Domestic water to and bolster the existing water distribution system in the area of COFA/PAC.

Previously authorized utility projects have already accomplished much of the installation in preparation for the connection to the City of Austin water line in the area. The twenty-foot wide easement crosses San Jacinto Boulevard and University property in the landscaped area north of 26th Street. The proposed easement is more fully described in the easement document which will be available for examination at the Board meeting.

RECOMMENDATIONS

President Rogers and System Administration recommend that authorization be given by the Board for such an easement to be executed by the Chairman of the Board after approval as to content by President Walker and as to form by a University of Texas Attorney.

5. U. T. PERMIAN BASIN: FIRE STATION EASEMENT - REQUEST TO GRANT TO THE CITY OF ODESSA A FIRE STATION EASEMENT IN THE SOUTHEAST PORTION OF THE CAMPUS TO REPLACE A FORMERLY GRANTED EASEMENT IN THE SOUTHWEST PORTION

BACKGROUND INFORMATION

At the December 13, 1974, meeting of the Board, a fire station easement was granted to the City of Odessa for locating a municipal fire station on University land in the southwest portion of the U. T. Permian Basin campus adjacent to Parkway Boulevard. The easement was not utilized for construction of a fire station. Subsequently, the City of Odessa has requested U. T. Permian Basin to grant a site location in the southeast corner of the campus. The requested location off University Boulevard near the intersection of Loop 338 will provide improved access to serve expanding areas of the City of Odessa. The requested easement for a different site for the fire station is not in conflict with the Long Range Campus Development Plan for The University of Texas of the Permian Basin. The proposed easement document will be available for examination at the Board meeting. This easement will replace the previous fire station easement granted in December 1974.

RECOMMENDATIONS

President Cardozier and System Administration recommend that authorization be given by the Board for a fire station easement in the southeast portion of the U. T. Permian Basin campus to be executed by the Chairman of the Board after approval as to content by System President Walker and as to form by an attorney in the Office of General Counsel.

6. DALLAS HEALTH SCIENCE CENTER: ADDITIONAL AIR CONDITIONING FOR COMPUTER RESOURCES IN FLORENCE BIOINFORMATION CENTER REQUEST FOR AUTHORIZATION AND FOR COMPLETION OF PROJECT, APPOINTMENT OF PROJECT ENGINEER AND APPROPRIATION THEREFOR

BACKGROUND INFORMATION

Computer Resources serving The University of Texas Health Science Center at Dallas are located in the Fred F. Florence Bioinformation Center. Badly needed expansion of this facility is at this time limited by the existing air conditioning system which cannot handle the heat load imposed by added computer equipment. Studies indicate that supplementary air conditioning can be provided for the area at an estimated total project cost of \$85,000.

RECOMMENDATIONS

President Sprague and System Administration recommend that the Board:

- a. Authorize additional air conditioning for Computer Resources in the Florence Bioinformation Center at an estimated total project cost of \$85,000
  - b. Appoint William K. Hall & Company, Dallas, Texas, as Project Engineer to prepare final plans and specifications for competitive bidding
  - c. Authorize completion of this minor improvement project through all necessary actions of the Dallas Health Science Center and the Office of Facilities Planning and Construction
  - d. Appropriate \$85,000 from Dallas Health Science Center Unexpended Plant Funds for completion of the project.
7. GALVESTON MEDICAL BRANCH (GALVESTON HOSPITALS): RENOVATION AND ADDITION TO GRAVES HOSPITAL (PROJECT NO. 601-377) - PRESENTATION OF PRELIMINARY PLANS; REQUEST FOR AUTHORIZATION TO INCREASE SCOPE OF PROJECT; REQUEST TO SUBMIT TO COORDINATING BOARD AND HEALTH FACILITIES COMMISSION; REQUEST TO PREPARE FINAL PLANS AND APPROPRIATION THEREFOR

BACKGROUND INFORMATION

In accordance with authorization of the Board of Regents at its meeting on December 16, 1977, preliminary plans and specifications for the Addition to Graves Hospital at The University of Texas Medical Branch at Galveston have been prepared by the Project Architect, Koetter, Tharp, Cowell and Bartlett, Houston, Texas. These plans and specifications provide for an addition of approximately 51,600 square feet at an estimated total project cost of \$5,478,000. Renovation of the existing building will be deferred until the new space can be occupied and the present hospital can be vacated.

Graves Hospital is the only State General Psychiatric Facility available to Physicians and County Judges for referral of patients requiring acute or emergency psychiatric care. The urgency for this facility was underscored by the finding of the Joint Commission on Accreditation of Hospitals that it failed to meet Life Safety Code Standards. Timely completion of the project is essential for continued accreditation of teaching and resident training programs. The demolition of the Randall Pavilion to make way for the Texas Department of Corrections Hospital is dependent upon use of Graves Hospital as a replacement facility.

Studies by the Galveston Medical Branch Administration and the Office of Facilities Planning and Construction indicate that it would be prudent at this time to expand the design of the new construction to include an additional floor. This additional 13,000 square feet of

space would provide the Department of Psychiatry with its minimum needs for expansion and more adequately compensate for the loss of the Randall Pavilion. This fifth level addition could be prepared as two additive alternates; one to shell in the area for approximately \$350,000, and another to complete the shelled area for approximately \$638,000. Both alternates would be subject to availability of funds.

The new space would cost approximately \$4.57 per square foot per year for maintenance and operation including utilities, based on Fiscal Year 1977 experience. It would to some extent be offset by reduced maintenance and operation costs which would eventually result when the Randall Pavilion is demolished.

#### RECOMMENDATIONS

President Levin and System Administration recommend that the Board:

- a. Approve the preliminary plans and specifications for the Addition to Graves Hospital and authorize preparation of plans and specifications for a fifth floor which would be bid as an additive alternate, at a new estimated total project cost of \$6,466,000, subject to availability of funds
  - b. Authorize submission of the project to the Coordinating Board, Texas College and University System, and the Texas Health Facilities Commission and concurrently authorize the Project Architect to prepare final plans and specifications for consideration of the Board of Regents at a future meeting
  - c. Appropriate additional funds in the amount of \$200,000, from Medical Branch Unexpended Plant Funds Project Allocation, for fees and related project expenses through completion of final plans and specifications.
8. GALVESTON MEDICAL BRANCH: SWIMMING POOL - REQUEST FOR PROJECT AUTHORIZATION; APPOINTMENT OF PROJECT ARCHITECT TO PREPARE PRELIMINARY PLANS, AND APPROPRIATION THEREFOR

#### BACKGROUND INFORMATION

In accordance with the Long Range Development Plan of the Galveston Medical Branch, additional recreational facilities are a high priority need for approximately 2,200 students and 6,200 employees. Existing recreational facilities such as tennis courts, handball courts, exercise room and pool tables can accommodate a maximum of 56 persons at any one time. The accreditation team of the Southern Association of Colleges and Schools has recommended that additional recreation facilities on the campus be provided.

It is the opinion of the Galveston Medical Branch Administration that construction of a swimming pool at a total cost not to exceed \$400,000 will accommodate a large number of individuals for approximately eight months of each year. The University of Texas Medical Branch Alumni Association officers and trustees voted on May 11, 1978, to contribute \$100,000 toward construction of a swimming pool. Additionally, \$20,000 in private gift funds have been contributed specifically for such a facility. Remaining funding of approximately \$280,000 can be made available from Galveston Medical Branch Unexpended Plant Funds, Project Allocation.

It is proposed that this pool be constructed adjacent to and immediately north of the present Alumni Field House in order to take advantage of existing lockers and dressing room facilities. Since the property for the proposed location is owned by The Sealy & Smith Foundation, a letter of intent has been obtained from the Foundation agreeing to transfer the property when their parking garage, now under construction, is completed in September 1978. In order to provide the needed recreational facilities, it is timely to initiate planning of the project.

### RECOMMENDATIONS

President Levin and System Administration recommend that the Board:

- a. Authorize construction of a swimming pool at the Galveston Medical Branch at an estimated total project cost not to exceed \$400,000
  - b. Appoint the firm of Louis Lloyd Oliver and Tibor Beerman, Architects as Project Architect to prepare preliminary plans and a cost estimate to be presented to a future Board meeting for consideration
  - c. Appropriate \$42,000 from Galveston Medical Branch Un-expended Plant Funds, Project Allocation for fees and related project expenses through completion of preliminary plans.
9. HOUSTON HEALTH SCIENCE CENTER AND UNIVERSITY CANCER CENTER - REMODELING OF PRUDENTIAL BUILDING (PROJECT NO. 701-380) - PRESENTATION OF PRELIMINARY PLANS AND REQUEST TO PREPARE FINAL PLANS

### BACKGROUND INFORMATION

In accordance with authorization of the Board of Regents at its meeting on July 29, 1977, preliminary plans and specifications have been prepared by the Project Architect, John S. Chase and Golemon and Rolfe, Houston, Texas, for the Remodeling of the Prudential Building as a joint project of the Houston Health Science Center and The University Cancer Center. The 65th Legislature appropriated \$5,318,043 for the building remodeling. The present cost of approximately \$6.77 per square foot per year for maintenance and operation, including utilities based on Fiscal Year 1977 experience, will still be typical of future costs.

### RECOMMENDATIONS

President Blocker, President Clark and System Administration recommend that the Board:

- a. Approve the preliminary plans and specifications for Remodeling of the Prudential Building, Houston Texas, at an estimated total project cost of \$5,318,043
  - b. Authorize the Project Architect to prepare final plans and specifications for consideration of the Board of Regents at a future meeting.
10. HOUSTON HEALTH SCIENCE CENTER AND UNIVERSITY CANCER CENTER: PARTICIPATION WITH TEXAS MEDICAL CENTER HEATING AND COOLING COOPERATIVE ASSOCIATION FOR ACQUISITION OF HOUSTON NATURAL GAS THERMAL ENERGY PLANT LOCATED AT TEXAS MEDICAL CENTER, HOUSTON: a) REPORT OF SPECIAL COMMITTEE APPROVING AGREEMENTS AND DOCUMENTS, b) SIGNATURE OF CONTRACTUAL DOCUMENTS BY CHAIRMAN SHIVERS, AND c) REPORT OF CONSUMMATION OF SALE

### BACKGROUND INFORMATION

At its meeting on April 15, 1977, the Board of Regents approved participation by The University of Texas System in the efforts of the Texas Medical Center Heating and Cooling Cooperative Association to buy the Houston Natural Gas Corporation's thermal energy plant which is located on the campus of the Texas Medical Center in Houston.

At the same meeting, the Board appointed a special committee to approve agreements and other documents associated with the purchase, insofar as the University's interests are concerned. The documents approved by the special committee were:

- By-Laws of the Cooperative
- Membership Agreement (Between Cooperative and Members)
- Contract for Chilled Water and Steam Service (Between Cooperative and Users)
- Conveyance Document (Between HNG Corporation and Cooperative)
- Deed of Trust and Security Agreements
- Secured Note
- Financing Statement

In the process of drafting the above named documents, a lawyer from the Office of General Counsel approved the documents for form and legal content. The firm of Fulbright and Jaworski represented the Cooperative's interests. Other law firms represented other institutions' interests.

The special committee's report approving the above-named documents in final draft form has been filed with the Secretary of the Board.

In accordance with authorization given by the Board at the April 15, 1977, meeting, the Chairman of the Board has signed certain of the above-named documents which relate to contractual relationships between the Cooperative and the University. These documents were signed after approval as to form by a University Attorney and as to content by President Walker. Original signed copies of these documents have been filed with the Secretary of the Board.

Purchase of the plant was consummated on May 31, 1978. The Cooperative has been operating the plant since June 1st and, as of the writing of this agenda item, has experienced no major problem. It is anticipated that the acquisition by the Cooperative will have the effect of reducing each member's utility bill for chilled water and steam by 10% to 20% in comparison with continued operation by Houston Natural Gas Corporation.

11. SAN ANTONIO HEALTH SCIENCE CENTER: REMODELING OF MEDICAL SCHOOL BUILDING FOR DEPARTMENT OF COMPUTING RESOURCES - REQUEST FOR PROJECT AUTHORIZATION, COMPLETION OF REMODELING AND APPROPRIATION THEREFOR

#### BACKGROUND INFORMATION

The relocation of several departments within the San Antonio Health Science Center has provided an opportunity to centralize all office and work areas of the Department of Computing Resources. This would necessitate the renovation of approximately 6,800 square feet of space on the first level of the Medical School Building in an area previously occupied by the print shop and the mechanical maintenance shops. Plans for this project have been developed by the Department of Physical Plant at an estimated total project cost of \$85,000.

#### RECOMMENDATIONS

President Harrison and System Administration recommend that the Board:

- a. Authorize Remodeling of Medical School Building for the Department of Computing Resources at an estimated total project cost of \$85,000

- b. Authorize execution of the remodeling improvements through all necessary actions of the San Antonio Health Science Center and its Physical Plant staff, either with their own forces or through contract services, in consultation with the Office of Facilities Planning and Construction
- c. Appropriate \$85,000 from San Antonio Health Science Center Unexpended Plant Funds for the total project cost.

12. GALVESTON MEDICAL BRANCH (GALVESTON HOSPITALS) - REMODELING OF EXISTING JOHN SEALY HOSPITAL (ORIGINAL BUILDING) (PROJECT NO. 601-296): REQUEST TO REMODEL DIETARY AREA (KITCHEN AND SUPPORT FACILITIES); AUTHORIZATION TO PREPARE PRELIMINARY PLANS AND SPECIFICATIONS; AND APPROPRIATION THEREFOR

BACKGROUND INFORMATION

At the meeting on February 1, 1974, the Board authorized the Remodeling of John Sealy Hospital (Original Building) and appointed Page Southerland Page, Houston, Texas, as Project Architect. On April 28, 1975, the Board authorized this remodeling to be phased to minimize disruption to hospital services. Final plans on Phase I (Mechanical Systems and Children's Wing) were approved by the Board on May 14, 1976. This first phase has been deferred pending availability of areas to be vacated, adequate access for construction forces and funding.

The Central Food Service Facility in Houston, Texas, is scheduled for completion in Fall 1978. The kitchen and dining facilities in John Sealy Hospital must be remodeled to receive bulk foods from the Central Kitchen for distribution to the recently occupied patient bed tower in the John Sealy Hospital Additions.

RECOMMENDATIONS

President Levin and System Administration recommend that the Board:

- a. Authorize the Remodeling of the Dietary Area within the John Sealy Hospital
- b. Authorize the Project Architect to prepare preliminary plans, specifications and cost estimates to be presented to the Board at a future meeting
- c. Appropriate \$50,000 from Medical Branch Unexpended Plant Funds, Project Allocation for fees and related expenses through completion of preliminary plans.

## BUILDINGS AND GROUNDS COMMITTEE

### EMERGENCY ITEMS

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#### U. T. AUSTIN

13. College of Fine Arts and Performing Arts Center - Theatrical Rigging, Orchestra Shell and Lighting Equipment: Recommended Contract Awards to Peter Albrecht Corporation, Milwaukee, Wisconsin, and American Stage Lighting Company, Inc., New Rochelle, New York 14
14. College of Fine Arts and Performing Arts Center: Recommended Contract Awards for Furniture and Furnishings to (a) Abel Contract Furniture & Equipment Co., Inc., Austin, Texas; (b) American Desk Mfg. Co., Temple, Texas; (c) Aetnastak Division - Art Metal - U. S. A., Inc., Newark, New Jersey; (d) Carpet Services, Inc., Dallas, Texas; (e) Clegg/Austin, Inc., Austin, Texas; (f) Fraser Furniture Co., Inc., Jamestown, New York; (g) Rockford Furniture & Carpets, Inc., Austin, Texas; (h) Stewart Office Supply Co., Dallas, Texas; (i) Minnesota Mining & Manufacturing Co., St. Paul, Minnesota; (j) San Antonio Floor Finishers, Inc., San Antonio, Texas; and (k) Wittig's, Inc., San Antonio, Texas; and Proposal to Reject the Higher, Alternate Bid on Proposal "13", Segment A and All Bids Received on Base Proposal "17", Segments E-F (Movable Shelving) and All Bids Received on Base Proposal "19", Segments B, C, D, E and F (Wood Casework) and Request for Authorization to Re-advertise 16

#### UNIVERSITY CANCER CENTER

15. M. D. Anderson - Remodeling of Present Building - Phase II: Recommended Contract Award to H. A. Lott, Inc., Houston, Texas 42

13. U. T. AUSTIN: COLLEGE OF FINE ARTS AND PERFORMING ARTS CENTER  
(PROJECT NO. 102-201) - THEATRICAL RIGGING, ORCHESTRA SHELL AND  
LIGHTING EQUIPMENT - RECOMMENDED AWARD OF CONTRACTS TO PETER ALBRECHT  
CORPORATION, MILWAUKEE, WISCONSIN, AND AMERICAN STAGE LIGHTING COMPANY,  
INC., NEW ROCHELLE, NEW YORK

BACKGROUND INFORMATION

In December 1976 the Board approved a building construction contract award for the construction of the Fine Arts Library and Administration Building, the Concert Hall/Drama Workshop/Opera Lab and the Music Building and Recital Hall of the College of Fine Arts and Performing Arts Center at The University of Texas at Austin. As part of the approved total project cost, funds were reserved for the future bidding, procurement and installation of Theatrical Rigging, Orchestra Shell and Lighting Equipment.

Bids were called for and were received, opened and tabulated on July 18, 1978, as shown on the attached sheet for the Theatrical Rigging and Orchestra Shell (Base Bid No. 1) and Miscellaneous Lighting and Equipment (Base Bid No. 2) for the U. T. Austin College of Fine Arts and Performing Arts Center. On Base Bid No. 2, five proposals were received; however, only four of the proposals were responsive to the bid documents. The proposal of Olesen Company was limited to a portion of the requested proposal and consequently was incomplete and not responsive to the specifications.

Funds to cover the recommended contract awards, fees and miscellaneous expenses are available within project funds previously appropriated.

RECOMMENDATIONS

President Rogers and System Administration recommend that the Board award contracts for the Theatrical Rigging, Orchestra Shell and Lighting Equipment to the lowest and best responsible bidders as follows:

Peter Albrecht Corporation, Milwaukee, Wisconsin

Base Bid No. 1 (Theatrical Rigging and  
Orchestra Shell) \$ 987,000.00

American Stage Lighting Company, New  
Rochelle, New York

Base Bid No. 2 (Miscellaneous Lighting  
Instruments and Equipment) 58,500.00

Total Recommended Contract Awards \$1,045,500.00

THEATRICAL EQUIPMENT FOR  
 THE COLLEGE OF FINE ARTS AND PERFORMING ARTS CENTER  
 THE UNIVERSITY OF TEXAS AT AUSTIN

Bids Received at 2:00 p.m., Central Daylight Saving Time, July 18, 1978  
 At The University of Texas System, Office of Facilities Planning and Construction  
 Austin, Texas

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<u>Bidder</u>	Bid Package No. 1 <u>Theatrical Rigging &amp; Orchestra Shell</u>	Bid Package No. 2 <u>Miscellaneous Lighting Instruments &amp; Equipment</u>	<u>Bidder's Bond</u>
Peter Albrecht Corporation, Milwaukee, Wisconsin	\$ 987,000.00	No Bid	5%
American Stage Lighting Co., Inc., New Rochelle, New York	No Bid	\$58,500.00	5%
J. R. Clancy, Inc., Syracuse, New York	1,163,363.00	No Bid	5%
Empire Electric Co., Inc., Fort Worth, Texas	No Bid	71,000.00	5%
Hoffend & Sons, Inc., Rochester, New York	1,159,900.00	82,400.00	5%
Dean Johnston, Inc., Austin, Texas	No Bid	90,500.00	5%
OLESEN, Hollywood, California	No Bid	39,655.78	5%

14. U. T. AUSTIN: COLLEGE OF FINE ARTS AND PERFORMING ARTS CENTER (PROJECT NO. 102-201) - RECOMMENDED AWARD OF CONTRACTS FOR FURNITURE AND FURNISHINGS TO ABEL CONTRACT FURNITURE & EQUIPMENT CO., INC., AUSTIN, TEXAS; AMERICAN DESK MFG. CO., TEMPLE, TEXAS; AETNASTAK DIVISION - ART METAL - U.S.A., INC., NEWARK, NEW JERSEY; CARPET SERVICES, INC., DALLAS, TEXAS; CLEGG/AUSTIN, INC., AUSTIN, TEXAS; FRASER FURNITURE CO., INC., JAMESTOWN, NEW YORK; ROCKFORD FURNITURE & CARPETS, INC., AUSTIN, TEXAS; STEWART OFFICE SUPPLY CO., DALLAS, TEXAS; MINNESOTA MINING & MANUFACTURING CO., ST. PAUL, MINNESOTA; SAN ANTONIO FLOOR FINISHERS, INC., SAN ANTONIO, TEXAS; AND WITTIG'S, INC., SAN ANTONIO, TEXAS

#### BACKGROUND INFORMATION

In accordance with authorization of the Board of Regents at its meeting on October 1, 1976, bids for Furniture and Furnishings were called for and were received, opened and tabulated on July 19, 1978, as shown on the attached sheets, for the College of Fine Arts and Performing Arts Center at The University of Texas at Austin. Bids were in response to specifications prepared by Fisher and Spillman, Architects, Inc., and the Office of Facilities Planning and Construction.

Base Proposal "3", Segments A, B, C, D, E and F, All Buildings, (Visitor Chairs and Tables) from Witting's, Inc., was the low bid for this proposal, but was non-responsive in that it was based on items other than those listed in the specifications, and did not fulfill the requirements. Base Proposal "11", Segments E and F, Music Building & Recital Hall (Teaching Stations) had a low bid submitted by Metroplex Business Interiors which is qualified as an "all-or-none" bid, but which included bids on other packages which were not, in fact, low bids. Therefore, this bid cannot be considered as the low bid.

Base Proposal "13", Segment A, Library-Administration (Library Technical Furniture) is based on a flat-cut oak veneer. The Add Alternate to Base Proposal "13" is for rift-cut oak, at a higher cost, on the library technical furniture.

Base Proposal "15", Segment A, Library-Administration (Book Security System) had only one bid submitted, because the detection system is a sole-source system, made by only one manufacturer to be compatible with the detection devices affixed to the books in the library. Nevertheless, the bid was for less than the cost estimated by the Architect, and is a responsive bid.

Base Proposal "17", Segment E-F (Music Building) is for metal movable shelving in the music library. The low bid submitted by the Estey Corporation should be rejected since the Project Architect recommends the scope of work and technical requirements be restudied because of total load and storage capacity. A voluntary, low bid was submitted by Lundia Myers Industries, Inc.; however, it is a non-responsive bid, in that it does not meet the requirements of the specifications.

Base Proposal "19", Segments B, C, D, E and F, Concert Hall/Opera Lab and Music Building Recital Hall, is a bid for wood casework for storage units which substantially exceeds the architect's cost estimate.

Funds to cover the recommended contract awards, fees and miscellaneous expenses are available within project funds previously appropriated.

#### RECOMMENDATIONS

It is recommended by President Rogers and System Administration that the Board:

- a. Reject the higher, Alternate Bid, on Proposal "13",  
Segment A
- b. Award contracts to the following lowest and best responsible  
bidders:

Abel Contract Furniture &  
Equipment Co., Inc.,  
Austin, Texas

Base Proposal "1" (Seg. A)  
(Accessories) \$ 4,486.35

Base Proposal "1" (Seg. E-F)  
(Accessories) 9,998.00

Base Proposal "16" (Seg. A)  
(Miscellaneous Items & Stools) 38,464.00

Base Proposal "16" (Seg. E-F)  
(Miscellaneous Items & Stools) 3,890.85

Total Contract Award to Abel Contract  
Furniture & Equipment Co., Inc. \$ 56,839.20

American Desk Mfg. Co.,  
Temple, Texas

Base Proposal "9" (Seg. E-F) 66,825.00  
(Folding Tablet Arm Chairs)

Aetnastak Division - Art Metal -  
U.S.A., Inc., Newark, New Jersey

Base Proposal "7" (Seg. A) 80,951.30  
(Metal Bookstacks)

Carpet Services, Inc.,  
Dallas, Texas

Base Proposal "2" (Seg. B, C, D) 3,818.00  
(Area Rugs & Carpet)

Base Proposal "2" (Seg. E-F) 4,684.00  
(Area Rugs & Carpet)

Total Contract Award to Carpet  
Services, Inc., Dallas, Texas 8,502.00

Clegg/Austin, Inc.,  
Austin, Texas

Base Proposal "8" (Seg. B,  
C, D) 7,759.66  
(Metal Desks & Files)

Base Proposal "8" (Seg. E-F) 27,239.80  
(Metal Desks & Files)

Base Proposal "11" (Seg. B,  
C, D) 19,755.61  
(Teaching Stations)

Base Proposal "12" (Seg. A) 7,709.55  
(Swivel Chairs)

Base Proposal "12" (Seg. E-F) 1,098.29  
(Swivel Chairs)

Total Contract Award to  
Clegg/Austin, Inc., Austin, Texas 63,562.91

Fraser Furniture Co., Inc., Jamestown, New York	
Base Proposal "13" (Seg. A) (Library Technical Furniture)	127,387.05
Rockford Furniture & Carpets, Inc., Austin, Texas	
Base Proposal "1" (Seg. B, C, D) (Accessories)	31,849.37
Base Proposal "6" (All Segments) (Wood Desks)	178,364.50
Base Proposal "14" (All Segments) (Lounge Furniture, Cube Tables & Work Stations)	186,100.11
Base Proposal "16" (Seg. B, C, D) (Miscellaneous Items & Stools)	36,975.03
Base Proposal "18" (All Segments) (Platforms & Podiums)	<u>7,958.19</u>
Total Contract Award to Rockford Furniture & Carpets, Inc., Austin, Texas	441,247.20
San Antonio Floor Finishers, Inc., San Antonio, Texas	
Base Proposal "2" (Seg. A) (Area Rugs & Carpet)	2,900.00
Stewart Office Supply Co., Dallas, Texas	
Base Proposal "3" (Seg. A) (Visitor Chairs & Tables)	96,344.39
Base Proposal "3" (Seg. B, C, D) (Visitor Chairs & Tables)	9,860.19
Base Proposal "3" (Seg. E-F) (Visitor Chairs & Tables)	19,844.60
Base Proposal "4" (Seg. E-F) (Concert Chairs)	13,999.24
Base Proposal "5" (Seg. B, C, D) (Custom Furniture)	60,783.64
Base Proposal "8" (Seg. A) (Metal Desks & Files)	14,923.18
Base Proposal "10" (Seg. B, C, D) (Stacking Chairs & Tables)	12,460.82
Base Proposal "11" (Seg. A) (Teaching Stations)	27,174.83
Base Proposal "11" (Seg. E-F) (Teaching Stations)	<u>46,289.38</u>
Total Contract Award to Stewart Office Supply Co., Dallas, Texas	301,680.27

Minnesota Mining & Manufacturing  
Co., St. Paul, Minnesota

Base Proposal "15" (Seg. A)  
(Book Security System) 12,260.00

Wittig's Inc., San Antonio,  
Texas

Base Proposal "4" (Seg. B,  
C, D)  
(Concert Chairs) 13,490.40

Base Proposal "10" (Seg. A)  
(Stacking Chairs & Tables) 7,520.00

Base Proposal "10" (Seg. E-F)  
(Stacking Chairs & Tables) 19,697.73

Total Contract Award to Wittig's,  
Inc., San Antonio, Texas 40,708.13

GRAND TOTAL RECOMMENDED CONTRACT AWARDS \$1,202,863.06

- c. Reject all bids received on Base Proposal "17", Segment E-F (Movable Shelving), and re-advertise
- d. Reject all bids received on Base Proposal "19", Segments B, C, D, E, and F (Wood Casework) and re-advertise.





Bidder	BASE PROPOSAL "3"				BASE PROPOSAL "4"			
	SEG. A	SEG. B, C, D	SEG. E-F	ALL SEGMENTS	SEG. A	SEG. B, C, D	SEG. E-F	ALL SEGMENTS
	Lib./Admin. Bldg.	Concert Hall/ Drama Wk./ Op. Lab	Music Bldg. & Recital Hall		Lib./Admin. Bldg.	Concert Hall/ Drama Wk./ Op. Lab	Music Bldg. & Recital Hall	
Abel Contract Furniture & Equipment Co., Inc., Austin, Texas	\$ 96,998.00	\$10,497.96	\$19,988.09	\$126,994.00	Not Applicable	No Bid	No Bid	No Bid
American Desk Mfg. Co., Temple, Texas	---	---	---	---	N. A.	---	---	---
Aetnastak Division - Art Metal - U.S.A., Inc., Newark, New Jersey	No Bid	No Bid	No Bid	No Bid	N. A.	No Bid	No Bid	No Bid
Carpet Services, Inc., Dallas, Texas	---	---	---	---	N. A.	---	---	---
J. F. Clark Company, Inc., Dallas, Texas	No Bid	No Bid	No Bid	No Bid	N. A.	No Bid	No Bid	No Bid
Clegg/Austin, Inc., Austin, Texas	No Bid	No Bid	No Bid	No Bid	N. A.	No Bid	No Bid	No Bid
Estey Corporation, Red Bank, New Jersey	No Bid	No Bid	No Bid	No Bid	N. A.	No Bid	No Bid	No Bid
Fraser Furniture Co., Inc., Jamestown, New York	No Bid	No Bid	No Bid	No Bid	N. A.	---	No Bid	No Bid
Library Bureau, Division of Mohawk Valley Community Corp., Herkimer, New York	---	---	---	---	N. A.	---	---	---

Bidder	BASE PROPOSAL "3"				BASE PROPOSAL "4"			
	SEG. A Lib./Admin. Bldg.	SEG. B, C, D Concert Hall/ Drama Wk./ Op. Lab	SEG. E-F Music Bldg. & Recital Hall	ALL SEGMENTS	SEG. A Lib./Admin. Bldg.	SEG. B, C, D Concert Hall/ Drama Wk./ Op. Lab	SEG. E-F Music Bldg. & Recital Hall	ALL SEGMENTS
Lundia, Myers Industries, Inc., San Antonio, Texas	---	---	---	---	N. A.	---	---	---
Marshall Clegg Associates, San Antonio, Texas	131,269.18	12,179.14	24,554.65	No Bid	N. A.	---	---	---
Metroplex Business Interiors, Inc., Dallas, Texas	No Bid	No Bid	No Bid	No Bid	N. A.	No Bid	No Bid	No Bid
Rockford Furniture & Carpets, Inc., Austin, Texas	105,672.25	12,065.23	22,149.86	135,953.92	N. A.	No Bid	No Bid	No Bid
San Antonio Floor Finishers, Inc., San Antonio, Texas	No Bid	No Bid	No Bid	No Bid	N. A.	No Bid	No Bid	No Bid
Stewart Office Supply Co., Dallas, Texas	96,344.39	9,860.19	19,844.60	---	N. A.	\$14,285.92	\$13,999.24	---
Space Saver System, Inc., Houston, Texas	---	---	---	---	N. A.	---	---	---
Minnesota Mining & Manufacturing Co., St. Paul, Minnesota	---	---	---	---	N. A.	---	---	---
Wittig's, Inc., San Antonio, Texas	59,246.14*	3,759.05*	15,725.69*	---	N. A.	13,490.40	14,926.00	---

\*Non-responsive because it was based on items other than those listed in the specifications

Bidder	BASE PROPOSAL "5"				BASE PROPOSAL "6"			
	SEG. A	SEG. B, C, D	SEG. E-F	ALL SEGMENTS	SEG. A	SEG. B, C, D	SEG. E-F	ALL SEGMENTS
	Lib./Admin. Bldg.	Concert Hall/ Drama Wk./ Op. Lab	Music Bldg. & Recital Hall		Lib./Admin. Bldg.	Concert Hall/ Drama Wk./ Op. Lab	Music Bldg. & Recital Hall	
Abel Contract Furniture & Equipment Co., Inc., Austin, Texas	N. A.	\$65,976.00	N. A.	\$65,976.00	\$44,529.10	\$40,356.25	\$138,470.00	\$222,984.00
American Desk Mfg. Co., Temple, Texas	N. A.	---	N. A.	---	---	---	---	---
Aetnastak Division - Art Metal - U.S.A., Inc., Newark, New Jersey	N. A.	No Bid	N. A.	No Bid	No Bid	No Bid	No Bid	No Bid
Carpet Services, Inc., Dallas, Texas	N. A.	---	N. A.	---	---	---	---	---
J. F. Clark Company, Inc., Dallas, Texas	N. A.	No Bid	N. A.	No Bid	No Bid	No Bid	No Bid	No Bid
Clegg/Austin, Inc., Austin, Texas	N. A.	No Bid	N. A.	63,737.07	44,803.98	36,829.58	112,789.11	No Bid
Estey Corporation, Red Bank, New Jersey	N. A.	No Bid	N. A.	No Bid	No Bid	No Bid	No Bid	No Bid
Fraser Furniture Co., Inc., Jamestown, New York	N. A.	No Bid	N. A.	No Bid	No Bid	No Bid	No Bid	No Bid
Library Bureau, Division of Mohawk Valley Community Corp., Herkimer, New York	N. A.	---	N. A.	---	---	---	---	---

<u>Bidder</u>	<u>BASE PROPOSAL "5"</u>				<u>BASE PROPOSAL "6"</u>			
	<u>SEG. A</u> Lib./Admin. Bldg.	<u>SEG. B, C, D</u> Concert Hall/ Drama Wk./ Op. Lab	<u>SEG. E-F</u> Music Bldg. & Recital Hall	<u>ALL</u> <u>SEGMENTS</u>	<u>SEG. A</u> Lib./Admin. Bldg.	<u>SEG. B, C, D</u> Concert Hall/ Drama Wk./ Op. Lab	<u>SEG. E-F</u> Music Bldg. & Recital Hall	<u>ALL</u> <u>SEGMENTS</u>
Lundia, Myers Industries, Inc., San Antonio, Texas	N. A.	---	N. A.	---	---	---	---	---
Marshall Clegg Associates, San Antonio, Texas	N. A.	---	N. A.	---	---	---	---	---
Metroplex Business Interiors, Inc., Dallas, Texas	N. A.	No Bid	N. A.	No Bid	59,187.28	46,552.50	173,232.50	No Bid
Rockford Furniture & Carpets, Inc., Austin, Texas	N. A.	62,713.41	N. A.	62,713.41	46,640.83	39,231.56	138,261.37	178,364.50
San Antonio Floor Finishers, Inc., San Antonio, Texas	N. A.	No Bid	N. A.	No Bid	No Bid	No Bid	No Bid	No Bid
Stewart Office Supply Co., Dallas, Texas	N. A.	60,783.64	N. A.	---	45,504.37	37,178.26	115,690.04	---
Space Saver System, Inc., Houston, Texas	N. A.	---	N. A.	---	---	---	---	---
Minnesota Mining & Manufacturing Co., St. Paul, Minnesota	N. A.	---	N. A.	---	---	---	---	---
Wittig's, Inc., San Antonio, Texas	N. A.	---	N. A.	---	---	---	---	---

BASE PROPOSAL "7"

BASE PROPOSAL "8"

<u>Bidder</u>	<u>SEG. A</u>	<u>SEG. B, C, D</u>	<u>SEG. E-F</u>	<u>ALL SEGMENTS</u>	<u>SEG. A</u>	<u>SEG. B, C, D</u>	<u>SEG. E-F</u>	<u>ALL SEGMENTS</u>
	<u>Lib./Admin. Bldg.</u>	<u>Concert Hall/ Drama Wk./ Op. Lab</u>	<u>Music Bldg. &amp; Recital Hall</u>		<u>Lib./Admin. Bldg.</u>	<u>Concert Hall/ Drama Wk./ Op. Lab</u>	<u>Music Bldg. &amp; Recital Hall</u>	
Abel Contract Furniture & Equipment Co., Inc., Austin, Texas	\$92,788.00	N. A.	N. A.	\$92,788.00	\$16,075.92	\$9,088.96	\$27,515.33	\$52,000.00
American Desk Mfg. Co., Temple, Texas	87,056.41	N. A.	N. A.	87,056.41	---	---	---	---
Aetnastak Division - Art Metal - U.S.A., Inc., Newark, New Jersey	80,951.30	N. A.	N. A.	80,951.30	No Bid	No Bid	No Bid	No Bid
Carpet Services, Inc., Dallas, Texas	---	N. A.	N. A.	---	---	---	---	---
J. F. Clark Company, Inc., Dallas, Texas	No Bid	N. A.	N. A.	No Bid	No Bid	No Bid	No Bid	No Bid
Clegg/Austin, Inc., Austin, Texas	No Bid	N. A.	N. A.	No Bid	17,763.84	7,759.66	27,239.80	No Bid
Estey Corporation, Red Bank, New Jersey	86,347.00	N. A.	N. A.	86,347.00	No Bid	No Bid	No Bid	No Bid
Fraser Furniture Co., Inc., Jamestown, New York	No Bid	N. A.	N. A.	No Bid	No Bid	No Bid	No Bid	No Bid
Library Bureau, Division of Mohawk Valley Community Corp., Herkimer, New York	84,325.00	N. A.	N. A.	84,325.00	---	---	---	---

R  
G  
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BASE PROPOSAL "7"

BASE PROPOSAL "8"

<u>Bidder</u>	<u>SEG. A</u>	<u>SEG. B, C, D</u>	<u>SEG. E-F</u>	<u>ALL SEGMENTS</u>	<u>SEG. A</u>	<u>SEG. B, C, D</u>	<u>SEG. E-F</u>	<u>ALL SEGMENTS</u>
	<u>Lib./Admin. Bldg.</u>	<u>Concert Hall/ Drama Wk./ Op. Lab</u>	<u>Music Bldg. &amp; Recital Hall</u>		<u>Lib./Admin. Bldg.</u>	<u>Concert Hall/ Drama Wk./ Op. Lab</u>	<u>Music Bldg. &amp; Recital Hall</u>	
Lundia, Myers Industries, Inc., San Antonio, Texas	---	N. A.	N. A.	---	---	---	---	---
Marshall Clegg Associates, San Antonio, Texas	---	N. A.	N. A.	---	---	---	---	---
Metroplex Business Interiors, Inc., Dallas, Texas	No Bid	N. A.	N. A.	No Bid	16,291.25	9,206.75	27,872.00	No Bid
Rockford Furniture & Carpets, Inc., Austin, Texas	No Bid	N. A.	N. A.	No Bid	16,783.37	8,485.82	27,585.87	52,784.13
San Antonio Floor Finishers, Inc., San Antonio, Texas	No Bid	N. A.	N. A.	No Bid	No Bid	No Bid	No Bid	No Bid
Stewart Office Supply Co., Dallas, Texas	No Bid	N. A.	N. A.	No Bid	14,923.18	8,289.00	27,262.29	---
Space Saver System, Inc., Houston, Texas	---	N. A.	N. A.	---	---	---	---	---
Minnesota Mining & Manufacturing Co., St. Paul, Minnesota	---	N. A.	N. A.	---	---	---	---	---
Wittig's, Inc., San Antonio, Texas	---	N. A.	N. A.	---	---	---	---	---

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Bidder	BASE PROPOSAL "9"				BASE PROPOSAL "10"			
	<u>SEG. A</u> Lib./Admin. Bldg.	<u>SEG. B, C, D</u> Concert Hall/ Drama Wk./ Op. Lab	<u>SEG. E-F</u> Music Bldg. & Recital Hall	ALL SEGMENTS	<u>SEG. A</u> Lib./Admin. Bldg.	<u>SEG. B, C, D</u> Concert Hall/ Drama Wk./ Op. Lab	<u>SEG. E-F</u> Music Bldg. & Recital Hall	ALL SEGMENTS
Abel Contract Furniture & Equipment Co., Inc., Austin, Texas	N. A.	N. A.	\$68,886.00	\$68,886.00	No Bid	No Bid	No Bid	No Bid
American Desk Mfg. Co., Temple, Texas	N. A.	N. A.	66,825.00	66,825.00	---	---	---	---
Aetnastak Division - Art Metal - U.S.A., Inc., Newark, New Jersey	N. A.	N. A.	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
Carpet Services, Inc., Dallas, Texas	N. A.	N. A.	---	---	---	---	---	---
J. F. Clark Company, Inc., Dallas, Texas	N. A.	N. A.	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
Clegg/Austin, Inc., Austin, Texas	N. A.	N. A.	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
Estey Corporation, Red Bank, New Jersey	N. A.	N. A.	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
Fraser Furniture Co., Inc., Jamestown, New York	N. A.	N. A.	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
Library Bureau, Division of Mohawk Valley Community Corp., Herkimer, New York	N. A.	N. A.	---	---	---	---	---	---

BASE PROPOSAL "9"

BASE PROPOSAL "10"

<u>Bidder</u>	<u>BASE PROPOSAL "9"</u>				<u>BASE PROPOSAL "10"</u>			
	<u>SEG. A</u> <u>Lib./Admin.</u> <u>Bldg.</u>	<u>SEG. B, C, D</u> <u>Concert Hall/</u> <u>Drama Wk./</u> <u>Op. Lab</u>	<u>SEG. E-F</u> <u>Music Bldg. &amp;</u> <u>Recital Hall</u>	<u>ALL</u> <u>SEGMENTS</u>	<u>SEG. A</u> <u>Lib./Admin.</u> <u>Bldg.</u>	<u>SEG. B, C, D</u> <u>Concert Hall/</u> <u>Drama Wk./</u> <u>Op. Lab</u>	<u>SEG. E-F</u> <u>Music Bldg. &amp;</u> <u>Recital Hall</u>	<u>ALL</u> <u>SEGMENTS</u>
Lundia, Myers Industries, Inc., San Antonio, Texas	N. A.	N. A.	---	---	---	---	---	---
Marshall Clegg Associates, San Antonio, Texas	N. A.	N. A.	101,299.70	No Bid	---	---	---	---
Metroplex Business Interiors, Inc., Dallas, Texas	N. A.	N. A.	73,902.50	No Bid	No Bid	No Bid	No Bid	No Bid
Rockford Furniture & Carpets, Inc., Austin, Texas	N. A.	N. A.	78,366.00	78,366.00	No Bid	No Bid	No Bid	No Bid
San Antonio Floor Finishers, Inc., San Antonio, Texas	N. A.	N. A.	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
Stewart Office Supply Co., Dallas, Texas	N. A.	N. A.	72,954.50	---	\$7,554.00	\$12,460.82	\$20,289.14	---
Space Saver System, Inc., Houston, Texas	N. A.	N. A.	---	---	---	---	---	---
Minnesota Mining & Manufacturing Co., St. Paul, Minnesota	N. A.	N. A.	---	---	---	---	---	---
Wittig's, Inc., San Antonio, Texas	N. A.	N. A.	---	---	7,520.00	12,473.25	19,697.73	---

B & C

BASE PROPOSAL "11"

BASE PROPOSAL "12"

<u>Bidder</u>	<u>SEG. A</u>	<u>SEG. B, C, D</u>	<u>SEG. E-F</u>	<u>ALL SEGMENTS</u>	<u>SEG. A</u>	<u>SEG. B, C, D</u>	<u>SEG. E-F</u>	<u>ALL SEGMENTS</u>
	<u>Lib./Admin. Bldg.</u>	<u>Concert Hall/ Drama Wk./ Op. Lab</u>	<u>Music Bldg. &amp; Recital Hall</u>		<u>Lib./Admin. Bldg.</u>	<u>Concert Hall/ Drama Wk./ Op. Lab</u>	<u>Music Bldg. &amp; Recital Hall</u>	
Abel Contract Furniture & Equipment Co., Inc., Austin, Texas	No Bid	No Bid	No Bid	No Bid	No Bid	N. A.	No Bid	No Bid
American Desk Mfg. Co., Temple, Texas	---	---	---	---	---	N. A.	---	---
Aetnastak Division - Art Metal - U.S.A., Inc., Newark, New Jersey	No Bid	No Bid	No Bid	No Bid	No Bid	N. A.	No Bid	No Bid
Carpet Services, Inc., Dallas, Texas	---	---	---	---	---	N. A.	---	---
J. F. Clark Company, Inc., Dallas, Texas	No Bid	No Bid	No Bid	No Bid	No Bid	N. A.	No Bid	No Bid
Clegg/Austin, Inc., Austin, Texas	\$29,239.33	\$19,755.61	\$49,683.09	No Bid	\$7,709.55	N. A.	\$1,098.29	No Bid
Estey Corporation, Red Bank, New Jersey	No Bid	No Bid	No Bid	No Bid	No Bid	N. A.	No Bid	No Bid
Fraser Furniture Co., Inc., Jamestown, New York	No Bid	No Bid	No Bid	No Bid	No Bid	N. A.	No Bid	No Bid
Library Bureau, Division of Mohawk Valley Community Corp., Herkimer, New York	---	---	---	---	---	N. A.	---	---

R & C - 30

BASE PROPOSAL "11"

BASE PROPOSAL "12"

	<u>SEG. A</u>	<u>SEG. B, C, D</u>	<u>SEG. E-F</u>	<u>ALL SEGMENTS</u>	<u>SEG. A</u>	<u>SEG. B, C, D</u>	<u>SEG. E-F</u>	<u>ALL SEGMENTS</u>
	<u>Lib./Admin. Bldg.</u>	<u>Concert Hall/ Drama Wk./ Op. Lab</u>	<u>Music Bldg. &amp; Recital Hall</u>		<u>Lib./Admin. Bldg.</u>	<u>Concert Hall/ Drama Wk./ Op. Lab</u>	<u>Music Bldg. &amp; Recital Hall</u>	
Lundia, Myers Industries, Inc., San Antonio, Texas	---	---	---	---	---	N. A.	---	---
Marshall Clegg Associates, San Antonio, Texas	---	---	---	---	---	N. A.	---	---
Metroplex Business Interiors, Inc., Dallas, Texas	27,596.00	20,593.50	38,900.25**	No Bid	No Bid	N. A.	No Bid	No Bid
Rockford Furniture & Carpets, Inc., Austin, Texas	No Bid	No Bid	No Bid	No Bid	No Bid	N. A.	No Bid	No Bid
San Antonio Floor Finishers, Inc., San Antonio, Texas	No Bid	No Bid	No Bid	No Bid	No Bid	N. A.	No Bid	No Bid
Stewart Office Supply Co., Dallas, Texas	27,174.83	20,693.24	46,289.38	---	7,864.48	N. A.	1,108.68	---
Space Saver System, Inc., Houston, Texas	---	---	---	---	---	N. A.	---	---
Minnesota Mining & Manufacturing Co., St. Paul, Minnesota	---	---	---	---	---	N. A.	---	---
Wittig's, Inc., San Antonio, Texas	---	---	---	---	---	N. A.	---	---

\*\*Cannot be considered a low bid because it is an "all-or-none" bid

<u>Bidder</u>	<u>BASE PROPOSAL "13"</u>				<u>ADD ALTERNATE BASE PROPOSAL "13"</u>			
	<u>SEG. A</u> <u>Lib./Admin.</u> <u>Bldg.</u>	<u>SEG. B, C, D</u> <u>Concert Hall/</u> <u>Drama Wk./</u> <u>Op. Lab</u>	<u>SEG. E-F</u> <u>Music Bldg. &amp;</u> <u>Recital Hall</u>	<u>ALL</u> <u>SEGMENTS</u>	<u>SEG. A</u> <u>Lib./Admin.</u> <u>Bldg.</u>	<u>SEG. B, C, D</u> <u>Concert Hall/</u> <u>Drama Wk./</u> <u>Op. Lab</u>	<u>SEG. E-F</u> <u>Music Bldg. &amp;</u> <u>Recital Hall</u>	<u>ALL</u> <u>SEGMENTS</u>
Abel Contract Furniture & Equipment Co., Inc., Austin, Texas	\$171,519.00	N. A.	N. A.	\$171,519.00	\$176,000.00	N. A.	N. A.	\$176,000.00
American Desk Mfg. Co., Temple, Texas	---	N. A.	N. A.	---	---	N. A.	N. A.	---
Aetnastak Division - Art Metal - U.S.A., Inc., Newark, New Jersey	No Bid	N. A.	N. A.	No Bid	No Bid	N. A.	N. A.	No Bid
Carpet Services, Inc., Dallas, Texas	---	N. A.	N. A.	---	---	N. A.	N. A.	---
J. F. Clark Company, Inc., Dallas, Texas	No Bid	N. A.	N. A.	No Bid	No Bid	N. A.	N. A.	No Bid
Clegg/Austin, Inc., Austin, Texas	No Bid	N. A.	N. A.	No Bid	No Bid	N. A.	N. A.	No Bid
Estey Corporation, Red Bank, New Jersey	No Bid	N. A.	N. A.	No Bid	No Bid	N. A.	N. A.	No Bid
Fraser Furniture Co., Inc., Jamestown, New York	127,387.00	N. A.	N. A.	127,387.00	134,492.62	N. A.	N. A.	134,492.62
Library Bureau, Division of Mohawk Valley Community Corp., Herkimer, New York	150,559.00	N. A.	N. A.	150,559.00	170,769.00	N. A.	N. A.	170,769.00

BASE PROPOSAL "13"

ADD ALTERNATE  
BASE PROPOSAL "13"

<u>Bidder</u>	<u>SEG. A</u>	<u>SEG. B, C, D</u>	<u>SEG. E-F</u>	<u>ALL SEGMENTS</u>	<u>SEG. A</u>	<u>SEG. B, C, D</u>	<u>SEG. E-F</u>	<u>ALL SEGMENTS</u>
	<u>Lib./Admin. Bldg.</u>	<u>Concert Hall/ Drama Wk./ Op. Lab</u>	<u>Music Bldg. &amp; Recital Hall</u>		<u>Lib./Admin. Bldg.</u>	<u>Concert Hall/ Drama Wk./ Op. Lab</u>	<u>Music Bldg. &amp; Recital Hall</u>	
Lundia, Myers Industries, Inc., San Antonio, Texas	---	N. A.	N. A.	---	---	N. A.	N. A.	---
Marshall Clegg Associates, San Antonio, Texas	---	N. A.	N. A.	---	---	N. A.	N. A.	---
Metroplex Business Interiors, Inc., Dallas, Texas	No Bid	N. A.	N. A.	No Bid	No Bid	N. A.	N. A.	No Bid
Rockford Furniture & Carpets, Inc., Austin, Texas	156,653.85	N. A.	N. A.	156,653.85	171,445.38	N. A.	N. A.	171,445.38
San Antonio Floor Finishers, Inc., San Antonio, Texas	No Bid	N. A.	N. A.	No Bid	No Bid	N. A.	N. A.	No Bid
Stewart Office Supply Co., Dallas, Texas	No Bid	N. A.	N. A.	No Bid	No Bid	N. A.	N. A.	No Bid
Space Saver System, Inc., Houston, Texas	---	N. A.	N. A.	---	---	N. A.	N. A.	---
Minnesota Mining & Manufacturing Co., St. Paul, Minnesota	---	N. A.	N. A.	---	---	N. A.	N. A.	---
Wittig's, Inc., San Antonio, Texas	---	N. A.	N. A.	---	---	N. A.	N. A.	---

BASE PROPOSAL "14"

BASE PROPOSAL "15"

<u>Bidder</u>	<u>SEG. A</u>	<u>SEG. B, C, D</u>	<u>SEG. E-F</u>	<u>ALL SEGMENTS</u>	<u>SEG. A</u>	<u>SEG. B, C, D</u>	<u>SEG. E-F</u>	<u>ALL SEGMENTS</u>
	<u>Lib./Admin. Bldg.</u>	<u>Concert Hall/ Drama Wk./ Op. Lab</u>	<u>Music Bldg. &amp; Recital Hall</u>		<u>Lib./Admin. Bldg.</u>	<u>Concert Hall/ Drama Wk./ Op. Lab</u>	<u>Music Bldg. &amp; Recital Hall</u>	
Abel Contract Furniture & Equipment Co., Inc., Austin, Texas	\$62,978.00	\$54,577.90	\$74,364.65	\$190,612.56	No Bid	N. A.	N. A.	No Bid
American Desk Mfg. Co., Temple, Texas	---	---	---	---	---	N. A.	N. A.	---
Aetnastak Division - Art Metal - U.S.A., Inc., Newark, New Jersey	No Bid	No Bid	No Bid	No Bid	No Bid	N. A.	N. A.	No Bid
Carpet Services, Inc., Dallas, Texas	---	---	---	---	---	N. A.	N. A.	---
J. F. Clark Company, Inc., Dallas, Texas	No Bid	No Bid	No Bid	No Bid	No Bid	N. A.	N. A.	No Bid
Clegg/Austin, Inc., Austin, Texas	No Bid	No Bid	No Bid	No Bid	No Bid	N. A.	N. A.	No Bid
Estey Corporation, Red Bank, New Jersey	No Bid	No Bid	No Bid	No Bid	No Bid	N. A.	N. A.	No Bid
Fraser Furniture Co., Inc., Jamestown, New York	No Bid	No Bid	No Bid	No Bid	No Bid	N. A.	N. A.	No Bid
Library Bureau, Division of Mohawk Valley Community Corp., Herkimer, New York	---	---	---	---	---	N. A.	N. A.	---

P. 3 of 4

BASE PROPOSAL "14"

BASE PROPOSAL "15"

Bidder	<u>SEG. A</u>	<u>SEG. B, C, D</u>	<u>SEG. E-F</u>	ALL SEGMENTS	<u>SEG. A</u>	<u>SEG. B, C, D</u>	<u>SEG. E-F</u>	ALL SEGMENTS
	Lib./Admin. Bldg.	Concert Hall/ Drama Wk./ Op. Lab	Music Bldg. & Recital Hall		Lib./Admin. Bldg.	Concert Hall/ Drama Wk./ Op. Lab	Music Bldg. & Recital Hall	
Lundia, Myers Industries, Inc., San Antonio, Texas	---	---	---	---	---	N. A.	N. A.	---
Marshall Clegg Associates, San Antonio, Texas	---	---	---	---	---	N. A.	N. A.	---
Metroplex Business Interiors, Inc., Dallas, Texas	No Bid	No Bid	No Bid	No Bid	No Bid	N. A.	N. A.	No Bid
Rockford Furniture & Carpets, Inc., Austin, Texas	61,215.94	52,984.75	72,512.97	186,100.11	No Bid	N. A.	N. A.	No Bid
San Antonio Floor Finishers, Inc., San Antonio, Texas	No Bid	No Bid	No Bid	No Bid	No Bid	N. A.	N. A.	No Bid
Stewart Office Supply Co., Dallas, Texas	No Bid	No Bid	No Bid	No Bid	No Bid	N. A.	N. A.	No Bid
Space Saver System, Inc., Houston, Texas	---	---	---	---	---	N. A.	N. A.	---
Minnesota Mining & Manufacturing Co., St. Paul, Minnesota	---	---	---	---	12,260.00	N. A.	N. A.	---
Wittig's, Inc., San Antonio, Texas	---	---	---	---	---	N. A.	N. A.	---

B & C - 35

BASE PROPOSAL "16"

BASE PROPOSAL "17"

Bidder	<u>SEG. A</u>	<u>SEG. B, C, D</u>	<u>SEG. E-F</u>	ALL SEGMENTS	<u>SEG. A</u>	<u>SEG. B, C, D</u>	<u>SEG. E-F</u>	ALL SEGMENTS
	<u>Lib./Admin. Bldg.</u>	<u>Concert Hall/ Drama Wk./ Op. Lab</u>	<u>Music Bldg. &amp; Recital Hall</u>		<u>Lib./Admin. Bldg.</u>	<u>Concert Hall/ Drama Wk./ Op. Lab</u>	<u>Music Bldg. &amp; Recital Hall</u>	
Abel Contract Furniture & Equipment Co., Inc., Austin, Texas	\$38,464.00	\$41,997.00	\$3,890.85	\$84,467.00	N. A.	N. A.	No Bid	No Bid
American Desk Mfg. Co., Temple, Texas	---	---	---	---	N. A.	N. A.	---	---
Aetnastak Division - Art Metal - U.S.A., Inc., Newark, New Jersey	No Bid	No Bid	No Bid	No Bid	N. A.	N. A.	No Bid	No Bid
B & G -36 Carpet Services, Inc., Dallas, Texas	---	---	---	---	N. A.	N. A.	---	---
J. F. Clark Company, Inc., Dallas, Texas	No Bid	No Bid	No Bid	No Bid	N. A.	N. A.	No Bid	No Bid
Clegg/Austin, Inc., Austin, Texas	No Bid	No Bid	No Bid	No Bid	N. A.	N. A.	No Bid	No Bid
Estey Corporation, Red Bank, New Jersey	No Bid	No Bid	No Bid	No Bid	N. A.	N. A.	\$19,625.00	\$19,625.00
Fraser Furniture Co., Inc., Jamestown, New York	No Bid	No Bid	No Bid	No Bid	N. A.	N. A.	No Bid	No Bid
Library Bureau, Division of Mohawk Valley Community Corp., Herkimer, New York	---	---	---	---	N. A.	N. A.	---	---

BASE PROPOSAL "16"

BASE PROPOSAL "17"

Bidder	<u>BASE PROPOSAL "16"</u>				<u>BASE PROPOSAL "17"</u>			
	<u>SEG. A</u> Lib./Admin. Bldg.	<u>SEG. B, C, D</u> Concert Hall/ Drama Wk./ Op. Lab	<u>SEG. E-F</u> Music Bldg. & Recital Hall	<u>ALL</u> <u>SEGMENTS</u>	<u>SEG. A</u> Lib./Admin. Bldg.	<u>SEG. B, C, D</u> Concert Hall/ Drama Wk./ Op. Lab	<u>SEG. E-F</u> Music Bldg. & Recital Hall	<u>ALL</u> <u>SEGMENTS</u>
Lundia, Myers Industries, Inc., San Antonio, Texas	---	---	---	---	N. A.	N. A.	12,270.41*** 19,792.65	---
Marshall Clegg Associates, San Antonio, Texas	---	---	---	---	N. A.	N. A.	---	---
Metroplex Business Interiors, Inc., Dallas, Texas	No Bid	No Bid	No Bid	No Bid	N. A.	N. A.	No Bid	No Bid
B & G - 27 Rockford Furniture & Carpets, Inc., Austin, Texas	39,107.10	36,975.03	4,045.66	80,116.89	N. A.	N. A.	No Bid	No Bid
San Antonio Floor Finishers, Inc., San Antonio, Texas	No Bid	No Bid	No Bid	No Bid	N. A.	N. A.	No Bid	No Bid
Stewart Office Supply Co., Dallas, Texas	No Bid	No Bid	No Bid	No Bid	N. A.	N. A.	No Bid	No Bid
Space Saver System, Inc., Houston, Texas	---	---	---	---	N. A.	N. A.	19,670.00	---
Minnesota Mining & Manufacturing Co., St. Paul, Minnesota	---	---	---	---	N. A.	N. A.	---	---
Wittig's, Inc., San Antonio, Texas	---	---	---	---	N. A.	N. A.	---	---

\*\*\*A voluntary low bid that is non-responsive because it does not meet the requirements of the specifications

BASE PROPOSAL "18"

BASE PROPOSAL "19"

Bidder	<u>SEG. A</u>	<u>SEG. B, C, D</u>	<u>SEG. E-F</u>	ALL SEGMENTS	<u>SEG. A</u>	<u>SEG. B, C, D</u>	<u>SEG. E-F</u>	ALL SEGMENTS
	<u>Lib./Admin. Bldg.</u>	<u>Concert Hall/ Drama Wk./ Op. Lab</u>	<u>Music Bldg. &amp; Recital Hall</u>		<u>Lib./Admin. Bldg.</u>	<u>Concert Hall/ Drama Wk./ Op. Lab</u>	<u>Music Bldg. &amp; Recital Hall</u>	
Abel Contract Furniture & Equipment Co., Inc., Austin, Texas	N. A.	\$7,635.00	\$359.00	\$7,994.00	N. A.	No Bid	No Bid	No Bid
American Desk Mfg. Co., Temple, Texas	N. A.	---	---	---	N. A.	---	---	---
Aetnastak Division - Art Metal - U.S.A., Inc., Newark, New Jersey	N. A.	No Bid	No Bid	No Bid	N. A.	No Bid	No Bid	No Bid
B & G-38 Carpet Services, Inc., Dallas, Texas	N. A.	---	---	---	N. A.	---	---	---
J. F. Clark Company, Inc., Dallas, Texas	N. A.	No Bid	No Bid	No Bid	N. A.	\$9,157.00	\$5,297.00	\$14,454.00
Clegg/Austin, Inc., Austin, Texas	N. A.	No Bid	No Bid	No Bid	N. A.	No Bid	No Bid	No Bid
Estey Corporation, Red Bank, New Jersey	N. A.	No Bid	No Bid	No Bid	N. A.	No Bid	No Bid	No Bid
Fraser Furniture Co., Inc., Jamestown, New York	N. A.	No Bid	No Bid	No Bid	N. A.	No Bid	No Bid	No Bid
Library Bureau, Division of Mohawk Valley Community Corp., Herkimer, New York	N. A.	---	---	---	N. A.	---	---	---

BASE PROPOSAL "18"

BASE PROPOSAL "19"

<u>Bidder</u>	<u>SEG. A</u>	<u>SEG. B, C, D</u>	<u>SEG. E-F</u>	<u>ALL SEGMENTS</u>	<u>SEG. A</u>	<u>SEG. B, C, D</u>	<u>SEG. E-F</u>	<u>ALL SEGMENTS</u>
	<u>Lib./Admin. Bldg.</u>	<u>Concert Hall/ Drama Wk./ Op. Lab</u>	<u>Music Bldg. &amp; Recital Hall</u>		<u>Lib./Admin. Bldg.</u>	<u>Concert Hall/ Drama Wk./ Op. Lab</u>	<u>Music Bldg. &amp; Recital Hall</u>	
Lundia, Myers Industries, Inc., San Antonio, Texas	N. A.	---	---	---	N. A.	---	---	---
Marshall Clegg Associates, San Antonio, Texas	N. A.	---	---	---	N. A.	---	---	---
Metroplex Business Interiors, Inc., Dallas, Texas	N. A.	No Bid	No Bid	No Bid	N. A.	No Bid	No Bid	No Bid
Rockford Furniture & Carpets, Inc., Austin, Texas	N. A.	7,604.18	354.01	7,958.19	N. A.	No Bid	No Bid	No Bid
San Antonio Floor Finishers, Inc., San Antonio, Texas	N. A.	No Bid	No Bid	No Bid	N. A.	No Bid	No Bid	No Bid
Stewart Office Supply Co., Dallas, Texas	N. A.	No Bid	No Bid	No Bid	N. A.	No Bid	No Bid	No Bid
Space Saver System, Inc., Houston, Texas	N. A.	---	---	---	N. A.	---	---	---
Minnesota Mining & Manufacturing Co., St. Paul, Minnesota	N. A.	---	---	---	N. A.	---	---	---
Wittig's, Inc., San Antonio, Texas	N. A.	---	---	---	N. A.	---	---	---

R & C-39

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&  
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40

<u>Bidder</u>	<u>Bidder's Bond or Cashier's Check</u>
Abel Contract Furniture & Equipment Co., Inc., Austin, Texas	B.B. 5%
American Desk Mfg. Co., Temple, Texas	B.B. 5%
Aetnastak Division - Art Metal - U.S.A., Inc., Newark, New Jersey	B.B. 5%
Carpet Services, Inc., Dallas, Texas	B.B. 5%
J. F. Clark Company, Dallas, Texas	B.B. 5%
Clegg/Austin, Inc., Austin, Texas	B.B. 5%
Estey Corporation, Red Bank, New Jersey	B.B. 5%
Fraser Furniture Co., Inc., Jamestown, New York	C.C. \$6,750.00
Library Bureau, Division of Mohawk Valley Community Corp., Herkimer, New York	B.B. 5%

<u>Bidder</u>	<u>Bidder's Bond or Cashier's Check</u>
Lundia, Myers Industries, Inc., San Antonio, Texas	B.B. 5%
Marshall Clegg Associates, San Antonio, Texas	B.B. 5%
Metroplex Business Interiors, Inc., Dallas, Texas	B.B. 5%
Rockford Furniture & Carpets, Inc., Austin, Texas	B.B. 5%
B & C - 41 San Antonio Floor Finishers, Inc., San Antonio, Texas	B.B. 5%
Stewart Office Supply Co., Dallas, Texas	B.B. 5%
Space Saver System, Inc., Houston, Texas	None
Minnesota Mining & Manufacturing Co., St. Paul, Minnesota	B.B. 5%
Wittig's, Inc. San Antonio, Texas	C.C. \$7,341.91

15. UNIVERSITY CANCER CENTER (M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE): REMODELING OF PRESENT BUILDING (PROJECT NO. 703-291) PHASE II - RECOMMENDED AWARD OF CONTRACT TO H. A. LOTT, INC., HOUSTON, TEXAS

BACKGROUND INFORMATION

In accordance with authorization of the Board of Regents at its meeting on June 9, 1978, bids were called for and were received, opened and tabulated on July 27, 1978, as shown below for the Phase II Remodeling of the M. D. Anderson Hospital Present Building at The University of Texas System Cancer Center. This Phase II Remodeling project provides major improvements to the existing second, third, fifth and sixth floors nursing wings and four existing elevators.

The total project cost of \$8,864,565 is within the previous appropriations for this phase of the remodeling.

Bidder	Base Bid	<u>Add Alternates</u>		
		No. 1	No. 2	No. 3
H. A. Lott, Inc., Houston, Texas	\$7,700,000	\$12,000	\$20,000	\$9,000
Zapata Warrior Constructors (a Division of Zapata Constructors, Inc.), Houston, Texas	8,918,000	8,700	9,500	8,000

Each bidder submitted a bid bond in the amount of 5% of the total amount bid.

RECOMMENDATIONS

President Clark and System Administration recommend that the Board:

- a. Award the construction contract for the Phase II Remodeling of the M. D. Anderson Hospital Present Building at The University of Texas System Cancer Center to the lowest responsible bidder, H. A. Lott, Inc., Houston, Texas as follows:

Base Bid	\$7,700,000
Additive Alternates:	
No. 1 Paving	12,000
No. 2 Rounded Corners	20,000
No. 3 Horizontal Stripe	<u>9,000</u>
<b>Total Recommended Contract Award</b>	<b><u>\$7,741,000</u></b>

- b. Authorize a total project cost of \$8,864,565 to cover the recommended building construction contract award, control systems, air balancing, fees and related project expenses.

**Health Affairs  
Committee**

MEMORANDUM FOR THE RECORD

HEALTH AFFAIRS COMMITTEE  
Committee Chairman Law

Date: August 4, 1978

Time: Following the meeting of the Buildings and Grounds Committee if it reconvenes on August 4; otherwise the Health Affairs Committee will meet following the Academic and Developmental Affairs Committee.

Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall  
Austin, Texas

Page  
HAC

- ✓ 1. U. T. Arlington: Proposed Affiliation Agreements with: 4
- a. Tarrant County Multiple Sclerosis Association, Inc., Fort Worth, Texas
  - b. The Denton Baptist Association Rural Health Clinic Project, Denton, Texas
  - c. Arlington Independent School District  
Arlington, Texas
2. U. T. El Paso: Proposed Agreement with Sertoma International for Communication Disorders of El Paso-Juarez, El Paso, Texas 4
3. U. T. El Paso: Proposed Affiliation Agreements with: 9
- a. St. Margaret's Center for Children  
El Paso, Texas
  - b. El Paso Guidance Center, Incorporated  
El Paso, Texas
  - c. YWCA of El Paso, Texas  
El Paso, Texas
  - d. Providence Memorial Hospital  
El Paso, Texas
4. U. T. San Antonio: Proposed Affiliation Agreements with: 9
- a. Physician's Physical Therapy Service, Inc.  
Gary, Indiana
  - b. West Texas Rehabilitation Center  
Abilene, Texas
  - c. Mercy Hospital of Laredo  
Laredo, Texas
5. Dallas Health Science Center: Proposed Affiliation Agreements with: 10
- a. Humana of Texas, Inc., d/b/a Medical City  
Dallas Hospital, Dallas, Texas
  - b. Lutheran Social Service of Texas d/b/a  
Trinity Lutheran Home, Roundrock, Texas
  - c. City of Garland (Garland Office on Aging)  
Garland, Texas
  - d. Texarkana Memorial Hospital, Inc., d/b/a  
Wadley Hospital, Texarkana, Texas

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6. Dallas Health Science Center (Dallas Allied Health Sciences School): Request to Seek Permission from Coordinating Board to Establish Program in Orthotics and Prosthetics Leading to Baccalaureate Degree	10
7. Dallas Health Science Center (Dallas Southwestern Medical School), Galveston Medical Branch (Galveston Medical School) and San Antonio Health Science Center (San Antonio Medical School): Recommendation to Accept Proposal by The Robert A. Welch Foundation to Establish Three Robert A. Welch Chairs in Chemistry	11
8. Galveston Medical Branch: Proposed Affiliation Agreements with:	11
a. Presbyterian Hospital, Oklahoma City, Oklahoma	
b. St. Luke's Episcopal Hospital Houston, Texas	
c. Sports Medicine Clinic of North Texas Dallas, Texas	
d. Hillcrest Medical Center, Tulsa, Oklahoma	
e. Easter Seal Society for Crippled Children and Adults of Bexar County, Inc., San Antonio, Texas	
f. Methodist Hospital, Lubbock, Texas	
g. Humana of Texas, Inc., d/b/a Medical City Dallas Hospital, Dallas, Texas	
h. Criss Cole Rehabilitation Center (State Commission for the Blind), Austin, Texas	
i. Brownsville Medical Center, Brownsville, Texas	
j. Beaumont Medical-Surgical Hospital Beaumont, Texas	
k. Baptist Memorial Hospital, Kansas City, Missouri	
l. Austin-Travis County Mental Health Mental Retardation Center, Austin, Texas	
m. Austin Independent School District Austin, Texas	
n. Pru Care, Houston, Texas	
o. Balcones Special Services Cooperative Austin, Texas	
p. Texas Department of Health Facility Standards Division, Austin, Texas	
q. Health Sciences Center Hospital, Lubbock, Texas	
9. Houston Health Science Center: Proposed Affiliation Agreements with:	13
a. Jewish Community Center, Houston, Texas	
b. Holly Hall, Houston, Texas	

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10. Houston Health Science Center: Proposed Affiliation Agreement with Entity Composed of St. Luke's Hospital, Texas Children's Hospital and the Texas Heart Institute, Houston, Texas	13
11. Houston Health Science Center: Request for Ratification of Student Health Services Contract with Rice University, Houston, Texas	20
12. Houston Health Science Center: Recommendation to Submit Request to Coordinating Board to Transfer Master of Science Degree Program in Language Sciences from Graduate School of Biomedical Sciences to School of Allied Health Sciences	23
13. University Cancer Center: Proposed Interagency Agreement for Cancer Prevention and Control	24
14. U. T. El Paso: Proposed Agreement with the El Paso County Association for the Blind	25

**NOTE:** The agreements recommended for approval by the Health Affairs Committee have been approved by the Office of General Counsel and are based on the model agreement adopted December 16, 1977, unless the document is included.

1. U. T. Arlington: Proposed Affiliation Agreements with (a) Tarrant County Multiple Sclerosis Association, Inc., Fort Worth, Texas; (b) The Denton Baptist Association Rural Health Clinic Project, Denton, Texas; and (c) Arlington Independent School District, Arlington, Texas. --

#### RECOMMENDATION

It is recommended by President Nedderman and System Administration that approval be given to affiliation agreements by and between The University of Texas at Arlington and the following facilities. The agreements were executed by the appropriate officials on the dates indicated below to be effective upon approval by the Board of Regents:

<u>Facility</u>	<u>Agreement Executed</u>
a. Tarrant County Multiple Sclerosis Association, Inc., Fort Worth, Texas	June 16, 1978
b. The Denton Baptist Association Rural Health Clinic Project, Denton, Texas	May 25, 1978
c. Arlington Independent School District Arlington, Texas	May 24, 1978

#### PURPOSE

Each of these agreements will permit additional educational facilities primarily for the nursing students at U. T. Arlington.

2. U. T. El Paso: Proposed Agreement with Sertoma International Center for Communication Disorders of El Paso-Juarez, El Paso, Texas. --

#### RECOMMENDATION

It is recommended by President Templeton and System Administration that the following Agreement (Pages HAC 5-8 ) between The University of Texas at El Paso and the Sertoma International Center for Communicative Disorders of El Paso-Juarez, El Paso, Texas, executed by the appropriate officials on June 20, 1978, be approved to be effective upon approval by the Board of Regents.

#### BACKGROUND INFORMATION

This agreement will provide clinical training facilities for students in audiology and speech pathology. It does not precisely follow the standard affiliation agreement format previously approved by the Board of Regents. However, it was developed with the assistance and approval of the Office of General Counsel and has been endorsed by the Office of Academic Affairs.

A G R E E M E N T

THIS AGREEMENT by and between the Sertoma International Center for Communicative Disorders of El Paso-Juarez, a Texas nonprofit corporation having its home office in El Paso, Texas, hereinafter called "Center"; and the Board of Regents of The University of Texas System for and on behalf of The University of Texas at El Paso, hereinafter called "University"

W I T N E S S E T H

WHEREAS the Center is a nonprofit corporation desirous of providing services for communicative disorders for the El Paso-Juarez community, and

WHEREAS The University provides several types of general audiological and speech pathology services to the El Paso-Juarez community because no other services are available and in order to have access to clients for clinical training for its students in its audiology and speech pathology program, and

WHEREAS a joint operation of clinical facilities by the Center and The University would provide more clinical opportunities for The University's students and better services for the community at less cost, and

WHEREAS The University has adequate space for the joint operation of clinical facilities with the Center

NOW, THEREFORE, for and in consideration of the mutual benefits and covenants set forth herein, the parties agree as follows:

Article 1. The Center will operate a clinic for persons with communicative disorders according to accepted standards of the American Speech and Hearing Association, University Policy, and Sertoma Foundation.

The clinic shall provide, but not be limited to the following services:  
(a) evaluation and therapy for disorders of communication for all ages, and (b) measurement of sound and hearing conservation. The Center will be responsible for the employment, payment, and supervision of all persons necessary to provide these services.

The Center will provide The University access, without charge, to its clients  
(a) for the practicum credit courses for students enrolled in The University's Speech, Hearing, and Language Disorder degree program and to (b) qualified University faculty in accordance with the policies of the Center.

The Center will make available its professional personnel for (a) supervision of the practicums and (b) class lectures for a specified number of hours each week. The number of hours shall be agreed to each year in writing by The University and the Center.

Article 2. The general policies governing access to the Center's clients and the ratio of supervisors to students shall be consistent with standards set by licensing agencies, American Speech and Hearing Association and University policies, and shall be agreed to in writing by The University and the Center.

Article 3. The Center agrees to submit to The University for record its policies on acceptance of clients and operation of the Clinic and to provide equal service to all persons regardless of race, creed, or religion, sex, or age.

Article 4. The Center agrees to accept all clients now being provided speech pathology and audiological services by The University's Speech and Hearing Clinic on the same basis as the Center's regular clients.

Article 5. The University will provide its present audiological services, without charge, for the benefit of the Center's clients. These services shall include pure tone and speech audiometry, impedance measurements, noise measurements and hearing aid response measurements. Additional audiological services may be provided as agreed to in writing by The University and the Center.

The title to all equipment provided by The University as a part of these services shall remain with The University.

Article 6. The Director of The University's speech pathology and audiology program shall be the clinical director of the Center.

Article 7. The Center shall be responsible for carrying malpractice insurance in the amount of \$100,000 per claim and \$300,000 annual aggregate for Center personnel and those acting under the direct control and supervision of the Center.

Article 8. The University agrees to provide (a) suitable office space (not to exceed 2,000 square feet), utilities and maintenance services at the normal level provided for facilities at The University, and (b) access to interview and therapy rooms in the Education Building. The scheduling of the use of these rooms shall be agreed to in writing by The University and the Center.

Article 9. The Center agrees to maintain the premises and all appurtenances thereto in reasonably good order and repair, reasonable wear and tear and catastrophe excepted. If the Center does not so maintain the premises, The

University shall notify the Center of the deficiencies in writing by registered mail. If the Center fails to take the steps necessary to remedy the deficiencies specified within ten days, The University may terminate this Agreement under Article 16.

Article 10. Any remodelling or extraordinary maintenance of the space assigned to the Center must have the prior approval of The University. All payments for remodelling or extraordinary maintenance performed by an agency or individuals other than The University shall be made by the Center direct to the person, corporation, or agency performing such service and the Center shall hold The University harmless from any liability for payment of such services. Any service which can be performed by The University will be negotiated with the Center on an individual basis. Under no circumstances is The University to be liable for any indebtedness or liability created by the Center.

Article 11. Employees and clients of the Center will be required to adhere to the current Parking and Traffic Regulations of The University, and the Center's employees will be required to purchase permits in accordance with existing regulations. An appropriate number of parking stations adjacent to the clinic shall be designated by The University for use by the Center's clients at no cost.

Article 12. The Center agrees to indemnify and hold harmless The University from any and all claims of all persons and entities for personal injury, including injury resulting in death, and for damage to property which arises directly or indirectly from the Center's occupancy and use of The University's premises, and agrees to reimburse The University for all reasonable expenses incurred by The University in defending any such claim or claims.

Article 13. Insofar as The University is authorized by the laws of the State of Texas, The University agrees to hold the Center harmless from any and all liability resulting from the use of the Center's facilities as laboratories. The University does not agree to hold the Center harmless (a) for the gross or willful negligence of the operation of the Center, (b) for use of the space contrary to University policy, or (c) for the actions of the Center's officers, employees or agents, or the actions of a third party over which The University has no supervision, control, or jurisdiction.

Article 14. Upon the termination or cancellation of this agreement for any cause, the Center shall have a reasonable time in which to remove any of its equipment or other property which may be upon premises of The University. The

Center shall reimburse The University for any damages caused by the removal of its property and, as mutually agreed to in writing, shall restore the space to its original condition, normal wear and tear and catastrophe excepted.

Article 15. The Center is solely responsible for the diagnosis and therapy provided its clients.

Article 16. This Agreement shall become effective immediately upon its execution and remain in effect through August 31, 1978 and thereafter from year to year, September 1 to August 31 of the following year unless modified in writing by the mutual agreement of the parties or terminated by either party upon giving one hundred and twenty (120) calendar days written notice to the other party.

Article 17. This agreement may not be assigned by either party without the written consent of the other party.

EXECUTED by parties on June 20, 1978, in duplicate copies, each of which shall be deemed an original.

THE UNIVERSITY OF TEXAS AT EL PASO

By A. B. Templeton  
A. B. Templeton  
President

\_\_\_\_\_  
Chairman, Board of Regents

FORM APPROVED:

W. D. Smith  
General Counsel of the System

CONTENT APPROVED:

Edward Walker  
President of the System

Sumner Anderson  
Vice President for Academic Affairs  
(System)

ATTEST:

William B. Pass  
(title) Secretary

SERTOMA INTERNATIONAL CENTER FOR COMMUNICATIVE DISORDERS OF EL PASO-JUAREZ

By John J. ...  
President

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 \_\_\_\_\_, 197\_\_\_\_\_.

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

✓ U. T. El Paso: Proposed Affiliation Agreements with (a) St. Margaret's Center for Children, El Paso, Texas; (b) El Paso Guidance Center, Incorporated, El Paso, Texas; (c) YWCA of El Paso, Texas, El Paso, Texas; and (d) Providence Memorial Hospital, El Paso, Texas. --

RECOMMENDATION

It is recommended by President Templeton and System Administration that approval be given to affiliation agreements by and between The University of Texas at El Paso and the following facilities. The agreements were executed by the appropriate officials on the dates indicated below to be effective upon approval by the Board of Regents:

<u>Facility</u>	<u>Agreement Executed</u>
a. St. Margaret's Center for Children El Paso, Texas	May 30, 1978
b. El Paso Guidance Center, Incorporated El Paso, Texas	June 8, 1978
c. YWCA of El Paso, Texas El Paso, Texas	June 6, 1978
d. Providence Memorial Hospital El Paso, Texas	May 15, 1978

PURPOSE

These agreements will permit additional educational facilities primarily for the nursing students at U. T. El Paso.

4. U. T. San Antonio: Proposed Affiliation Agreements with (a) Physician's Physical Therapy Service, Inc., Gary, Indiana; (b) West Texas Rehabilitation Center, Abilene, Texas; and (c) Mercy Hospital of Laredo, Laredo, Texas. --

RECOMMENDATION

It is recommended by Acting President Wagener and System Administration that approval be given to affiliation agreements by and between The University of Texas at San Antonio and the following facilities. The agreements were executed by the appropriate officials on the dates indicated below to be effective upon approval by the Board of Regents:

<u>Facility</u>	<u>Agreement Executed</u>
a. Physician's Physical Therapy Service, Inc., Gary, Indiana	March 20, 1978
b. West Texas Rehabilitation Center Abilene, Texas	May 4, 1978
c. Mercy Hospital of Laredo Laredo, Texas	June 5, 1978

PURPOSE

Each of the agreements will permit additional educational training opportunities for students primarily in the Division of Allied Health and Life Sciences, specifically in physical therapy.

5.

Dallas Health Science Center: Proposed Affiliation Agreements with (a) Humana of Texas, Inc., d/b/a Medical City Dallas Hospital, Dallas, Texas; (b) Lutheran Social Service of Texas d/b/a Trinity Lutheran Home, Roundrock, Texas; (c) City of Garland (Garland Office on Aging), Garland, Texas; and (d) Texarkana Memorial Hospital, Inc., d/b/a Wadley Hospital, Texarkana, Texas. --

RECOMMENDATION

It is recommended by President Sprague and System Administration that approval be given to affiliation agreements by and between The University of Texas Health Science Center at Dallas and the following facilities. The agreements were executed by the appropriate officials on the dates indicated below to be effective upon approval by the Board of Regents:

<u>Facility</u>	<u>Agreement Executed</u>
a. Humana of Texas, Inc., d/b/a Medical City Dallas Hospital, Dallas, Texas	May 4, 1978
b. Lutheran Social Service of Texas d/b/a Trinity Lutheran Home, Roundrock, Texas	May 4, 1978
c. City of Garland (Garland Office on Aging) Garland, Texas	May 4, 1978
d. Texarkana Memorial Hospital, Inc., d/b/a Wadley Hospital, Texarkana, Texas	June 5, 1978

PURPOSE

These agreements will primarily benefit the educational programs in the Dallas Allied Health Sciences School.

6.

Dallas Health Science Center (Dallas Allied Health Sciences School): Request to Seek Permission from Coordinating Board to Establish Program in Orthotics and Prosthetics Leading to Baccalaureate Degree (Catalog Change). --

RECOMMENDATION

President Sprague recommends approval of a baccalaureate degree program in the School of Allied Health Sciences to educate orthotic and prosthetic practitioners. The program will require two years of undergraduate study prior to admission and will be two years in length. It will be closely allied with the existing programs in physical therapy and rehabilitation services of the School of Allied Health Sciences and with the Division of Orthopedic Surgery in the School of Medicine. Sixteen new courses are proposed and three additional faculty will be required. A maximum of 24 students (twelve in each of the two years) is projected.

System Administration agrees with the recommendation.

Coordinating Board approval is required.

## BACKGROUND INFORMATION

Nationally, there are 19 educational programs organized by the American Board for certification in orthotics and prosthetics, of which only two (New York University and the University of Washington) are at the Bachelor's Degree level. However, by 1980, the requirements for certification will include a Bachelor's Degree. The proposed program will be the only one in the Southwest and will, therefore, fill a great need.

System Administration agrees with the need for this program and with the capability of the Dallas Allied Health School to implement it.

Secretary's Note: If this item is approved by the Board of Regents, the minute order will reflect that if the request is approved by the Coordinating Board the next appropriate catalog published thereafter will be amended to conform to this action.

7. Dallas Health Science Center (Dallas Southwestern Medical School), Galveston Medical Branch (Galveston Medical School) and San Antonio Health Science Center (San Antonio Medical School): Recommendation to Accept Proposal by The Robert A. Welch Foundation to Establish Three Robert A. Welch Chairs in Chemistry. --

## RECOMMENDATION AND BACKGROUND INFORMATION

By letter dated July 7, 1978, Mr. Jack S. Josey, President of the Board of Trustees, has advised Chancellor LeMaistre of the intent of The Robert A. Welch Foundation to endow an additional three Robert A. Welch Chairs in Chemistry in the amount of \$650,000 each payable over the next several years. These chairs are proposed for The University of Texas Southwestern Medical School at Dallas, The University of Texas Medical School at San Antonio, and The University of Texas Medical Branch at Galveston. Robert A. Welch Chairs in Chemistry have previously been endowed for U.T. Austin, the University Cancer Center, and the Houston Medical School.

System Administration recommends that System and component officials be authorized to finalize the details of these endowments with the Trustees of the Foundation and that these Robert A. Welch Chairs in Chemistry be established effective with the execution of the letter of agreement referred to in Mr. Josey's letter.

It is also recommended that the Board of Regents acknowledge with deep and sincere appreciation this expression of continued support and understanding by the Trustees of The Robert A. Welch Foundation.

8. Galveston Medical Branch: Proposed Affiliation Agreements with (a) Presbyterian Hospital, Oklahoma City, Oklahoma; (b) St. Luke's Episcopal Hospital, Houston, Texas; (c) Sports Medicine Clinic of North Texas, Dallas, Texas; (d) Hillcrest Medical Center, Tulsa, Oklahoma; (e) Easter Seal Society for Crippled Children and Adults of Bexar County, Inc., San Antonio, Texas; (f) Methodist Hospital, Lubbock, Texas; (g) Humana of Texas, Inc., d/b/a Medical City Dallas Hospital, Dallas, Texas; (h) Criss Cole Rehabilitation Center (State Commission for the Blind), Austin, Texas; (i) Brownsville Medical Center, Brownsville, Texas; (j) Beaumont Medical-Surgical Hospital, Beaumont, Texas; (k) Baptist Memorial Hospital, Kansas City, Missouri; and (l) Austin-Travis County Mental Health Mental

Retardation Center, Austin, Texas; (m) Austin Independent School District, Austin, Texas; (n) Pru Care, Houston, Texas; (o) Balcones Special Services Cooperative, Austin, Texas; (p) Texas Department of Health Facility Standards Division, Austin, Texas; and (q) Health Sciences Center Hospital, Lubbock, Texas. --

### RECOMMENDATION

It is recommended by President Levin and System Administration that approval be given to affiliation agreements by and between The University of Texas Medical Branch at Galveston and the following facilities. The agreements were executed by the appropriate officials on the dates indicated below to be effective upon approval by the Board of Regents:

<u>Facility</u>	<u>Agreement Executed</u>
a. Presbyterian Hospital, Oklahoma City, Oklahoma	June 1, 1978
b. St. Luke's Episcopal Hospital Houston, Texas	June 1, 1978
c. Sports Medicine Clinic of North Texas Dallas, Texas	June 1, 1978
d. Hillcrest Medical Center, Tulsa, Oklahoma	June 1, 1978
e. Easter Seal Society for Crippled Children and Adults of Bexar County, Inc., San Antonio, Texas	June 1, 1978
f. Methodist Hospital, Lubbock, Texas	June 1, 1978
g. Humana of Texas, Inc., d/b/a Medical City Dallas Hospital, Dallas, Texas	(undated)*
h. Criss Cole Rehabilitation Center (State Commission for the Blind), Austin, Texas	June 1, 1978
i. Brownsville Medical Center, Brownsville, Texas	June 1, 1978
j. Beaumont Medical-Surgical Hospital Beaumont, Texas	June 1, 1978
k. Baptist Memorial Hospital, Kansas City, Missouri	June 1, 1978
l. Austin-Travis County Mental Health Mental Retardation Center, Austin, Texas	June 1, 1978
m. Austin Independent School District Austin, Texas	June 1, 1978
n. Pru Care, Houston, Texas	June 1, 1978
o. Balcones Special Services Cooperative Austin, Texas	June 1, 1978
p. Texas Department of Health Facility Standards Division, Austin, Texas	June 1, 1978
q. Health Sciences Center Hospital Lubbock, Texas	June 1, 1978

### PURPOSE

These facilities will provide additional learning experiences for allied health students.

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\*To be dated August 4, 1978

9. Houston Health Science Center: Proposed Affiliation Agreements with (a) Jewish Community Center, Houston, Texas, and (b) Holly Hall, Houston, Texas. --

#### RECOMMENDATION

It is recommended by Acting President Blocker and System Administration that approval be given to affiliation agreements by and between The University of Texas Health Science Center at Houston and the following facilities. The agreements were executed by the appropriate officials on the dates indicated below to be effective upon approval by the Board of Regents:

<u>Facility</u>	<u>Agreement Executed</u>
a. Jewish Community Center, Houston, Texas	May 31, 1978
b. Holly Hall, Houston, Texas	May 23, 1978

#### PURPOSE

These agreements will provide additional experience for the students in Allied Health Sciences at the Houston Health Science Center.

10. Houston Health Science Center: Proposed Affiliation Agreement with Entity Composed of St. Luke's Hospital, Texas Children's Hospital and the Texas Heart Institute, Houston, Texas. --

#### RECOMMENDATION

System Administration concurs with Acting President Blocker's recommendation that approval be given to the following affiliation agreement (Pages HAC 14 - 19 ) between The University of Texas Health Science Center at Houston and an entity composed of St. Luke's Hospital, Texas Children's Hospital, and the Texas Heart Institute, Houston, Texas, to be effective on the date approved by the Board of Regents.

#### BACKGROUND INFORMATION

Although the proposed agreement is between the University and three legal units, these three units share a common physical plant and a common Executive Director. Furthermore, the Executive Director has been granted the authority to enter into the agreement by the three Boards of Directors. The affiliation agreement is identical to the standard form approved by the Board of Regents at its December 16, 1977 meeting except for paragraph number 10 which has been altered slightly to clarify that University personnel are not to be considered employees or agents of the Facility.

HEALTH CARE  
EDUCATIONAL EXPERIENCE PROGRAM  
AFFILIATION AGREEMENT

THIS AGREEMENT made the \_\_\_\_\_ day of \_\_\_\_\_, 197\_\_, by and between the The University of Texas Health Science Center at Houston ("University"), a component institution of The University of Texas System, ("System"), and St. Luke's Hospital, Texas Children's Hospital, and the Texas Heart Institute ("Facility"), a privately owned hospitals having its principal office at Texas Medical Center, Houston, State of Texas.

WITNESSETH:

WHEREAS, Facility now operates \_\_\_\_\_ hospital \_\_\_\_\_ facilities located at Texas Medical Center in the City of Houston, State of Texas, and therein provides health care services for persons in need of such services; and University provides an academic program with respect to health care; and,

WHEREAS, University periodically desires to provide health care related educational experiences for its students, which are not otherwise available to them under the existing program of University, by utilization of the facilities and professional personnel of Facility; and,

WHEREAS, Facility is committed to the goal of providing, by and within the practicable means of its resources, the best obtainable supply of personnel educated in the field of health care, both for Facility and other similar institutions as eventual employers of such personnel; and, further, desires to utilize such services of University students as may be available in conjunction with said educational experience provided by Facility; and,

WHEREAS, University and Facility intend to establish and implement, from time to time, one or more educational experience programs, which will accomplish such objectives;

NOW, THEREFORE, in consideration of the premises and of the benefits derived and to be derived therefrom and from the program or programs established and implemented by said parties, University and Facility agree that any program agreed to by and between Facility and University, during the term of this Agreement, for purposes of achieving the above described objectives of said parties (hereinafter called "Educational Experience Program" or "Program"), shall be covered by and subject to the following terms and conditions:

1. The Program shall not become effective until all agreements between the parties with respect to Program have been reduced to writing ("Program Agreement"), executed by Facility and the President of University, and approved in writing by the President of The University of Texas System.

2. The Program may be cancelled by either party by giving such written notice to the other of its intention to terminate the Program as provided in the Program Agreement; provided, however, that the Program shall automatically terminate upon termination of this Agreement.

3. In the event of conflict between the text of Program Agreement and the text of this Agreement, this Agreement shall govern.

4. After Program Agreement becomes effective, no amendments thereto shall be valid unless in writing and executed by Facility and the President of University, and approved by the President of The University of Texas System.

5. Except for certain acts to be performed by University pursuant to express provisions of this Agreement, Facility hereby agrees to furnish the premises, personnel, services, and all other things necessary for and to conduct the Educational Experience Program, and, in connection with such Program, further agrees:

(a) To maintain complete records on the performance of each student participating in the Program, and provide evaluation of each such student to University on forms provided by University and at such times as same may reasonably be requested by University.

(b) To report to University the name of any student who Facility believes (1) is not performing satisfactorily as a student, (2) is impeding desired relationships between persons participating in the Program or otherwise engaged in activities of Facility, or (3) has a health status detrimental to the student's

successful completion of the Program. Such report shall be in writing and contain all information supporting Facility's belief, and shall be considered by University in accordance with Paragraph 6(f) of this Agreement.

(c) To permit the authority responsible for accreditation of University's curriculum to inspect all facilities, services and other things provided by Facility pursuant to this Agreement and all students records, reports, and other items of information maintained by Facility in connection with Program and participants therein, at such reasonable time or times as such inspection may be requested by University.

(d) To comply with all Federal, State and Municipal laws, ordinances, rules and regulations applicable to performance by Facility of it's obligations under this Agreement, and all applicable accreditation requirements, and to certify such compliance to University or other entity when requested to do so by University.

(e) To appoint a person to have direct overall responsibility for conduct of the Program ("Program Director"); provided, however, that no person not having the prior written approval of University shall be appointed Program Director; and, in such connection, Facility shall furnish in writing to University (not later than thirty (30) days prior to the date the Program Director appointment is to become effective) the name of the person proposed by Facility to be Program Director, and the professional and academic credentials of such person. In the event the Program Director becomes unacceptable to University after appointment, Facility will appoint another person to serve as Program Director in accordance with the procedure stated in the first sentence of this sub-paragraph (e).

6. University hereby agrees:

(a) To furnish Facility (insofar as such information is reasonably available to it, and as permitted by law);

(1) The name, biographical data, and a report of health status of each student assigned by University to participate in the Program, at least thirty (30) days prior to the date such students are scheduled to begin participation in the Program; and,

(2) Any additional information with respect to such students requested by Facility at any time prior to arrival of such students at Facility to participate in the Program.

(b) To assign for participation in the Program only those students (1) who have satisfactorily completed those portions of its curriculum which, according to Program Agreement, are prerequisite to such participation, all as determined by University in its sole discretion, and (2) who have entered into a written agreement with University and Facility that they will not publish any material relating to the Program, or their experience in participating therein, without the prior written approval of University and Facility.

(c) To designate a member of the University faculty to coordinate with Facility through its Program Director the learning assignment to be assumed by each student participating in the Program, and to furnish to Facility in writing the name of such faculty member.

(d) To do all things University deems reasonably necessary and proper to insure compliance by students participating in the Program with Facility's written regulations and policies.

(e) To advise students participating in the Program that they (and not Facility or University) are solely responsible for (1) providing for themselves any dress or garments required (but not provided) by Facility to be worn by students participating in Program, and transportation and housing and living arrangements and accommodations to the extent not voluntarily provided by Facility, and (2) reporting to Facility on time in accordance with Program schedules.

(f) Upon receiving a report from Facility, as provided by Paragraph 5(b) of this Agreement, to investigate and consider the basis of such report and take such action with respect to the student involved as University in its sole discretion deems necessary after consultation with Facility.

7. All notices under this Agreement shall be provided to the party to be notified either by personal delivery or by United States mail. All notices under this Agreement shall be deemed given to a party when received by such party's designated representative.

8. All the agreements between the parties on the subject matter hereof have been reduced to writing herein. No amendments to this Agreement shall be valid unless in writing and signed by the duly authorized representatives of the parties, and approved by the Board of Regents of The University of Texas System.

9. No oral representations of any officer, agent, or employee of Facility or The University of Texas System or its component institutions (including, but not limited to University), either before or after the effective date of this Agreement, shall affect or modify any obligations of either party hereunder.

10. Neither the students nor the faculty shall be considered employees or agents of the Facility and the University shall, to the extent authorized under the Constitution and laws of the State of Texas, be and remain responsible to the Facility and to third parties for all acts or omissions of the students and faculty while in the Facility. University shall, to the extent authorized under the Constitution and laws of the State of Texas, hold Facility harmless from liability resulting from University's acts or omissions within the terms of this Agreement; provided, however, University shall not hold Facility harmless from any claims, demands, or causes of action arising in favor of any person or entity, growing out of, incident to, or resulting directly or indirectly from negligence (whether sole, joint, concurring or otherwise) of Facility, its officers, agents, representatives, or employees, or any person or entity not subject to University's supervision or control.

11. This Agreement shall be binding on and shall inure to the benefits of the parties and their respective successors and assignees; provided, however, that no assignment by either party shall be effective without prior written approval of the other party. A delay in or failure of performance by either party shall not constitute default hereunder, or give rise to any claim for damages if and to the extent such delay or failure is caused by occurrences beyond the control of either party.

12. This Agreement shall not become effective unless and until approved by the Board of Regents of The University of Texas System. If so approved, this Agreement shall become effective on the date of such approval, and shall continue in effect for an initial term ending one (1) year after the date and year of execution by Facility and University, and after such initial term, from year to year until one party shall have given one hundred eighty (180) days' written notice to the other party of intention to terminate this Agreement. Such notice may be given during such initial term or during any subsequent yearly term, and this Agreement shall thereafter terminate at the end of the term during which such notice is given, or when all students enrolled in the Program at the end of such term have completed their respective courses of study under the Program, whichever event last occurs.

Executed by University and Facility on the day and year first above written, in duplicate copies, each of which shall be deemed an original.

UNIVERSITY

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

ATTEST:

\_\_\_\_\_  
Secretary, Board of Regents

By \_\_\_\_\_  
Chairman

APPROVED AS TO CONTENT:

FORM APPROVED:

*M. Lynn Telfer Jr.*  
\_\_\_\_\_  
System Attorney

*Ed Walker*  
\_\_\_\_\_  
President of the System

*Edmund N. Brundage*  
\_\_\_\_\_  
Vice President for Health Affairs (System)

FACILITY

ATTEST:

*Gary W. Aldrich III*  
(Title) \_\_\_\_\_  
Assistant Administrator  
and Counsel

By *James E. France*  
(Title) \_\_\_\_\_  
Executive Director

11.

Houston Health Science Center: Request for Ratification of Student Health Services Contract with Rice University, Houston, Texas. --

RECOMMENDATION

It is recommended that the following contract (Pages HAC - 20-22) between The University of Texas Health Science Center at Houston and Rice University, Houston, Texas, providing for health care services to the student body of William Marsh Rice University, Houston, Texas, by the Houston Health Science Center be ratified.

BACKGROUND INFORMATION

The contract provides for primary care but consultant services including hospitalization are not provided. It has been of value to the Family Medicine program at the Houston Health Science Center and was at no cost to the University.

THE STATE OF TEXAS  
COUNTY OF HARRIS

||  
||  
||

STUDENT HEALTH SERVICES CONTRACT

THIS CONTRACT made the 9th day of May, A.D. 1978, by and between THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON ("HSC"), a component institution of THE UNIVERSITY OF TEXAS SYSTEM ("SYSTEM"), and WILLIAM MARSH RICE UNIVERSITY ("RICE"), a Texas non-profit corporation, 6100 Main Street, Houston, Texas.

WITNESSETH:

WHEREAS, HSC and Rice intend and desire to provide students enrolled at Rice with certain health services for acute and episodic illnesses and for preventive health services:

NOW THEREFORE, in consideration of the benefits to be derived therefrom and of the obligations created by this Contract, HSC and Rice hereby agree:

HSC will provide certain health care services through its Health Care Center to persons who provide proper identification of themselves as students of Rice, said services to be of the same nature and subject to the same limitations as that provided to HSC students, and shall be provided in the following manner:

1. Rice students who believe they need health care services will first report to the Student Health Clinic located on the Rice campus, for

screening and delivery of health care services as indicated by Center personnel. If in the judgment of Center personnel stationed in the Student Health Clinic, additional health care services are needed by such students, such students will be referred to the Center or other appropriate facility. Rice students who do not follow the foregoing procedure will not be entitled to receive health care services at the Center.

2. Referral to consultant services, including hospitalization, will be at the sole discretion of the medical staff of the Center with the consent of the student. HSC undertakes no obligation to purchase or provide said consultant and hospitalization services.

3. Rice agrees to provide all utilities, maintenance and upkeep for space occupied by the Student Health Clinic located on the Rice campus. HSC will provide all necessary medical materials and equipment at both the Student Health Clinic and the Center.

4. Rice will bill HSC each quarter for services of nurses who are employed by Rice and who serve at the Student Health Clinic at Rice. HSC will reimburse Rice for the salaries and fringe benefits of such nurses. Assignment of nurses to the Student Health Clinic shall be subject to the approval of the Director of the Center.

5. Rice shall administer a student health insurance program in amounts and under policies acceptable to HSC. However, insurance coverage shall not affect the health care services obligations created under this Contract.

6. Rice shall provide to all students eligible to receive medical services under this Contract proper identification. HSC assumes no obligation to treat any person who does not present such identification at the time treatment is sought and assumes no liability arising from the failure of HSC or Center to treat persons who do not present such identification.

7. Rice shall pay to HSC the sum of FORTY DOLLARS (\$40.00) for each Rice student who is eligible or becomes eligible to receive health services under this Contract at any time during the period of this Contract, August 22, 1977, until August 31, 1978.

8. This Contract shall be construed under and in accordance with the Laws of the State of Texas, and obligations of the parties created hereunder are performable in Harris County, Texas.

9. This Contract shall be binding upon and inure to the benefit of the Parties hereto and their respective administrators, legal representatives, successors, and assigns permitted by this Contract.

10. In case one or more of the provisions contained in this Contract 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 provisions thereof, and this Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

11. This Contract constitutes the sole and only contract of the Parties hereto and supersedes any prior understandings or written or oral contracts between the Parties respecting the within subject matter.

12. HSC insofar as it is authorized by the Constitution and Laws of the State of Texas agrees to indemnify and hold Rice University harmless from and against all claims, demands, and causes of action resulting from conditions, maintained or created, or acts or omissions by employees of the Center in the discharge of the obligations of this Contract.

13. This Contract shall be of no force or effect unless and until approved by the Board of Regents of The University of Texas System.

ATTEST:

RICE UNIVERSITY

Mary Wright Alkinson  
Notary Public, Harris  
County, Tex - Comm & exp 6-30-78

Norman G. Hackerman, Ph.D  
President

ATTEST:

THE UNIVERSITY OF TEXAS HEALTH SCIENCE  
CENTER AT HOUSTON

D. C. Franklin

T. G. Blocker, Jr., M.D.  
President

APPROVED AS TO FORM:

THE UNIVERSITY OF TEXAS SYSTEM

M. J. ...  
General Counsel of the System

E. D. Walker  
President

12. Houston Health Science Center: Recommendation to Submit Request to Coordinating Board to Transfer Master of Science Degree Program in Language Sciences from Graduate School of Biomedical Sciences to School of Allied Health Sciences (Catalog Change). --

### RECOMMENDATION

#### Acting President Blocker

At their meeting of October 28, 1974, the Coordinating Board approved the Houston Health Science Center's request for a Master of Science Degree with a major in Language Sciences, through the Graduate School of Biomedical Sciences. The faculty for the program are predominantly the full-time professional staff of the Speech and Hearing Institute.

At the first graduation after my appointment as President of the Houston Health Science Center it came to my attention that the G.S.B.S. was not administering this program - that the program was being administered by the Speech and Hearing Institute and that the Dean of the G.S.B.S. was not in a position to certify the degrees of the students involved in the program. Upon learning of this, I called to the attention of Dr. Bangs that the program was not being appropriately administered with the authority granted by the Coordinating Board and that corrective measures should be taken. At a later date I appointed a faculty committee to review the entire Speech and Hearing Program.

Based on the findings and recommendations of the faculty committee, it is our judgement that the program presently offered is a "professional" degree program and accordingly would more appropriately be offered through the School of Allied Health Sciences. A memorandum from Dean Hodges, School of Allied Health Sciences, and Dean Hewitt, G.S.B.S., supporting this position is attached for your information.

Accordingly, this is to recommend that approval be requested through the Board of Regents and the Coordinating Board for the transfer of this program from the G.S.B.S. to the School of Allied Health Sciences.

Please let me hear from you if any further information is needed in regard to this request.

#### System Administration

System Administration is in accord with plans for the organization of graduate programs at Houston, specifically the plan is of those graduate degree programs designed to educate practitioners to be under the authority of the appropriate professional school and those degree programs designed to educate investigators and scientists to be under the authority of the Graduate School of Biomedical Sciences. This request is consistent with that goal and was recommended by the Faculty Committee of the Houston Health Science Center. For these reasons, System Administration recommends approval of this request.

Secretary's Note: If this recommendation is approved, the minute order will reflect that if the request is approved by the Coordinating Board the next appropriate catalogs published will be amended to reflect this action.

13. University Cancer Center: Proposed Interagency Center for Cancer Prevention and Control. --

RECOMMENDATION

It is recommended by President Clark and concurred in by System Administration that approval in principle be given to the development of an interagency agreement to establish an Interagency Center for Cancer Prevention and Control at The University of Texas System Cancer Center.

Background Information and Proposal of President Clark:

Dear Mr. Walker:

During the past year while collaborating with the Texas Department of Health on the study on cancer incidence and needs in Texas, it has become apparent that it would be advantageous to continue this activity by updating the document "The Impact of Cancer on Texas" on an annual basis. Dr. Fratis L. Duff, Commissioner of Health, Dr. Robert D. Moreton, Chairman of the Texas Board of Health, Dr. Charles A. LeMaistre, President-elect, and I have discussed this and we would like to propose the activation of an interagency agreement which would establish a formal working relationship for the control of cancer and create an Interagency Center for Cancer Prevention and Control. Each agency would contribute the function defined legislatively by the enabling legislation and be funded through the respective budgets.

This center would distribute "The Impact of Cancer on Texas" to all organizations interested in cancer prevention and control in the State of Texas and receive input from professional societies, voluntary health agencies, and other state agencies, including our own UT Oncology Council. Ultimately a state plan for cancer prevention and control would be prepared which would define the needs, resources, manpower and programs required to impact upon cancer favorably in the years ahead.

The Texas Board of Health has approved this proposal in principle. I would like to request that this proposal be placed on the Board of Regents agenda for their approval in principle of the formation of an interagency agreement to activate and operate an Interagency Center for Cancer Prevention and Control. If this is approved by the Board, an agreement would then be submitted to the Texas Board of Health and the Board of Regents after the details have been formalized, for final approval.

Sincerely yours,



R. Lee Clark, M.D.  
President

System Administration

System Administration recognizes the importance of the proposed activity and is supportive of the recommendation for approval in principle. Involvement of The University of Texas System Oncology Council will assure involvement of all health components.

14

U. T. El Paso: Proposed Agreement with the El Paso County Association for the Blind. --

RECOMMENDATION

President Templeton's Recommendation

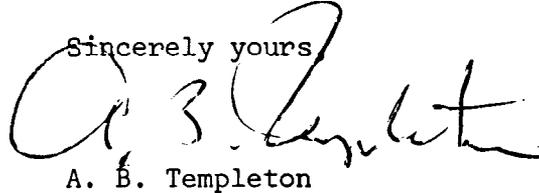
Dear President Walker:

Enclosed are two copies of a Contract between The University of Texas at El Paso and the El Paso County Association for the Blind which establishes a radio reading service for the blind. This program will continue until terminated by written notification from either institution.

It is requested that the document be referred to the Board of Regents for approval at their next meeting.

After the Board of Regents has approved the document, would you please return the two copies of the document in the enclosed envelope. Xerox copies of the document are enclosed for your records.

Sincerely yours



A. B. Templeton

System Administration concurs.

System Administration recommends approval of the proposed agreement between The University of Texas at El Paso and the El Paso County Association for the Blind. This agreement establishes a radio reading service for the visually-handicapped. The agreement has been reviewed and approved by the Office of General Counsel and has been endorsed by the Office of Academic Affairs.

\* Agreement is set out on Pages HAC - 26-32.

A G R E E M E N T

This AGREEMENT made this 5th day of July, 1978 between the Board of Regents of The University of Texas System for and on behalf of The University of Texas at El Paso, hereinafter referred to as "University", and the El Paso County Association for the Blind, hereinafter referred to as "Association", a Texas non-profit corporation with its principal place of business at El Paso, Texas.

WITNESSETH

WHEREAS, the University maintains and operates a radio station as KTEP-FM licensed by the Federal Communications Commission, hereinafter referred to as "F.C.C.", to broadcast in El Paso;

WHEREAS, the University's station is dedicated to serving the educational, scientific, and literary needs of special groups of listeners as well as the general public;

WHEREAS, the El Paso County Association for the Blind is a non-profit organization dedicated to serving the educational, scientific, and literary needs of the residents of El Paso County who are visually handicapped;

WHEREAS, the University and the Association desire to use radio communications as a means of imparting to visually handicapped persons the information contained in local, state, and national newspapers and magazines, and in other written materials;

WHEREAS, the University and the Association desire to broadcast such information during the same hours of each day of the week on a radio frequency licensed to the University, and such broadcasting can be provided by the University under its present license from the F.C.C.; and

WHEREAS, the University desires to give its students enrolled in its mass media program experience in preparing the broadcasting programs for special groups of listeners;

NOW THEREFORE, in consideration of the aforesaid premises and the covenants

and agreements herein contained, the parties hereto hereby agree as follows:

I

Use of the Subcarrier

The University hereby agrees to broadcast on its SCA subcarrier, programs for visually handicapped people, prepared in accordance with this agreement in cooperation with the Association, from seven o'clock a.m. of each day until twelve-thirty a.m. of the immediately following day, a total of seventeen and one half hours (hereinafter referred to as "Contract hours"). The University reserves its SCA subcarrier for its own use during all other hours of each day of the Contract Year.

The Association will submit to the University its weekly program schedule. Subject to this schedule, the University reserves the right to produce and schedule other programs in consultation with the Association for transmission on the SCA subcarrier. All such programs by the University will be designed for the benefit of visually-handicapped people.

II

Programming and Equipment

The programming of the Association shall originate at premises owned, leased, or operated by the Association (hereinafter the "Association Taping Premises").

The Association shall be responsible for purchasing, leasing, or otherwise acquiring all studio equipment necessary for producing and originating programs at the Association Taping Premises and all appropriate SCA transmission (SCA subcarrier generator, SCA monitor, and audio limiter) equipment necessary to carry out this agreement for installation at the University's radio broadcasting headquarters. The University agrees to pay for the installation of such SCA transmission equipment and be responsible for its operation and maintenance. The Association shall be solely responsible for operating and maintaining all

equipment at the Association Taping Premises. The title to all SCA transmission equipment purchased by the Association shall be in the name of the Association.

### III

#### Origination and Transmission

During the Contract hours, the Association's programming shall be sent from the Association Taping Premises to the University's radio broadcasting headquarters via a telephone line connecting the two locations. The Association shall be responsible for leasing such telephone line during the Contract Year.

The University shall be responsible for transmitting on its SCA subcarrier during the Contract hours the programming it receives via the telephone line. At all times during the Contract hours, the University shall have full control over the transmission of program material on the SCA subcarrier including the authority to conform the content of such programs to University policy and rules and regulations of the F.C.C. As used in this Agreement, the term "transmission", or any variation thereof, shall refer to the physical process of broadcasting program material from the time such material reaches KTEP's headquarters via the telephone line until and including the time such material is sent to the listening audience from the University's transmission tower. The University's control over transmission shall include the ability to start and stop the flow of program material from the telephone line to the University's radio broadcast facilities.

The Association agrees that all programming and the quality of signals as received at the University's radio broadcast headquarters shall be subject to standards set by the University.

### IV

#### Copyright Clearance, Insurance, and Indemnification

If the Association includes within its programming the playing or reading of any copyrighted material, the Association shall obtain from the holder of

the copyright prior written approval for the broadcast of such material whenever prior approval is necessary to comply with state or federal laws. The Association agrees to hold the University harmless in any actions at law for any infringement of copyrights occasioned by its program. The Association also agrees that it shall not engage in, nor endorse, programs for commercial purposes; however, the Association may read selected advertisements on the air as long as the reading is preceded by a statement that the reading of the advertisement does not constitute endorsement, express or otherwise, of the products or place of business and that the reading is solely a service to the visually handicapped.

V

Maintenance of the Subcarrier

The University shall maintain its radio broadcasting equipment in good operating condition but shall not be responsible to the Association for the inability to transmit programs as a result of breakdowns in such equipment due to normal wear and tear or to conditions beyond the University's control. The University shall notify the Association promptly of any interruption in its ability to transmit due to breakdowns in its radio broadcasting equipment during Contract hours. As used in this Agreement, the term "interruption" shall refer to any combination of circumstances that result or will result in a failure to transmit the Association's programming during the Contract hours.

The University shall not be responsible for breakdowns in equipment at the Association's taping premises nor in the telephone line connecting the Association's taping premises to the University's radio station.

VI

Public Statement

It is hereby agreed that the University may state publicly in its fund raising activities, its application for licensure, its applications for grants programming for the visually handicapped, and its negotiations to protect or

extend or expand such programming, that it has participated in broadcasting special programming for the visually handicapped. All public statements which refer to the programming provided for by this Agreement shall identify the Association as the creator and originator of such programming.

It is further agreed that in any publicity or public statements by the Association concerning its radio programming, the Association may, with prior approval of the University, identify KTEP-FM as a participant in the broadcasting of such programming, but the University's name cannot be used directly or indirectly in support of any fund raising activities or projects.

## VII

### Duty to Obey State and Federal Law

Anything in this Agreement to the contrary notwithstanding, the University shall not be obligated to take any action or perform any services which would be in violation of state or federal law, including all applicable administrative regulations, and the University shall not be obligated to perform any act which would be grounds for cancellation of its radio or television license from the Federal Communications Commission.

## VIII

### Effective Date, Option to Renew, and Termination

This Agreement shall not become effective unless and until approved by the Board of Regents of The University of Texas System. If so approved, this Agreement shall become effective on the date of such approval, and shall continue in effect for an initial term ending one (1) year after the date and year of execution by the Association and the University, and after such initial term, from year to year unless one party shall have given one hundred eighty (180) days' prior written notice to the other party of intention to terminate this Agreement. If such notice is given, this Agreement shall terminate at the end of the term of this Agreement during which the last day of such one hundred eighty (180) day notice period falls.

IX

Nonassignability

Neither party to this Agreement shall assign its rights or obligations hereunder to any other person or entity without prior written consent of the other party to this Agreement.

X

Governing Law

The provisions of this Agreement shall be construed in accordance with the laws of the State of Texas, and the University's obligations under this Agreement are contingent on the Rules and Regulations of the Board of Regents of The University of Texas System and availability of funds for operating the University's radio station (KTEP-FM).

XI

Performance

The performance hereunder by the Association is conditioned upon its ability to purchase, install the equipment and facilities that it has agreed to procure and furnish hereunder. The Association shall consult with the University about the kind of equipment and facilities needed to provide the performance hereunder required. The Association will make available the funds to acquire the needed equipment and facilities upon receipt of the executed copies of this Agreement.

XII

Entire Agreement

This Agreement constitutes the entire Agreement between the parties hereto in respect to the subject matter hereof and supersedes all prior representations, negotiations, writings, memoranda, and agreements with respect to the subject matter hereof. It is understood by both parties to this Agreement that this



**L&I Com.**

LAND AND INVESTMENT COMMITTEE  
Committee Chairman Clark

Date: August 4, 1978  
Time: Following the Meeting of the Health Affairs Committee  
Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall  
Austin, Texas

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I. PERMANENT UNIVERSITY FUND

A. INVESTMENT MATTERS

Report on Clearance of Monies to Permanent University Fund for May 1978 and Report on Oil and Gas Development.--The Executive Director for Investments, Trusts and Lands reports the following with respect to the Permanent University Fund for the month ending May 31, 1978, and Oil and Gas Development as of May 31, 1978:

<u>Permanent University Fund</u>	<u>May 1978</u>	<u>Cumulative This Fiscal Year</u>	<u>Cumulative Preceding Fiscal Year</u>
Royalty			
Oil	\$ 3,623,392.63	\$ 29,262,710.13	\$ 28,425,149.49
Gas - Regular	2,882,338.58	26,515,275.49	19,753,827.60
- F.P.C.	.78	226.74	74,928.15
- Market Value Settlements	23,529.47	1,123,840.21	6,378,292.59
- In Kind Settlements		374,443.49	1,414,998.34
Water	37,335.12	154,053.97	113,753.70
Salt Brine	2,415.47	31,388.50	23,125.30
Sulphur	28,935.00	432,808.44	978,794.84
Rental			
Oil and Gas Leases	192,946.15	1,169,524.13	873,118.28
Other		12,197.93	16,733.39
Miscellaneous	13,261.19	733,957.62	405,106.73
	<u>\$ 6,804,154.39</u>	<u>\$ 59,810,426.65</u>	<u>\$ 58,457,828.41</u>
Bonuses, Oil and Gas Lease Sales	<u>-0-</u>	<u>17,869,500.00</u>	<u>13,324,000.00</u>
Total, Permanent University Fund	<u>\$ 6,804,154.39</u>	<u>\$ 77,679,926.65</u>	<u>\$ 71,781,828.41</u>

Oil and Gas Development - May 31, 1978  
Acreage Under Lease - 1,016,027

Number of Producing Acres - 369,368

Number of Producing Leases - 1,618

B. LAND MATTERS

Easements and Surface Leases Nos. 4633-4666 and Material Source Permits Nos. 553-558.--It is recommended by the Executive Director for Investments, Trusts and Lands that the following applications for easements and surface leases and material source permits be approved. All have been approved as to content by the appropriate officials. Payment for each has been received in advance unless otherwise indicated, and each document is on the University's standard form and is at the standard rate adopted February 1, 1977:

1. Easements and Surface Leases Nos. 4633-4666

No.	Company	Type of Permit	County	Location (Block#)	Distance or Area	Period	Consideration
4633	BTA Oil Producers (renewal of 3560)	Surface Lease (salt water disposal)	Ward	16	2 acres	6/1/78- 5/31/79*	\$ 1,000.00 (annual)
4634	Phillips Petroleum Company (renewal of 2628)	Surface Lease (salt water disposal)	Andrews	4	2 acres	6/1/78- 5/31/79*	500.00 (annual)
4635	Phillips Petroleum Company (renewal of 2641)	Pipe Line	Andrews	4	183.6 rds. 4-1/2 inch	7/1/78- 6/30/88	459.00
4636	Phillips Petroleum Company (renewal of 2731)	Pipe Line	Winkler	20	174.4 rds. 4-1/2 inch	7/1/78- 6/30/88	436.00
4637	Dorchester Gas Producing Company (renewal of 2709)	Pipe Line	Reagan	1, 2	2,361.6 rds. various size	9/1/78- 8/31/88	5,904.00
4638	Dorchester Gas Producing Company (renewal of 2798)	Pipe Line	Reagan	1	338.3 rds. 6-5/8 inch 104.0 rds. 4-1/2 inch	10/1/78- 9/30/88	1,105.75
4639	Bill J. Graham (renewal of 2691)	Pipe Line	Crockett	31	613.69 rds. 2-7/8 inch & 2-3/8 inch	8/1/78- 7/31/88	1,534.23

\*Renewable from year to year, but not to exceed five years.

Land Matters - Continued --

No.	Company	Type of Permit	County	Location (Block#)	Distance or Area	Period	Consideration
4640	Rio Grande Electric Cooperative, Inc. (renewal of 2843)	Power Line	Hudspeth	K	348.18 rds. single pole	10/1/78-9/30/88	\$ 522.27
4641	Transwestern Pipeline Company (renewal of 2612)	Pipe Line	Winkler, Ward	17, 21	3,715.1 rds. 30 inch	5/1/78-4/30/88	13,002.85
4642	The Permian Corporation (renewal of 2721)	Pipe Line	Reagan	48	204.18 rds. 2-3/8 inch	10/1/78-9/30/88	510.45
4643	The Permian Corporation (renewal of 2728)	Pipe Line	Reagan	48	318.9 rds. 2-3/8 inch	10/1/78-9/30/88	797.25
4644	The Permian Corporation (renewal of 2712)	Pipe Line	Reagan	48	246.96 rds. 2-3/8 inch	10/1/78-9/30/88	617.40
4645	The Permian Corporation (renewal of 2715)	Pipe Line	Reagan	48	187.52 rds. 2-7/8 inch	10/1/78-9/30/88	468.80
4646	The Permian Corporation (renewal of 2717)	Pipe Line	Reagan	48	212.12 rds. 2 inch	10/1/78-9/30/88	530.30
4647	The Permian Corporation (renewal of 2716)	Pipe Line	Reagan	48	193.60 rds. 2-1/2 inch	10/1/78-9/30/88	484.00
4648	El Paso Natural Gas Company (renewal of 2604)	Pipe Line	Andrews	1	114.467 rds. 4-1/2 inch	10/1/78-9/30/88	286.17
4649	El Paso Natural Gas Company (renewal of 2588 & 2589)	Pipe Line	Andrews	1, 9	316.376 rds. various size	7/1/78-6/30/88	790.94
4650	Southwest Texas Electric Cooperative, Inc.	Power Line	Crockett	47	170.606 rds. single pole	3/1/78-2/28/88	170.61
4651	Southwest Texas Electric Cooperative, Inc.	Power Line	Reagan	48	584.0606 rds. single pole	4/1/78-3/31/88	584.06

9-187

Land Matters - Continued --

No.	Company	Type of Permit	County	Location (Block#)	Distance or Area	Period	Consideration
4652	Southwest Texas Electric Cooperative, Inc.	Power Line	Crockett	47	46.484 rds. single pole	5/1/78-4/30/88	\$ 150.00 (minimum)
4653	The S. D. Company (renewal of 2693)	Surface Lease (salt water disposal)	Reagan	11	1 acre	7/1/78-6/30/79*	1,500.00 (annual)
4654	Exxon Pipeline Company (renewal of 2943)	Pipe Line	Andrews	9	274.1 rds. 4 inch	7/1/78-6/30/88	685.25
4655	Shell Oil Company (renewal of 2796)	Pipe Line	Crane	30	176.4 rds. 2-1/2 inch	10/1/78-9/30/88	441.00
4656	Texas Electric Service Company (renewal of 2643 & 2644)	Power Line	Andrews	4, 5, 9, 10, 11, 13	539.54 rds. single pole	8/1/78-7/31/88	539.54
4657	Phillips Pipe Line Company (renewal of 2658)	Pipe Line	Andrews	10, 11	3,096 rds. various size	8/1/78-7/31/88	10,805.00
4658	Phillips Petroleum Company (renewal of 2640)	Pipe Line	Ector	35	738.42 rds. 4-1/2 inch	7/1/78-6/30/88	1,846.05
4659	Phillips Petroleum Company (renewal of 2642)	Pipe Line	Andrews, Crane	11, 30	103.6 rds. 4-1/2 inch	7/1/78-6/30/88	259.00
4660	Phillips Petroleum Company (renewal of 2639)	Pipe Line	Ector	35	176.36 rds. 4-1/2 inch 183.94 rds. 6-5/8 inch	7/1/78-6/30/88	900.75
4661	Phillips Petroleum Company (renewal of 2730)	Pipe Line	Andrews	9	436.7 rds. 4-1/2 inch	8/1/78-7/31/88	1,091.75

\*Renewable from year to year, but not to exceed five years.

Land Matters - Continued --

No.	Company	Type of Permit	County	Location (Block#)	Distance or Area	Period	Consideration
4662	Ozona Salt Water Disposal	Pipe Line	Crockett	31	291.52 rds. 2-7/8 inch	6/1/78- 5/31/88	\$ 874.50
4663	Northern Natural Gas Company	Pipe Line	Andrews	11	118.36 rds. 4-1/2 inch	6/1/78- 5/31/88	355.08
4664	Oasis Pipe Line Company	Pipe Line	Ward	17	646.85 rds. 8 inch	7/1/78 6/30/88	1,940.55
4665	Fin-Tex Pipe Line Company	Pipe Line	Crockett	47	176.67 rds. various size	5/1/78 4/30/88	530.01
4666	Ozona Salt Water Disposal	Surface Lease (tank battery site)	Crockett	31	Less than 1 acre	6/1/78- 5/31/88	1,500.00 (full)

2. Material Source Permits Nos. 553-558

No.	Grantee	County	Location	Quantity	Consideration
553	Reliable Construction Company, Inc.	Andrews	Block 13	950 cubic yards caliche	\$ 332.50
554	Jones Bros. Rental Equipment Company, Inc.	Crane	Block 30	17,000 cubic yards caliche	5,950.00
555	Well Servicing Company of Crane	Crane	Block 31	420 cubic yards caliche	150.00 (min.)
556	Well Servicing Company of Crane	Crane	Block 31	420 cubic yards caliche	150.00 (min.)
557	Well Servicing Company of Crane	Crane	Block 30	420 cubic yards caliche	150.00 (min.)
558	Jones Bros. Rental Equipment Company, Inc.	Pecos	Block 30	22,003 cubic yards caliche	3,300.45

## II. TRUST AND SPECIAL FUNDS

### A. GIFTS, BEQUESTS AND ESTATES

1. U. T. System - Hogg Foundation: Thomas E. Hogg Fund - Report on Death of Mrs. Margaret Wells Markus and Vesting of the Residuary Estate of Thomas E. Hogg for the Benefit of Hogg Foundation for Mental Health.--Mrs. Margaret Wells Markus died on June 18, 1977, and the remainder of the Estate of her deceased first husband, Thomas E. Hogg, vested in the Board of Regents with the income to be used for the support of the Hogg Foundation for Mental Health. The portion of that remainder estate still held by Mrs. Markus under her life estate and all now delivered to the University consisted of bonds worth approximately \$190,000 and real estate and mineral interests worth about \$200,000.

Mr. Hogg died in 1949 leaving a will executed in 1947 providing for a life estate in his surviving wife as to his residuary estate and further providing that: "At her death it is my further desire that whatever may remain of such estate be given to Hogg Memorial or foundation set up by my brothers and sister." When the administration of the Estate was being completed, it was agreed between the Board of Regents and the Independent Executrices of the Estate, Mrs. Margaret Hogg and Miss Ima Hogg, that the memorial or foundation referred to in the will was the Hogg Foundation, the Trustee of which was and is the Board of Regents, as created and identified under the 1939 deed from Mike Hogg, Independent Executor, joined individually by Mike Hogg and by Miss Ima Hogg and Thomas E. Hogg, conveying to the Board of Regents the residuary estate of Will C. Hogg who died in 1930.

In 1952, the principal asset of the Thomas E. Hogg Estate was its approximately one-third interest in Varner Company, the Hogg family real estate corporation with properties in Houston and San Antonio. In response to a proposal from the ladies and negotiations that followed, the Board of Regents as Trustee of the Hogg Foundation: Will C. Hogg Memorial Fund purchased the stock and notes of Varner Company owned outright by Miss Ima Hogg and also purchased the life estate of Mrs. Margaret Hogg in stock and notes owned by the Thomas E. Hogg Estate and the life estate of Mrs. Alice Nicholson Hanszen in the stock and notes owned by the Mike Hogg Estate. Varner Company was then dissolved and all of its properties conveyed to the Board of Regents as Trustee. All of the real estate has been sold except for two pieces in Houston, and proceeds after payment of the purchase price to the ladies are invested in the University's Common Trust Fund. The income from all of the Varner Properties has been used toward the support of Hogg Foundation for Mental Health. The Thomas E. Hogg Estate's portion of the remaining real estate and the Common Trust Fund investment is about \$2,300,000.

2. U. T. Austin - Report on the Death of Mrs. Alice Nicholson Hanszen and Vesting of the Residuary Estate of Mike Hogg for the Benefit of U. T. Austin.--Mrs. Alice Nicholson Hanszen died on May 22, 1977, and the remainder of the Estate of her deceased first husband, Mike Hogg, vested in the Board of Regents with income to be used at U. T. Austin. Mr. Hogg died in 1941 leaving a will executed shortly before his death providing for a life estate in Mrs. Alice Nicholson Hogg, his surviving wife, as to his residuary estate and upon her death to the Board of Regents with

"so much of the net income therefrom as said Board shall deem necessary to be used in the establishment and maintenance of a Department of Municipal Government at The University of Texas, that is to say, a department devoted to:

1. Perpetuation of the American principle of local self-government.

2. Research in and the study of the problems of municipal governments through visitation and otherwise; and
3. The training of young men and women for service in municipal government, including assignment of students to designated municipalities for study and research, to the end that our citizens may have and enjoy cleaner, more efficient, and more economic local government; and
4. To make available to the municipalities of Texas information and counsel in the solving of municipal problems.

(C) The said trust above created to the Board of Regents of The University of Texas is the residuary legatee of my estate to whom any property of my estate not otherwise disposed of shall go, subject to the terms of the trust herein defined. Any portion of the net income from my estate which said Board of Regents shall not deem necessary to establishment and maintenance of said Department of Municipal Government shall go into the general fund of The University for general University purposes."

This bequest is subject to the bequest of \$1,000 per month to Mrs. Elsie Nicholson Simkins, sister of Mrs. Hanszen, for life, effective upon Mrs. Hanszen's death. Mrs. Simkins is in her sixties.

The portion of that remainder estate still held by Mrs. Hanszen and all now delivered to the University consisted of bonds and a small holding of stocks worth a total of approximately \$150,000.

The principal asset of the Mike Hogg Estate was its approximately one-third interest in Varner Company. (Please see report on Thomas E. Hogg Estate under U. T. System.) That estate's interest in the remaining Varner Properties amounts to a total of about \$2,400,000. Mrs. Hanszen's life estate having been purchased by the Board of Regents as Trustee of Hogg Foundation: Will C. Hogg Memorial Fund, the income was used during her lifetime toward the support of Hogg Foundation for Mental Health. The Administration will submit recommendations regarding future use of the income in line with the provisions of the Will of Mike Hogg.

3. U. T. Austin - Recommendation for Establishment of the Leonidas T. Barrow Professorship in Mineral Resources.

Recommendation

The Administration recommends establishment of the Leonidas T. Barrow Professorship in Mineral Resources in the Department of Geological Sciences to be endowed with \$50,000 on hand from various donors and \$50,000 pledged by Mrs. L. T. Barrow and her son, Tom. Payment of the pledge is expected within a reasonable time after establishment of the Professorship.

Background Information

The late Mr. Barrow was a graduate of U. T. Austin who generously supported the Geology Foundation and received its first Distinguished Graduate Award in recognition of his professional attainment and was a past Chairman of the Board of Humble Oil and Refining Company.

4. U. T. Austin - Recommendation for Acceptance of Gift and Pledge and the Establishment of the Emily Isbell Blunk Scholarship Fund.

Recommendation

Mr. W. David Blunk, Jr., has given \$1,000 and pledged \$9,000 for the endowment of the Emily Isbell Blunk Scholarship Fund in honor of his mother, and the Administration recommends acceptance and establishment of the fund.

Background Information

Mr. Blunk is the son of the late Bill Blunk. Income from the endowment will be used for scholarships in Finance in the Graduate School of Business.

5. U. T. Austin - Recommendation for Authorization to Solicit Funds and for Commitment to Establish the Leslie Bowling Professorship in Geological Sciences.

Recommendation

The Administration recommends that U. T. Austin and the Geology Foundation Advisory Council be authorized to solicit funds to endow the Leslie Bowling Professorship in Geological Sciences, and that the Board of Regents commit to establish the Professorship when the endowment reaches \$100,000.

Background Information

This recommendation is prompted by a pledge from Mr. Ray D. Woods to establish with the Board of Regents as Trustee a Charitable Remainder Unitrust of approximately \$50,000 with income to be paid to Mr. Woods for his lifetime and the trust then to become part of the endowment of the Bowling Professorship. In addition, the University has approximately \$35,000 in gifts and pledges for the endowment of the Professorship which is in memory of Mr. Leslie Bowling, a Geology Alumnus (BA 1928), an active member of the Geology Foundation Advisory Council (1963-75) and Chairman 1970-73. He was named an Honorary Life Member of the Council in 1975 and died on June 12, 1977.

6. U. T. Austin - Recommendation for Acceptance of Gift and Pledge and Establishment of the Mr. and Mrs. Marvin K. Collie Endowed Presidential Scholarship.--The Administration recommends the acceptance of a gift of \$2,500 and a pledge to bring the fund to \$25,000 within 10 years from Mr. and Mrs. Marvin K. Collie of Houston and the establishment of a U. T. Austin Endowed Presidential Scholarship in their names.

7. U. T. Austin - Report on Bequest Under the Will of Lowber D. Snow and Recommendation for Establishment of Funds.

Recommendation

U. T. Austin has now received \$45,876.60 as the first and final distribution of the residuary estate of Lowber D. Snow accepted by the Board of Regents at its February meeting, and the Administration recommends the use of this money to endow the following funds in the Engineering Foundation:

1. \$10,000 for the Lowber Snow Professional Development Fund with the income to be used for the benefit of the Student Chapter, Texas Society of Professional Engineers.
2. \$10,000 for the Lowber Snow ASCE Development Fund with the income to be used for the Student Chapter, American Society of Civil Engineers.
3. \$10,000 for the Lowber Snow Faculty Development Fund in Civil Engineering with the income to be used for programs in faculty development in the Department of Civil Engineering.
4. \$15,876.60 for the Lowber Snow Scholarship/Fellowship Fund in Civil Engineering with the income to be used for the purposes indicated.

It is further recommended that the remaining \$10,000 of a \$20,000 insurance policy on Mr. Snow's life, also accepted at the February meeting, be added to the Scholarship/Fellowship Fund to bring it to a total of \$25,876.60.

Background Information

The pertinent provision of Mr. Snow's Will is as follows:

"All of my remaining property of every nature and description, real, personal and mixed, and wherever situated, and whether acquired before or after the execution of this Will, to the Engineering Foundation of the University of Texas at Austin, Texas, or any successor organization (under whatever name) which is carrying on its activities, for use by the Foundation at the discretion of the Dean of the Engineering School of the University of Texas at Austin, Texas."

The recommended use of the residuary estate has been approved by Mr. Snow's brother who served as Independent Executor of the estate.

The other \$10,000 of the life insurance policy was used, as authorized at the February meeting, to establish the Lowber Snow Fund in the Engineering Foundation.

8. U. T. Austin - Recommendation for Acceptance of Gift and Establishment of Witt Family Scholarship Fund.

Recommendation

Mr. and Mrs. Willis Witt of Houston have given U. T. Austin stock worth approximately \$10,500, and the Administration recommends acceptance and use of the proceeds from sale to establish the Witt Family Scholarship Fund as requested by the donors.

The first \$250 of annual income will be used for the Donald Williams Memorial Award in debate, and the remaining annual income will be for the award of a Witt Family Scholarship in the Department of English and in the Department of Speech Communication in alternating years.

9. U. T. El Paso - Recommendation for Acceptance of Gift and Establishment of Judge and Mrs. Robert E. Cunningham Fund.

Recommendation

The Administration recommends the acceptance of a gift of \$10,000 from Judge and Mrs. Robert E. Cunningham of El Paso and the endowment of the Judge and Mrs. Robert E. Cunningham Fund.

The income from the endowment is for the benefit of the Texas Western Press or its successor, including its annual operation and maintenance, as recommended by the Director of the Press and consistent with the budgeting and fiscal policies and procedures.

10. U. T. El Paso - Recommendation for Establishment of the C. L. Sonnichsen Southwest Publication Fund.

Recommendation

The Administration recommends the establishment of the C. L. Sonnichsen Southwest Publication Fund with a total of \$10,212 in gifts accumulated since 1972.

This fund was begun with a \$5,000 gift from Mr. and Mrs. Irwin Brand in 1972 following Dr. Sonnichsen's retirement after 41 years as a member of the faculty at U. T. El Paso. Income from the endowment will be used to award an annual cash prize to the author of the best Southwestern manuscript submitted for publication to Texas Western Press.

11. U. T. El Paso - Recommendation for Establishment of the William S. Strain Geology Fund.

Recommendation

The Administration recommends the establishment of the William S. Strain Geology Fund with a total of \$10,232.94 in gifts accumulated since 1974.

The funds have been given by students, friends, colleagues and admirers of Dr. Strain in recognition of his 37 years of faithful service and highly successful teaching career at U. T. El Paso. Income will be used for cash awards to faculty members of the Department of Geological Sciences, scholarships for undergraduate students preparing to teach earth sciences in secondary schools, scholarships to undergraduate Geology majors, equipment needed to improve undergraduate instructions in Geology, and purchase of texts, laboratory manuals and other materials for the study of Geology at U. T. El Paso.

12. University Cancer Center (M. D. Anderson): Recommendation to Convert the Charles B. Barker Professorship to the Charles B. Barker Chair in Surgery. --

Recommendation

System Administration concurs in the recommendation of President Clark that the Charles B. Barker Professorship in Surgery at M. D. Anderson of The University of Texas System Cancer Center be converted to the Charles B. Barker Chair in Surgery with an endowment of \$550,000 after transfer of \$75,143.75 from the income account.

Dr. Clark submitted his recommendation and background information in the following communication:

March 24, 1978

Dear Mr. Walker:

The Charles B. Barker Professorship in Surgery at this institution was established as an endowment fund by action of the Board of Regents at Meeting No. 720 on March 15, 1974. The source of this fund was a bequest that was made by a friend of a senior staff member in our Department of Surgery. At the time the initial professorship was established it was estimated that the total value of the endowment fund would be slightly over \$400,000.00. The final liquidation of the estate produced an amount substantially in excess of the initial estimate. The total in the endowment fund at this time is \$474,856.25. Earnings from the endowment fund and the investment of these earnings in local time deposits have resulted in an additional balance of \$101,946.66 in a Designated Fund account with the System Cancer Center. This professorship has never been activated, therefore no expenditures have been made.

As itemized above, the balances in the two accounts for the Charles B. Barker Professorship in Surgery total in excess of \$576,000.00. We request that authorization be granted for the transfer of the amount of \$75,143.75 from the Designated Fund account to the Endowment Fund account which will increase the balance in the Endowment Fund account to \$550,000.00. We further request that the fund be reclassified from the Charles B. Barker Professorship in Surgery to the Charles B. Barker Chair in Surgery. Your approval of these requests and submission to the Board of Regents for their approval will be sincerely appreciated.

Upon authorization of the requested reclassification of Charles B. Barker Fund, we will submit for your consideration and recommendation to the Board of Regents the name of a distinguished member of our staff for appointment to this chair.

If additional information relating to this request is required, please advise me.

Sincerely,



R. Lee Clark, M.D.  
President

13. University Cancer Center (M. D. Anderson): Recommendation to Convert the Hubert L. Stringer Professorship to the Hubert L. and Olive Stringer Chair in Oncology in Honor of Sue Gribble Stringer. --

Recommendation

President Clark recommends, and System Administration concurs, that the Hubert L. Stringer Professorship at M. D. Anderson of The University of Texas System Cancer Center be converted to the Hubert L. and Olive Stringer Chair in Oncology in Honor of Sue Gribble Stringer with a present endowment of \$568,470.

This recommendation together with background information is set out in the following communication from President Clark:

July 5, 1978

Dear Mr. Walker:

The Hubert L. Stringer Professorship was established as an endowment fund account by action of the Board of Regents at Meeting No. 734 on July 25, 1975. At the time this Professorship was established, it was estimated that the total value of this trust would be slightly over \$400,000.00. The income from the trust since that time has been substantially greater than was anticipated, and the balance in the endowment fund account is now in excess of \$538,000.00. We anticipate that this fund will continue to grow from annual income of the trust. Upon termination of the trust in approximately twelve years, the trust assets will be liquidated and a total distribution will be made to this institution.

While it is impossible to estimate the total amount that might accrue in the Hubert L. Stringer Fund, the present balance is more than adequate to support a Chair, and we feel that greater recognition should be given to this memorial fund by converting it from a Professorship to a Chair. The Professorship has not been activated at this time. I have discussed this proposed change with Leslie Stringer and other relatives of Hubert L. Stringer and they would like to see the Chair named the "Hubert L. and Olive Stringer Chair in Oncology in honor of Sue Gribble Stringer".

It is therefore requested that an agenda item be submitted to the Board of Regents with our request that the Hubert L. Stringer Professorship be converted to the Hubert L. and Olive Stringer Chair in Oncology in honor of Sue Gribble Stringer. Upon authorization of this reclassification of the fund by the Board of Regents, we will make every effort to select a distinguished scientist who we will recommend for appointment to this Chair.

If additional information is required relating to this request, please advise me.

Sincerely yours,

  
R. Lee Clark, M.D.  
President

## B. REAL ESTATE MATTERS

1. U. T. Austin - Archer M. Huntington Museum Fund: Recommendation for Relocation of Road Right-of-Way to Malone Service Company.

### Recommendation

System Administration recommends approval of the relocation of an existing 100 foot wide road and utility right-of-way easement to Malone Service Company crossing a portion of the Huntington Lands, Galveston County. The relocation is necessary because of the recent sale of 450 acres to Gulf Coast Waste Disposal Authority. The proposed right-of-way will begin at the intersection of the existing road and the western Gulf Coast property line and will then extend south and east along said property line a distance of about 6,650 feet to the Malone Service Company property. The new road, to be installed at the expense of Malone Service Company, will also serve to provide the only means of access to approximately 1,200 acres of land still owned by the Board of Regents.

### Background Information

Malone Service Company owns approximately 70 acres on Swan Lake, which tract is entirely surrounded by the Huntington Lands. In 1970, the Board of Regents and Malone Service Company entered into an agreement by which Malone was granted a right-of-way across University land from Loop 197 to its property on Swan Lake. One of the provisions of the agreement requires Malone to relocate the road in the event of a sale of all or part of the land. The sale to Gulf Coast Waste Disposal Authority included a portion of the road constructed by Malone under the old agreement, and hence Malone must relocate around the Gulf Coast tract. The Malone property is inaccessible except by crossing University property.

2. U. T. Austin - Roger Q. Mills Scholarship Fund (Caroline Mills Wood Estate): Recommendation for Ratification of Execution of Deed Covering 0.067 Acres in the James W. O'Brien Survey, Navarro County, to the State of Texas and for Disbursement of Proceeds to Miss Annie Lee Robbins.

### Recommendation

System Administration recommends ratification of the execution by the Executive Director for Investments, Trusts and Lands of a deed conveying a contingent remainder interest in 0.067 acres in the James W. O'Brien Survey, Navarro County, to the State of Texas. The land is required in connection with improvements planned for FM Road 3383. The road traverses a large creek bottom, and the Navarro County Commissioners Court requested prompt execution of the deed so that contracts could be let during the dry summer months. It is also recommended that approval be given to the disbursement of the entire proceeds of \$100.00 to Miss Annie Lee Robbins, the life tenant.

### Background Information

Upon her death in 1950, Caroline Mills Wood devised approximately 1,023 acres in Navarro County to Miss Annie Lee Robbins for life, and then in fee simple to any child or children of Miss Robbins. The Will also provides that if Miss Robbins dies without leaving a child or children, title shall vest in the Board of Regents to provide scholarships at U. T. Austin in memory of Roger Q. Mills. Miss Robbins is 73 years of age, has never married, and has no children.

3. U.T. El Paso - Frank B. Cotton Trust - Assignment of a Mineral Mining Lease by Mr. Bill Gregory to Planterra International Corp. on 40 Acres, GC&SF Survey, Hudspeth County, Texas.

### Recommendation

The Geologist in Charge, concurred in by the Executive Director for Investments, Trusts and Lands, recommends that the Board of Regents approve the assignment by Mr. Bill Gregory of Van Horn, Texas, of his interests in a mineral mining lease to Planterra International Corp.

### Background Information

The Board of Regents approved a five year Mineral Mining Lease to Mr. Bill Gregory on 40 acres in the Frank B. Cotton Trust, exclusive of oil, gas, potash, sulphur or fissionable materials, on April 15, 1977 with royalty of 1/8 of the "mine value" or ten dollars per net ton, whichever is greater, with a \$25 per acre bonus and a minimum annual payment of \$9,600.

### III. OTHER MATTERS

PUF and Trust and Special Funds: Reports of Securities Transactions for the Months of April and May 1978.--In accordance with present procedure, the report of securities transactions for the Permanent University Fund and Trust and Special Funds for the months of April and May 1978 was mailed on **July 7, 1978** by Secretary Thedford to the members of the Board of Regents. If any questions regarding this report have been submitted, the Secretary will so report at the meeting of the Land and Investment Committee.

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## FOUNDATION MATTERS

- A. Ima Hogg Foundation.--It is recommended that the members of the Board of Regents as Trustees of Ima Hogg Foundation meet briefly at the meeting of the Board of Regents on August 4, 1978, for action on the following agenda:
1. Approval of Minutes.--Approval of the Minutes of the June 9, 1978, meeting distributed earlier.
  2. Report on Miss Hogg's Estate.--Miss Hogg died August 19, 1975, and her bequest of her residuary estate was accepted by the Trustees of the Foundation the following October 24. Except for final audit, payment of final attorneys' and accountants' fees, and one matter with The University of Texas Press (No. 3 below), the administration of the estate has been completed and the residuary estate delivered to the Foundation except for a final cash distribution expected to be around \$20,000. Total value of the bequest received to date, using appraised values as of date of death for the real estate and various producing and non-producing mineral and royalty interests, is approximately \$4,725,000 which, with the endowment given by Miss Hogg when the Foundation was created, brings the total to about \$5,285,000. This includes no value for the Foundation's reversionary interest in real estate at Milam and Walker in Houston devised to the Houston Symphony Society with a stipulation that the property revert to the Foundation if the Society should cease to function and operate for a period of two consecutive years. Also, no value is included for the reversionary interest passing to the Foundation as to Bayou Bend which Miss Hogg conveyed to the Houston Museum of Fine Arts in 1957 with conditions as to operation of the property as a museum of early American furniture and decorating, which operation has been in effect for several years. Miss Hogg's private family papers and other historical material are being delivered to The University of Texas Archives.
  3. Report and Recommendation Regarding Matter between Miss Hogg's Estate and The University of Texas Press.--In 1972, Miss Hogg deposited \$70,000 with The University of Texas at Austin to underwrite the publication of TEXAS FURNITURE authored by Lonn Taylor and David B. Warren. Though Miss Hogg had examined complete proofs, the book came off the press just shortly after her death so that the Press had not arrived at any final settlement of accounts with her. Some questions have arisen as to reimbursement due Miss Hogg's Estate by the Press, and it is recommended that the Trustees release the Executors of the Estate from further responsibility as to this matter and request the University Administration to work it out and report to the Trustees for approval. The maximum amount involved would be \$14,000.
  4. Receipt and Release of the Executors of Miss Hogg's Estate.--It is recommended that the Trustees authorize Secretary-Treasurer Lobb to execute on their behalf an appropriate instrument acknowledging delivery or payment of all due the Foundation from the Estate and releasing the Independent Executors.

B. Winedale Stagecoach Inn Fund.--It is recommended that the members of the Board of Regents as Trustees of the Winedale Stagecoach Inn Fund meet briefly at the meeting of the Board of Regents on August 4, 1978, for action on the following agenda:

1. Approval of Minutes.--Approval of the Minutes of April 15, 1977, meeting distributed earlier.
2. Receipt and Release of the Executors of the Estate of Miss Ima Hogg.--At their December 10, 1976, meeting, the Trustees accepted the bequest under the Will of Miss Hogg of various antique furniture, textiles, and related items worth approximately \$42,000. In the Fifth Codicil to her Will executed in 1969, Miss Hogg provided for up to \$200,000 to be paid to the Winedale Trustees for repairing, renovating, restoring, decorating, and furnishing the MacGregor House which she had purchased and had moved to Winedale and for a wing to be added, decorated, and furnished on the Lauderdale house, such funds to be paid to the Trustees if Miss Hogg had not completed and paid for all of this work prior to her death. Miss Hogg completed and paid for all of this at total cost of perhaps near \$200,000 prior to her death in August, 1975. The administration of Miss Hogg's Estate is being completed, and it is recommended that Assistant Secretary-Treasurer Lobb be authorized to execute the appropriate instrument as a receipt for everything to which the Trustees of Winedale Stagecoach Inn Fund are entitled under the Will and final release of the Independent Executors on behalf of the Trustees.

LAND AND INVESTMENT COMMITTEE

EMERGENCY ITEM

Page  
L&I

II. TRUST AND SPECIAL FUNDS (continued)

A. GIFTS, BEQUESTS AND ESTATES

14. U. T. Dallas: Recommendation to Accept Pledge from The Clark Foundation and to Establish The Dr. Anson L. Clark Memorial Fund - Proposed Trust Agreement Relating Thereto

20

Documentation

14. U. T. Dallas: Recommendation to Accept Pledge from The Clark Foundation and to Establish The Dr. Anson L. Clark Memorial Fund - Proposed Trust Agreement Relating Thereto. --

Recommendation

System Administration joins President Jordan in recommending acceptance of a pledge by The Clark Foundation of Dallas in the amount of \$300,000 payable in installments which shall not be less than \$50,000 annually beginning on or before October 15, 1978, for the establishment of The Dr. Anson L. Clark Memorial Fund. The income from this fund is to be apportioned to The Clark Foundation - The University of Texas at Dallas Research Trainee Program and the annual Dr. Anson L. Clark Memorial Lecture with the Foundation agreeing to fund any balances each year until the fund is self sustaining.

Background Information

In 1968, the Foundation began funding by annual gifts The Clark Foundation Research Trainee Program and the annual Dr. Anson L. Clark Memorial Lectureship and has continued these programs at U.T. Dallas. The Foundation also has made annual gifts for the U.T. Dallas library.

One provision of the trust agreement covering this fund, which has already been executed by the Trustees of The Clark Foundation, is as follows:

"That in the event The Clark Foundation terminates as a Private Foundation, and in the event that, because of the changing times and conditions, the President, the Vice President for Academic Affairs, and the Dean of the School of Natural Sciences and Mathematics of The University of Texas at Dallas shall determine that the Research Trainee Program is no longer viable or appropriate, the proceeds from this endowment shall be used to create the Anson L. Clark Chair in Business Management."

It is highly unlikely that the primary purpose of the endowment will ever be discontinued; however, before activating the Anson L. Clark Chair the administration at U.T. Dallas would raise an additional \$200,000 in funds for the Chair.

Proposed Trust Agreement set out on Pages L&I 21-24 .

AN AGREEMENT BETWEEN  
THE CLARK FOUNDATION, DONOR

AND

THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, DONEE

By this instrument, executed this \_\_\_\_\_ day of \_\_\_\_\_, 1978, by The Clark Foundation, 6116 N. Central Expressway, Suite 304, Dallas, Texas 75206 and The Board of Regents of The University of Texas System for and on behalf of The University of Texas at Dallas, P. O. Box 688, Richardson, Texas 75080, it is agreed:

1. That The Clark Foundation will make gifts totaling \$300,000 to The Board of Regents of The University of Texas System for the use and benefit of The University of Texas at Dallas, to establish a permanent endowment fund to be named "The Dr. Anson L. Clark Memorial Fund".
2. That this gift is made and received in recognition of the long standing and stated interest of Dr. Anson L. Clark in The University of Texas System, and is intended to honor and memorialize his name.
3. That the purpose of this endowment shall be to provide permanent support of The Clark Foundation - The University of Texas at Dallas Research Trainee Program, and the annual Dr. Anson L. Clark Memorial Lecture.

4. That the purpose of this endowment shall not be altered without the express permission of The Clark Foundation Trustees in advance. Further, if because of changing times and conditions, the President, the Vice President for Academic Affairs, and the Dean of the School of Natural Sciences and Mathematics of The University of Texas at Dallas shall determine that a revision in the Research Trainee Program is deemed necessary, the Foundation Trustees shall be notified and their concurrence sought.
5. That in the event The Clark Foundation terminates as a Private Foundation, and in the event that, because of changing times and conditions, the President, the Vice President for Academic Affairs, and the Dean of the School of Natural Sciences and Mathematics of The University of Texas at Dallas shall determine that the Research Trainee Program is no longer viable or appropriate, the proceeds from this endowment shall be used to create the Anson L. Clark Chair in Business Management.
6. That in the event The Clark Foundation terminates as a Private Foundation, the appropriate authorities of The University of Texas System shall have full authority over the endowment and returns from the investment.

7. That this endowment shall be paid in installments which shall not be less than \$50,000 annually, beginning on or before October 15, 1978 until a total of \$300,000 has been paid.
8. That interest earned from the investment of the installments made is to be apportioned to the programs noted in (3) above, with the Foundation funding any balances each year until the fund is self sustaining.
9. That the obligation of The Clark Foundation to make such payments shall be under the condition that at the time of each such payment The University of Texas at Dallas continues to be a tax exempt organization under the provisions of the Internal Revenue Service Code, and shall not be a Private Foundation as defined in Section 509 (a) (2) of the Code.
10. That the investment of these funds shall be under the control and at the discretion of The University of Texas System in a manner not prohibited by law.
11. That The University of Texas at Dallas shall render an annual report to the Foundation accounting for all funds received, income earned, and disbursements made in support of the programs for which this endowment is established.
12. That this agreement is irrevocable and binding upon The Clark Foundation and The University of Texas System, and upon their successors and assigns.

No portion of these funds nor the proceeds therefrom shall ever become a part of the Permanent Fund of The University of Texas System, the Available Fund of The University of Texas System, or the General Fund of the State of Texas.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, acting through their respective officers hereunto duly authorized, as of the date hereinabove first written.

ATTEST:

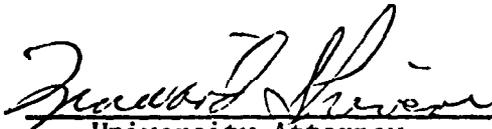
THE BOARD OF REGENTS  
THE UNIVERSITY OF TEXAS SYSTEM

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chairman

Approved as to Form:

Approved as to Content:

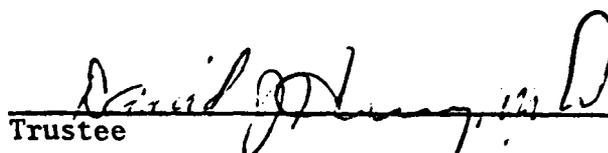
  
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University Attorney

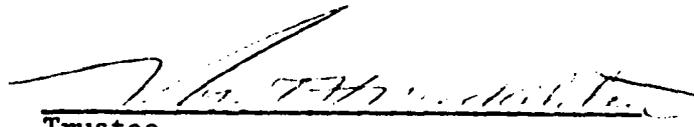
  
\_\_\_\_\_  
President and Chief Operating Officer

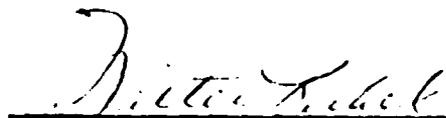
ATTEST:

THE CLARK FOUNDATION

  
\_\_\_\_\_  
Secretary

  
\_\_\_\_\_  
Trustee

  
\_\_\_\_\_  
Trustee

  
\_\_\_\_\_  
Trustee

**Com. of the  
Whole**

COMMITTEE OF THE WHOLE  
Presiding: Chairman Shivers

Date: August 4, 1978

Time: Following the Meeting of the Land and Investment Committee

Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall  
Austin, Texas

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## I. SPECIAL ITEMS

### A. BOARD OF REGENTS

1. Proposed Revision of Section 1.84(b) and 1.84(c), Chapter III, Part One of the Regents' Rules and Regulations (Use of Adjunct Professorial Titles). --

#### RECOMMENDATION

President Walker recommends that Section 1.84(b) and Section 1.84(c), Chapter III, Part One, Regents' Rules and Regulations concerning the use of adjunct professorial titles be amended as follows:

- (b) Adjunct Professor, Adjunct Associate Professor, and Adjunct Assistant Professor. One of these titles may be used [~~as appropriate,~~] when a qualified person from business, industry, government, private practice, or another institution of higher education [~~faculty member from another institution~~] may be [~~temporarily~~] teaching a course or participating in the teaching of a course at one of the component institutions. [~~On occasion it may be desirable to offer a faculty member at a private institution an adjunct appointment under consortium arrangements in the offering of a degree. In addition, it may be desirable on occasion to use an adjunct position for a person from a business firm, a government agency, an art museum, a library, or similar organization.~~] Except in special circumstances, [F] this prefix should [~~may also~~] be used [~~in the biomedical components~~] to designate part-time service on the faculty. In the health components, this prefix should be used only for those persons not involved in patient care who otherwise satisfy the above criteria. Appointments to the faculty with an adjunct title may be with or without pay and shall be for a stated period of time not to exceed one academic year. Such appointments shall terminate upon expiration of the stated period of appointment without the notification of nonrenewal required by Section 6.8 of this Chapter of the Regents' Rules and Regulations. If a component determines that it is to the benefit of the institution it may offer reappointment to an adjunct faculty member. [~~in the basic science departments.~~]
- (c) Clinical Professor, Clinical Associate Professor, Clinical Assistant Professor and Clinical Instructor. These titles may be used by the components to designate regular part-time service on the faculty while involved in a health professions clinical experience program. [~~and for which the incumbent may or may not receive compensation.~~] Appointments to the faculty with a clinical title may be with or without pay and shall be for a period of time not to exceed one academic year. Such appointments shall terminate upon expiration of the stated period of appointment without the notification of nonrenewal required by Section 6.8 of this Chapter of the Regents' Rules and Regulations. If a component determines that it is to the benefit of the institution it may offer reappointment to a clinical faculty member.

#### ADDITIONAL INFORMATION

The proposed wording will emphasize that adjunct professorial titles may be used for fully qualified individuals from industry, private practice, or another university to teach at System institutions either with or without pay.

These titles will be used for part-time faculty, except in special circumstances, and the appointment may continue year after year on the basis of annual appointments. The Rules provide that tenure cannot be acquired by a person holding any of the titles in Section 1.84, Chapter III, Part One, including these adjunct professorial titles. Adjunct professorial titles cannot be used for persons at the health components involved in patient care.

2. Proposed Amendment to Regents' Rules and Regulations, Part Two, Chapter VI, Section 10 (Unemployment Compensation Insurance Program). --

RECOMMENDATION

President Walker recommends that Part One, Chapter VI, Section 10 of the Regents' Rules and Regulations concerning the Unemployment Compensation Insurance Program be amended as set out below:

a. Amend Subsection 10.26 to read as follows:

10.26 Maintaining records of all claims filed and paid, all chargebacks, and other records necessary to separate approved claims information applicable to student employment and extending such record-keeping to any additional group(s) of employees for which such analysis may be deemed by the System Personnel Director to be necessary for effective administration, including records necessary to determine individual "benefit ratios" consistent with provisions in the Texas Unemployment Compensation Act under Subsection 10.6 for each of the following categories of fund sources:

10.261 State General Revenue

10.262 Other than State General Revenue

[ ~~(a) - Organized Research (including contract research and services)~~

~~(b) - Educational Service Agreements (including training grants)~~

~~(c) - Organized Activities Related to Educational Departments (including hospital and clinics)~~

~~(d) - Auxiliary Enterprises~~

~~(e) - All Other]~~

b. Add a new subsection 10.27 to read as follows:

10.27 Assuring that upon adequate notice, sufficient fiscal information will be available to determine a benefit ratio for each of the following categories of funding sources;

(a) Organized Research (including contract research and services)

(b) Educational Service Agreements (including training grants)

(c) Organized Activities Related to Educational Departments (including hospitals and clinics)

(d) Auxiliary Enterprises

(e) All Other

c. Amend Subsection 10.5 to read as follows:

10.5 Separate and apart from all other System monies or funds, an Unemployment Compensation Fund, administered under the same custodianship as other monies administered by the System, is established and maintained in one or more regular depositories of the System, secured by collateral in accordance with state statutory requirements. The fund consists of all assessments collected, all interest earned on deposits of any monies in the fund, and all other monies received for the fund from any other source. Investments or time deposits of such funds will be in accordance with regular System policies. This fund is designated as a "revolving fund" under the "University of Texas Central Services Account" provision of the current General Appropriation Act. Expenditures from the Unemployment Compensation Insurance Fund are restricted to direct costs: payments and chargebacks of approved Unemployment Compensation claims, and System administrative costs not to exceed five percent per year of the balance in the fund at the beginning of each preceding year. The administrative costs will be identified and charged as direct cost to the Unemployment Compensation Program consistent with procedures for other similar benefits programs operated by The University of Texas System. Such direct cost charges will be supported by a payroll distribution system in accordance with Federal Management Circular 73-8, Section J.7. A financial report will be prepared and submitted annually to the Board of Regents summarizing the transactions and balances of the Unemployment Compensation Insurance Fund for the fiscal year. [~~Investments or time deposits of such funds are in accordance with regular System policies.~~]

d. Delete Subsection 10.6 and its Subsections 10.61, 10.62, 10.621, 10.622 as set out below:

~~10.6 The System Unemployment Compensation Insurance Fund operates under principles and methods generally consistent with those established by the Texas Unemployment Compensation Act for the operation of the State Unemployment Compensation Fund.~~

~~10.61 After an initial development period (as provided in Subdivision 10.62) assessment rates will be computed based upon principles and methods consistent with provisions in the Texas Unemployment Compensation Act for determination of "Contribution" rates. In applying these principles, "benefit ratios" will be developed for determination of basic rates which will be adjusted (decreased or increased, respectively) by one-tenth of one percent for each \$25,000 or fraction thereof by which the amount in the Unemployment Compensation Insurance Fund exceeds \$1,755,000 or is less than \$1,215,000. Such computation will be made at the beginning of each calendar year, and the assessment rate(s) so calculated, but in no event less than one-tenth of one percent, will be applicable to the fiscal year beginning within that calendar year.~~

~~10.62 Compensation experience and fund balances will be developed during the period January 1, 1972, through~~

August 31, 1976. Assessment rates during this initial development period are as follows:

10.621 ---- January 1, 1972, through August 31, 1973, the assessment rate is 2.7 percent applied to salaries and wages up to \$4,200 per employee per calendar year.

10.622 ---- September 1, 1973, through August 31, 1976, the assessment rates are subject to approval of the Board based upon determinations by System Administration after review of all available data on loss experience and levels of fund balances.

- e. Substitute a new Subsection 10.6 and its Subsections 10.61, 10.62, 10.621(a), (b) and (c), and 10.622 and amend Subsection 10.63 to read as follows:

10.6 The System Unemployment Compensation Insurance Fund operates under principles agreed upon between The University of Texas System and the Department of Health, Education and Welfare, and includes the following procedures:

10.61 Assessment rates determined in accordance with 10.621 below will be applied to salaries and wages up to the maximum salary base which conforms to provisions of Federal and State Unemployment Insurance legislation.

10.62 The University will review all available data on loss experience and levels of funds within six months after the end of the year. Based upon such review and projections of anticipated future activities and costs, a calculation of the rate to be charged in the following fiscal year will be submitted to the Department of Health, Education and Welfare.

10.621 Rates will be calculated to fulfill the following objectives:

(a) To maintain the fund balances within a range of \$1,215,000 to \$1,755,000,

(b) To provide minimal fluctuations in Fund balances from year to year, and

(c) To provide maximum rate stability consistent with the first two objectives.

10.622 The above objectives are expected to permit considerable flexibility in rate determination by The University. Formal rate negotiations may be required, however, upon determination by DHEW that a prospective rate is inconsistent with such objectives.

10.63 A single assessment rate is charged to all affected fund sources on a nondiscriminatory basis throughout The System, ~~unless differential rates are found to be desirable as between categories of funding sources and such differential rates are approved by the Board.~~

#### BACKGROUND INFORMATION

The University of Texas System recently renegotiated its agreement with the Department of Health, Education and Welfare. These amendments implement that revised agreement and it conforms with Federal Management Circular 73-8 Section J. 7, consolidates payroll fund sources, and complies with the operating procedures designed to stabilize the Unemployment Compensation Insurance Fund.

The Office of General Counsel has approved the changes as to form.

3. Bond Matters: Recommendation for Sale of Board of Regents of The University of Texas System, The University of Texas at Arlington Combined Fee Revenue Bonds, Series 1978; Appointment of Bond Counsel, Bond Consultant; and Establishment of Account for Miscellaneous Costs. --

#### RECOMMENDATION

It is recommended by President Nedderman, joined by the Administration, that up to \$3,600,000 U. T. Arlington Combined Fee Revenue Bonds, Series 1978, be issued for possible acquisition of land, construction and equipping buildings, repair and rehabilitation of existing buildings including parking facilities.

It is further recommended that the firm of Vinson & Elkins be named Bond Counsel and the firm of Russ Securities Corp. be named Bond Consultant, that the Office of Investments, Trusts and Lands be authorized to advertise for bids for sale of bonds, paying agency and printing to be submitted to the Board of Regents at its next meeting, and that an account be established out of proceeds of the bond sale for payment of fees of the Bond Counsel, Bond Consultant, printing of the bonds, paying agency and other miscellaneous costs.

4. Bond Matters: Recommendation for Sale of Board of Regents of The University of Texas System, The University of Texas at Dallas Combined Fee Revenue Bonds, Series 1978; Appointment of Bond Counsel, Bond Consultant; and Establishment of Account for Miscellaneous Costs. --

#### RECOMMENDATION

It is recommended by President Jordan, joined by the Administration, that up to \$9,000,000 U. T. Dallas Combined Fee Revenue Bonds, Series 1978, be issued for the purpose of constructing a Student Union Building and other high priority capital improvements at U. T. Dallas.

It is further recommended that the firm of Vinson & Elkins be named Bond Counsel and the firm of Russ Securities Corp. be named Bond Consultant, that the Office of Investments, Trusts and Lands be authorized to advertise for bids for the sale of bonds, paying agency, and printing of the bonds to be submitted to the Board of Regents at its next meeting and that an account be established out of bond proceeds to pay fees of the Bond Counsel, Bond Consultant, paying agency, printing of the bonds and other miscellaneous costs.

5. Bond Matters: Recommendation for Sale of Board of Regents of The University of Texas System, The University of Texas at El Paso Combined Fee Revenue Bonds, Series 1978; Appointment of Bond Counsel, Bond Consultant; and Establishment of Account for Miscellaneous Costs. --

#### RECOMMENDATION

It is recommended by Dr. Templeton, joined by the Administration, that \$3,500,000 U. T. El Paso Combined Fee Revenue Bonds, Series 1978, be issued for the purpose of expanding the Student Union facilities at U. T. El Paso and for any other high priority capital improvements.

It is further recommended that the firm of Vinson & Elkins be named Bond Counsel and the firm of Russ Securities Corp. be named Bond Consultant, that the Office of Investments, Trusts and Lands be authorized to advertise for bids for the sale of bonds, paying agency, and printing of the bonds to be submitted to the Board of Regents at its next meeting and that an account be established out of bond proceeds to pay fees of the Bond Counsel, Bond Consultant, paying agency, printing of the bonds and miscellaneous costs.

B. U. T. SYSTEM

6. Request to Continue Liability Insurance Coverage for Officers and Employees Arising from Use and Operation of University Owned and Operated Motor Vehicles and Mobile Equipment. --

RECOMMENDATION

System Administration recommends that authorization be granted to continue the insurance policy with Granite States Insurance Company, a company within the New Hampshire Insurance Group, providing liability insurance coverage for an additional year beginning September 1, 1978, subject to the rates and discount prescribed by the State Insurance Commission, the experience modifier published by the State Insurance Service Office and the dividend rate filed with the State Insurance Commission.

BACKGROUND INFORMATION

The University, under the provision of House Bill No. 203, Acts of the Sixty-first Legislature (Article 6252-19a, Vernon's Texas Civil Statutes), purchased liability insurance coverage for the period September 1, 1977 through August 31, 1978, after receiving proposals from all interested companies.

The current carrier is the Granite States Insurance Company, a company within the New Hampshire Insurance Group. We have had good claim experience to date and consequently have received from the Granite States Insurance Company a proposal to continue this policy for an additional year.

6a. Proposed Policy for Parking Charges. --

RECOMMENDATION

System Administration recommends that the Board of Regents establish the policy that parking rates charged at the various institutions are to provide the funds necessary for the operation and patrol of the parking facilities.

BACKGROUND INFORMATION

Parking fees have been approved by the Board of Regents as a part of the Parking and Traffic Regulations for all the various institutions except for those located in the Texas Medical Center. On December 10, 1960, the Board of Regents authorized The University of Texas Units located in the Texas Medical Center in Houston to participate in the parking operation controlled by the Texas Medical Center, Inc.

For state employees in the capital complex the parking rates do not include funds for amortization of construction costs. The Legislature has appropriated the funds required to construct the parking garages that have been built in that area.

Parking rates charged at other state educational units are not based on amortization of construction costs.

7. Minimum Faculty Teaching Requirement (Faculty Workload) for the U. T. System General Academic Institutions as Required by Section 51.402(b) of the Texas Education Code. --

RECOMMENDATION

System Administration recommends that the policy on faculty workload adopted on July 21, 1972, be replaced by the Minimum Faculty Teaching Requirement given on the following pages. (Pages C of W 10-12)

**U. T. SYSTEM: POLICY FOR ESTABLISHMENT OF PARKING RATES.** --  
System Administration submitted the following policy which was adopted without objection:

There shall be established parking rates at the various institutions sufficient to provide all funds necessary for the operation and patrol of the parking facilities.

*I have checked  
with S. Adm,*

THE UNIVERSITY OF TEXAS SYSTEM  
MINIMUM FACULTY TEACHING REQUIREMENT

PREAMBLE

In general the duties of faculty members in The University of Texas System are summarized in Section 8 of Chapter III of Part One of the Regents' Rules and Regulations:

- "8.1 Common practice has fixed the greater duties of a member of the teaching staff so clearly that many institutions do not even list them among their regulations. They are:
- 8.11 Teaching in the classroom, laboratory, seminar, or ward.
  - 8.12 Studying, investigating, discovering, and creating.
  - 8.13 Performing curricular tasks auxiliary to teaching and research, e.g., serving on faculty committees, attending to administrative and disciplinary tasks, promoting diligence and honest work in the student body.
  - 8.14 Influencing beneficially students and citizens in various extracurricular ways.
- 8.2 Performance as a teacher, as a scholar, as an administrator, and as an individual is valued greatly by any university, for in these four ways its work is chiefly done.
- 8.3 A state university being a public enterprise of maximum social importance, it is the duty of all persons connected with it to be as civic-minded as possible...."

All the above duties are inherent in the nature and life of the University and all are taken into account in the promotion, tenure, and salary levels of faculty members. However, the duties specified under Item 8.11 of Subsection 8.1 have become in recent years a matter of special attention by the Board of Regents and the State Legislature, in large part because these duties provide the principal basis for the funding of the academic activities of the University.

These and related factors led the Board of Regents on July 21, 1972, to adopt a minimum faculty workload standard. This standard provided a four organized course standard load, and through a system of exceptions and waivers attempted to gauge, within that standard load, the total workload of a faculty member (i.e., it attempted to quantify all of the activities noted in Items 8.11, 8.12, 8.13, and 8.14 quoted above). Regrettably, the system of exceptions and waivers introduced by the workload standard of 1972 has caused confusion and misunderstanding concerning faculty teaching load requirements both internally and externally. Therefore, in order to clarify the minimum teaching obligation required of University of Texas faculty, The University of Texas System enunciates a minimum faculty teaching requirement which quantifies the minimum faculty obligation for participation in the instructional effort.

No two institutions in The University of Texas System (and, indeed, no two teaching units within a particular institution) are alike in the teaching load required of individual faculty to meet student needs within the funds appropriated by the Legislature pursuant to approved faculty salary formulae. It is the responsibility of each institutional head to require teaching in excess of the minimum where such teaching is necessary to meet the institution's obligations to its students. Each university will establish whatever additional standards that are necessary in accordance with its role and scope, so long as they satisfy the minimum given herein, to meet the instructional obligations of the institution to the students and to operate effectively within the faculty salary resources available.

It is further the responsibility of each institutional head, his or her institutional officers, and the faculty of each component institution to ensure that all of the responsibilities noted in Items 8.12, 8.13 and 8.14 as quoted above are carried out and that those responsibilities are as evenly distributed among the several members of the institutional faculty as possible.

Teaching assistants shall be used only when given proper guidance and supervision to ensure quality instruction. The minimum faculty teaching load established below does not apply to graduate teaching assistants or assistant instructors who are pursuing degrees. The institutional head is responsible for assuring that all teaching assistants are carefully supervised.

#### MINIMUM FACULTY TEACHING LOAD

Each person paid full time from the appropriations item "Faculty Salaries" shall teach a minimum of nine semester credit hours of instruction in organized undergraduate classes each long term semester with adjustments permitted for the teaching load equivalencies listed below.

#### Adjustments

1. One semester credit hour of graduate instruction is equal to one and one-half semester credit hours of undergraduate instruction.
2. Instruction of regularly scheduled laboratory and clinical courses, physical activity courses, studio art, studio music instruction, and primary music performance organizations such as ensembles and marching bands shall provide teaching load credit at the rate of one semester hour of teaching load credit for each one and one-half classroom contact hours of instruction per week per long term semester.
3. Supervision of student teachers, clinical supervision, and intern supervision, shall be credited such that 12 total student semester credit hours taught is equivalent to one semester credit hour of teaching load credit.
4. Supervision of student practicum and individual instruction courses such as honors programs and individual research projects shall provide teaching load credit at the rate of one-tenth semester hour of teaching load credit for each student semester hour of undergraduate instruction and one-fifth semester hour of teaching load credit for each student semester hour of graduate instruction per long term semester.
5. Supervision of graduate thesis is provided teaching load credit only to the chairperson of the thesis or dissertation committee and at the rate of one semester hour of teaching load credit for each six total student

semester hours of thesis research credit and at the rate of one semester hour of teaching load credit for each three total student semester hours of dissertation credit.

6. A faculty member who coordinates several sections of a single course shall be given one semester hour of teaching load credit for each 6 sections coordinated up to a maximum of 3 semester hours of teaching load credit.
7. Credit for teaching a large class, which requires extensive grading or evaluation of students' work by the faculty member, shall be given at the rate of one semester hour teaching in a class with enrollment of 100-249 equal to one and one-half semester hours of teaching load credit, and for classes with over 249 enrollment each semester hour of teaching equals two semester hours of teaching load credit.
8. Credit for teaching may be granted for a faculty member who is head of a department or head of a comparable administrative unit up to a maximum of six semester hours of teaching load credit. When justified by department/unit head and approved by the institutional head, an additional three hours of teaching load credit may be given to a faculty member who provides academic services to the unit head.

When more than one teacher participates in the instruction in a single course, the teaching load credit is proportioned according to the effort expended. Also, when a faculty member is paid partially from a source of funds other than the "Faculty Salaries" line item, the minimum teaching workload shall be proportioned to the percentage of salary paid from the appropriations item "Faculty Salaries."

#### Exceptions

1. A reduced teaching load may be granted temporarily if classes do not materialize because of insufficient enrollment and when additional classes cannot be assigned to the faculty member. This exception may only be granted for two consecutive long term semesters for any particular faculty member.
2. Limited faculty teaching load credit may be granted with approval of the institutional head for major academic advising responsibilities, for preparing major documents in the fulfillment of programmatic needs or accreditation requirements, or for duties performed in the best interest of the institution's instructional programs as determined by the head of the institution. Teaching load credit granted by the head of the institution for such purposes is limited to 1/10 of 1% of the total semester credit hours taught at the institution during the comparable (fall or spring) semester in the previous year. (NOTE: This is one 3-hour undergraduate course teaching load credit per semester for each 3,000 total semester credit hours taught.)

Salary payments for intercollegiate coaching activities may not come from the appropriation item "Faculty Salaries."

The institutional head shall designate the officer of the institution who will monitor workloads, review workload reports, and submit the reports to the institutional head for approval and comment as appropriate prior to submitting the reports to the Board of Regents through System Administration following the standard reporting format and deadlines as provided by the Coordinating Board in accordance with Section 51.402 of Subchapter H, Chapter 51 of the Texas Education Code and any riders in the current legislative Appropriations Bill.

### BACKGROUND INFORMATION

The 65th Legislature passed H.B. 1012, which created Subchapter H, Chapter 51, Texas Education Code, Guidelines for Academic Workloads. Section 51.402(b) of this Subchapter states: "The governing board of each institution of higher education in the state shall adopt rules and regulations concerning faculty academic workloads. The established rules and regulations of each institution shall be reported to the coordinating board and included in the operating budgets of each institution." Similarly, Sections 29 and 33, Article IV, of the General Appropriations Bill for the 1978-79 Fiscal Years, also require teaching load rules and reports each semester to show compliance with these rules.

The faculty teaching load issue has had thorough study, including recommendation by a System Committee on Faculty Workloads with representatives from each of the six general academic institutions and extensive discussion of this critical issue with the heads of the academic institutions. The System Administration proposal that the existing Regental Policy on Faculty Workloads adopted on July 21, 1972, be replaced by the teaching load rules given on Pages C of W 10-12 was approved unanimously by the Presidents of the six general academic institutions at the meeting of the Council of Academic Institutions on June 27, 1978. These rules and regulations on academic faculty workloads, if approved by the Board, will meet the requirements of Subchapter H, Chapter 51, Texas Education Code, and Sections 29 and 33, Article IV of the General Appropriations Bill for the 1978-79 Fiscal Years, and the Coordinating Board policies on this matter. These rules and regulations will be reported in the 1978-79 operating budget for each of the six general academic institutions in compliance with the requirements of the Texas Education Code. The rules emphasize that the requirements given are minimums and that differences in institutions and differences in units within institutions must be considered. Each institution shall establish whatever additional requirements that are necessary to operate effectively within the faculty salary funds appropriated and to meet the instructional obligations of the institution to the students.

### C. U. T. AUSTIN

#### 8. Proposed Exception to Regents' Rules and Regulations, Part One, Chapter III, Section 31.2 (Past Retirement Age). --

### RECOMMENDATION

System Administration recommends approval of the U.T. Austin request for continued employment of Mr. Vernon Waren beyond the age of 65. This constitutes an exception to Section 31.2, Chapter III, Part One of the Regents' Rules and Regulations as provided under Section 31.(17), Chapter III, Part One.

### BACKGROUND INFORMATION

Mr. Waren, a brick mason, is in good health and performs his duties in an exemplary manner. His skills are badly needed in the Department of Construction and Maintenance and with the shortages of qualified brick masons the University is in need of continuing his services.

9. Brackenridge Tract: Request for Authorization to Special Committee on Matters Relating to Brackenridge Tract to Approve Final Documents in Exchange of Leases with Lower Colorado River Authority and to Chairman to Execute Necessary Documents. --

#### RECOMMENDATION

It is recommended by System Administration that the Special Committee on Matters Relating to the Brackenridge Tract be authorized to approve the final documents for the exchange of 50-year leases with the Lower Colorado River Authority as approved by the Special Committee and by the Board of Regents on April 7, 1978. It is further recommended by System Administration that authorization be given to the Chairman of the Board of Regents to execute all the necessary instruments to effect the transfer of leases with the understanding, as in the action on April 7, 1978, that executed lease agreements will be reported to the Board for ratification at a subsequent meeting and for incorporation in the minutes of the Board of Regents.

#### JUSTIFICATION

The foregoing recommendations are made since the Lower Colorado River Authority is desirous of proceeding with its proposed office structure to be built on the 3.426 acre tract as soon as possible.

#### BACKGROUND INFORMATION

At its meeting on April 7, 1978, the Board of Regents authorized the exchange of a 50-year lease on a tract of land out of the Brackenridge Tract of approximately 3.33 acres for a 50-year lease on a 49.5 acre tract on Lake Travis owned by the Lower Colorado River Authority. Subsequent surveys reveal the acreage to be 3.426 acres and 49.5 acres respectively. System Administration was instructed to proceed with final negotiations for this exchange and to submit the final documents to the Board of Regents for approval at a subsequent meeting. Negotiations have been conducted and are essentially complete, but time will not allow completion of final documents for presentation to the Board of Regents at this meeting.

#### D. U. T. DALLAS

10. Request for Authorization to Execute Agreement with City of Plano, Texas, Involving (a) Sale of 8 Acres of U. T. Dallas Endowment Land to City for Park Purposes; (b) Easement to City for Purposes of Constructing Dallas North Parkway Across U. T. Dallas Endowment Lands and Participation in Construction Costs of Parkway; and (c) Two Drainage Easements to City for Use in Conjunction with Dallas North Parkway. --

#### RECOMMENDATION

President Jordan and System Administration recommend that the Board authorize the Chairman of the Board to sign, after approval as to content by President Walker and as to form by an attorney in the Office of General Counsel:

- A. an agreement with the City of Plano, Texas providing for  
(1) the sale to the city of Plano of 8 acres of land for use as a park for a consideration of \$140,000;

- (2) conveyance to the City of Plano of an easement for the construction of Dallas North Parkway across The University of Texas at Dallas endowment lands;
  - (3) conveyance to the City of Plano, Texas of two drainage easements necessary to the construction and use of the Dallas North Parkway;
  - (4) payment by The University of Texas at Dallas to the City of Plano, Texas within seven (7) years of the land owner's share of the construction cost of Dallas North Parkway, such share shall not exceed \$308,000 plus applicable interest due; and
- B. necessary deeds and easements to accomplish the purposes of the agreement outlined in A above.

#### BACKGROUND INFORMATION

Pursuant to deed from the Excellence in Education Foundation, the Board of Regents of The University of Texas System has, since 1975, held for the use and benefit of The University of Texas at Dallas title to approximately 500 acres of land which when developed or sold will provide endowment for The University of Texas at Dallas. Most of the 500 acres is located in the City of Plano, Collin County, Texas.

Over the period of the last year, pursuant to its usual park-acquisition practices, the City of Plano has wished to acquire from the Board of Regents of The University of Texas System a portion of the endowment lands of The University of Texas at Dallas approximately 8 acres in size and adjacent to a school site for the purpose of construction of a park.

At the present time no streets, roads, or thoroughfares traverse the endowment acreage referred to above. The endowment lands of the University will be enhanced in value when the land is made accessible by the construction of streets, roads and thoroughfares. The City of Plano's master plan calls for Dallas North Parkway, a major thoroughfare, to cross the endowment land (Dallas North Parkway originates in the City of Plano, is proposed to cross The University of Texas at Dallas endowment lands in an East/West alignment, eventually curving to a North/South alignment, and thence connecting with Dallas North Tollway which continues to the center of downtown Dallas).

The officials of the City of Plano have approached officials of The University of Texas System seeking an easement across The University of Texas at Dallas endowment lands for the purpose of construction of Dallas North Parkway. Certain drainage easements will also be required in connection with the construction of Dallas North Parkway across The University of Texas at Dallas endowment lands.

City of Plano Ordinance #75-1-11, approved January 27, 1975, concerning participation of adjacent land owners in the construction of thoroughfares, streets, and roads calls for the land owner to pay for the outside 18 1/2 feet of such traffic arteries along with the outside curb and the lime-treated sub-grade as well as to participate in drainage requirement costs. Based upon Ordinance #75-1-11, The University of Texas, if it were a private land owner, would be assessed for participation in the construction of Dallas North Parkway across The University of Texas at Dallas endowment lands an amount estimated by the City of Plano at this time to be \$308,000. Until the endowment lands are either sold or developed, The University of Texas at Dallas has no funds available now to pay for construction costs of the extension of Dallas North Parkway.

E. U. T. EL PASO

11. Proposed Exception to Section 31. (17), Chapter III, Part One, Regents' Rules and Regulations (Past Retirement Age). --

RECOMMENDATION

It is recommended by President Templeton that Professor Ralph Coleman be appointed a full-time instructor in the Department of Mechanical Engineering at The University of Texas at El Paso for the fall semester, 1978.

System Administration concurs with the recommendation and notes that the appointment is for the 1978 fall semester only.

BACKGROUND INFORMATION

Since Professor Coleman is 70 years old, this recommendation requires an exception to the Regents' Rules and Regulations, which prohibit full-time employment of faculty members beyond the fiscal year that includes their seventieth birthday. Professor Coleman is an excellent instructor and the Department of Mechanical Engineering has a need for his teaching services during the fall semester.

F. U. T. SAN ANTONIO

12. Institute of Texan Cultures: Request for (a) Administrative Structure, (b) If Approved for Amendment to Regents' Rules and Regulations, Part One, Chapter VIII, Section 4 for Conformity, and (c) Exception to Regents' Rules and Regulations, Part One, Chapter III, Section 5.42 (Nepotism). --

RECOMMENDATIONS

a. Because of the unique educational mission of the Institute, its need to relate to many constituencies throughout the State and its recognition as a state-wide resource regarding the history and culture of Texas, System Administration recommends that effective September 1, 1978, the Institute revert to the status of a basic component institution, that its official designation be The University of Texas Institute of Texan Cultures at San Antonio and that the Regents' Rules and Regulations, Part One, Chapter VIII, Section 4 be amended to reflect its status as a basic component institution.

Acting President Wagener concurs with this recommendation.

b. Should the Board of Regents concur in the recommendation that the Institute of Texan Cultures revert to the status of a basic component institution, System Administration also recommends that an exception to the Regents' Rules and Regulations, Part One, Chapter III, Section 5.42 be made with regard to Mrs. Pat Maguire, wife of the Executive Director. Mrs. Maguire currently serves with the approval of the Board of Regents as Director of Publications and Coordinator of Programs, and the specific exception to the Regents' Rules and Regulations would permit the continuation of this most effective partnership.

## BACKGROUND INFORMATION

The Institute of Texan Cultures was originally established as the official State of Texas exhibit at the 1968 San Antonio World's Fair (HemisFair) and was transferred to the Board of Regents of The University of Texas System by the 61st Legislature in 1969. The Institute had basic component status from July 10, 1970 until January 26, 1973, at which time, by regental action, it was made a part of The University of Texas at San Antonio. Since its inception the Institute, in accordance with its original legislative mandate, has been "a continuing and expanding state-wide educational and communications center concerned with subjects relating to the history and culture of the people of Texas."

### Statement by Executive Director Maguire of Advantages and Other Pertinent Facts. --

In a letter dated June 19, 1978, Executive Director Maguire set forth the advantages of this reorganization and pertinent excerpts are set forth below:

#### Independence Would be in Keeping with Legislative Mandate

The Acts of the 59th, 60th and 61st Legislatures establishing and funding the Institute mandated it to be "a continuing and expanding state-wide educational and communications center concerned with subjects relating to the history and culture of the people of Texas."

The Legislature's intent is clear: The Institute was planned as a special kind of educational institution serving all of Texas. It is the only institution that serves education at every level, from the kindergarten through college. Since its mission is so broad, and its purpose so different from that of any other kind of educational institution in the state, its operation as a part of a college or university necessarily poses some constraints. These constraints would be removed if the Institute were placed directly under the System Administration . . . .

#### Independence Would Provide an Expanded Vehicle for Fund-Raising

Officials of granting agencies, both federal and private, tell me that our chances of receiving grants would be enhanced if they could be made directly to the Institute rather than to UTSA for the benefit of the Institute. When a grant request is received from UTSA, it is considered along with requests from all other universities and colleges and the competition for available funds is great.

On the other hand, the Institute of Texan Cultures is unique, not only in Texas but in the nation. Because of that uniqueness, its grant requests could be expected to receive consideration on their merit and not as a part of a university package.

#### Independence Would Enable ITC to Serve All System Components

As a System component . . . the ITC would be able to deal directly with the heads of the other units, to exchange research, establish joint projects of mutual benefit and to carry out better its legislative mission to serve the entire state. It also would be free to work with other educational institutions, both public and private, on programs of mutual interest and state-wide impact.

Independence Would Enable the Institute to Control Its Own Physical Plant

Presently, more than 16,000 square feet of Institute space is occupied by agencies which have contracts or agreements with UTSA. These agencies pay no rental, yet the Institute must provide them with a variety of support services from our budget.

While the Institute welcomes the use of its facilities by UTSA and would like to continue to serve as the cornerstone of that institution's "downtown" campus, I feel that the use of ITC space by outside agencies either should cease or, if the System desires them to be located here, an equitable and fair rental agreement should be negotiated.

Independence Would Give ITC Better Control of Personnel

Although the Institute has its own Personnel Office, the screening, testing and classifying of new employees presently is done at UTSA.

My feeling is that we could employ personnel more in line with our unique needs if we had complete control of interviewing and hiring.

Independence Would Not Undermine the Tie with UTSA

...I would hope that the close relationships with UTSA would continue. The ITC should continue to serve as the focal point of the University in downtown San Antonio and ITC classrooms should continue to be utilized by UTSA. Both institutions can, and must, continue to operate in an atmosphere of cooperation and mutual support whether they remain one entity or become two.

G. GALVESTON MEDICAL BRANCH

13. Proposed Exception to Regents' Rules and Regulations, Part One, Chapter VII, Section 2.31 to Enlarge Development Board. --

RECOMMENDATION

President Levin recommends an exception to Part One, Chapter VII, Section 2.31 of the Regents' Rules and Regulations. The specific recommendation is to increase the size of the Medical Branch Development Board from 29 to 40 members. With this increase, an Executive Committee of 12 members is proposed.

President Levin further recommends that if the increase is approved, the following nominees be approved for membership for two-year terms.

Mrs. Dolores Bolin	Wichita Falls	Civic Leader
Klebert Eckhardt, M.D.	Corpus Christi	Physician
O. Edward Egbert, Jr., M.D.	El Paso	Physician
Lawrence Ethridge	Corpus Christi	Independent Oilman
Clyde McKee	Orange	Attorney and Manager, Stark Estates
Thomas M. McMillan, M.D.	Honolulu	Physician
A. G. McNeese	Houston	Banker
Ballinger Mills	Galveston	Attorney
Henry Rockwell	Houston	Lumberman; Chairman of the Board, Rockwell Fund
Raleigh R. Ross, M.D.	Austin	Physician
James C. Storm	Corpus Christi	Independent Oilman

Acting Chancellor Walker agrees that this proposal will enhance development activities of the Medical Branch and endorses the recommendation.

13a. Proposed Exception to Regents' Rules and Regulations, Part One, Chapter III, Section 5.33(Nepotism). --

RECOMMENDATION

It is recommended by President Levin and concurred in by System Administration that an exception be made to Part One, Chapter III, Section 5.33 of the Regents' Rules and Regulations regarding nepotism and that Mrs. Joan Rae be employed as a computer programmer in the Department of Ophthalmology at the Galveston Medical Branch on a one-half time basis.

BACKGROUND INFORMATION

Mrs. Rae is the wife of Dr. James Rae, Associate Professor in the Department of Ophthalmology. Dr. Edward Ferguson, Chairman of the Department of Ophthalmology, will be responsible for the supervision and evaluation of Mrs. Rae's performance, as well as her salary, rank and working conditions.

## H. TYLER HEALTH CENTER

### 14. Request to Establish Development Board (Texas Chest Foundation to Serve in that Capacity). --

#### RECOMMENDATION

Superintendent Hurst has recommended that the Texas Chest Foundation be designated as the Development Board for the Tyler Health Center within the provisions of the Regents' Rules and Regulations, Part One, Chapter VII, Section 2. The approval of this designation is comparable to the regental approval on October 26, 1973 of the Southwestern Medical Foundation as the Development Board for the Dallas Health Science Center, will formalize a relationship which has existed for several years, and recognize the significant contributions by this Foundation to the development of the Center's patient care, research, and education programs.

System Administration concurs in this recommendation by Dr. Hurst.

For the information of the Board of Regents, the current membership of the Board of Directors of the Texas Chest Foundation is listed below:

Mr. Jud Adams, Certified Public Accountant  
Mr. Henry M. Bell, Bank President  
Mr. C. Harper Black, Retired  
Mr. Allen M. Burt, Bank President  
L. D. Cobb, D.D.S., Dentist  
Mr. Wilton H. Fair, Oil Properties  
Mrs. Willie Lee Glass, Retired  
Mr. B. G. Hartley, Bank President  
Mr. David K. Huffman, Estate Manager  
Mr. Will A. Knight, Lawyer  
Richard P. Lane, M.D., Physician  
Thomas A. Lowery, M.D., Physician  
Mr. H. J. McKenzie, Retired  
B. H. McVicker, M.D., Physician  
David F. Norris, D.O., Physician  
Mr. George W. Oge, Sr., Automobile Executive  
Dr. Blanche Prejean (Ph.D.), Professor of Journalism  
Mr. Edwin Rasco, Bank Executive  
Mr. A. W. Riter, Jr., Bank President  
Mr. Isadore Roosth, Investments, Real Estate and  
Oil Properties  
Robert E. Rossman, M.D., Physician  
Tom E. Smith, M.D., Physician (Retired)  
Mr. J. Harold Stringer, Bank Executive  
John C. Turner, M.D., Physician (Retired)  
Mr. Dayton Walkup, Manufacturing Executive  
Mr. Watson W. Wise, Investments  
Mr. Royce E. Wisenbaker, Consulting Engineer  
Mr. Keating Zeppa, Oil Drilling Company Executive

II. SCHEDULED MEETINGS AND EVENTS. --Below is a schedule of meetings and events: The Board of Regents has previously scheduled the following meeting:

October 19-20, 1978 in Austin

Holidays Scheduled

September 4, 1978  
 November 23-24, 1978  
 December 25-27, 1978  
 January 1, 1979  
 March 2, 1979  
 April 13, 1979 (1/2 Day)  
 May 28, 1979  
 July 4, 1979

Commencement

August 25, 1978 Galveston Allied Health Sciences School  
 August 27, 1978 Dallas Allied Health Sciences School

Other

Sept. 13, 1978 68th Public Auction of Oil and Gas Leases, Midland  
 Oct. 20, 1978 Distinguished Alumni Awards  
 March 22 -24, 1979 Annual Homecoming Galveston Medical Branch

# 1978

AUGUST

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

SEPTEMBER

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

OCTOBER

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

NOVEMBER

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17	18	19	20	21	22	23
24	25	26	27	28	29	30

DECEMBER

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

1978 Football Schedules \*

U. T. Arlington  
 U. T. Austin  
 U. T. El Paso

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\* See Page C of W - 21.

## 1978 Football Schedules

### U. T. Arlington

Sept. 2	Drake University at Des Moines	1:30 p. m.
Sept. 9	West Texas State at Arlington-Cravens	7:30 p. m.
Sept. 16	North Texas State at Texas Stadium	7:30 p. m.
Sept. 23	Louisiana Tech at Arlington-Cravens	7:30 p. m.
Sept. 30	East Caroline at Greenville, N. C.	7:00 p. m.
Oct. 7	New Mexico State at Las Cruces, N. M.	7:30 p. m.
Oct. 14	USL at Arlington-Cravens	7:30 p. m.
Oct. 21	Lamar at Beaumont	2:00 p. m.
Oct. 28	Arkansas State at Arlington-Cravens	7:30 p. m.
Nov. 4	NW Louisiana at Arlington-Cravens	7:30 p. m.
Nov. 18	McNeese State at Lake Charles	7:30 p. m.

### U. T. Austin

Sept. 16	Rice at Houston	7:30 p. m.
Sept. 23	Wyoming at Austin	7:00 p. m.
Sept. 30	Texas Tech at Lubbock	7:30 p. m.
Oct. 7	Oklahoma at Dallas	2:00 p. m.
Oct. 14	North Texas at Austin	7:00 p. m.
Oct. 21	Arkansas at Austin	2:00 p. m.
Oct. 28	S. M. U. at Austin	2:00 p. m.
Nov. 11	Houston at Austin	2:00 p. m.
Nov. 18	T. C. U. at Fort Worth	2:00 p. m.
Nov. 25	Baylor at Waco	2:00 p. m.
Dec. 2	Texas A&M at Austin	2:00 p. m.

### U. T. El Paso

Sept. 2	North Texas State at Denton	7:05 p. m.
Sept. 9	Air Force Academy at El Paso	7:30 p. m.
Sept. 16	New Mexico State at Las Cruces	7:30 p. m.
Sept. 23	San Diego State at El Paso	7:30 p. m.
Sept. 30	Arizona State at Tempe	7:30 p. m.
Oct. 7	Colorado State at Ft. Collins	1:30 p. m.
Oct. 21	Brigham Young at Provo	1:30 p. m.
Oct. 28	New Mexico at El Paso	7:30 p. m.
Nov. 4	Hawaii at Honolulu	7:30 p. m.
Nov. 11	Utah at El Paso	7:30 p. m.
Nov. 18	Nevada-Las Vegas at Las Vegas	7:30 p. m.
Nov. 25	Wyoming at El Paso	7:30 p. m.

4

C of W  
Exec. Session

COMMITTEE OF THE WHOLE - EXECUTIVE SESSION  
(Pursuant to Vernon's Texas Civil Statutes,  
Article 6252-17, Sections 2(e), (f) and (g))

Date: August 4, 1978  
Time: Following the Meeting of the Committee of the Whole -  
Open Session  
Place: Regents' Committee Room, Ninth Floor, Ashbel Smith Hall  
Austin, Texas

	<u>Page</u>
1. Pending or Contemplated Litigation - Section 2(e)	2
2. Land Acquisition and Negotiated Contracts - Section 2(f)	
Galveston Medical Branch: Proposed Acquisition of Lots 9, 10 and East 1/2 of Lot 11, Block 547, City and County of Galveston, Texas, and Improve- ments Thereon	2
3. Personnel Matters - Section 2(g)	
University Cancer Center <i>Date of Clark + LeMaistre Aug 1</i> <i>Increase in Salary of Dr. Clark</i>	8

DISCUSSION ITEMS

- ✓ 1. Board of Visitor's Resolution  
-New Clinic Bldg. Name
2. Miller and Lentz Report
3. U.T. Austin: Humanities Research Center
4. U. T. Austin: Balcones Research Center
5. U. T. Dallas - School of Law
6. U. T. System: Report on Airplane
7. Gutenberg Bible
8. Proposed Gift from DR. Cline

## Documentation

1. Pending or Contemplation Litigation - Section 2(e). --
  
2. Land Acquisition and Negotiated Contracts - Section 2(f). --

Galveston Medical Branch: Proposed Acquisition of  
Lots 9, 10 and East 1/2 of Lot 11, Block 547, City  
and County of Galveston, Texas, and Improvements  
Thereon. --

### RECOMMENDATION

President Levin and System Administration recommend subject to approval by the Coordinating Board that Lots 9, 10 and the East 1/2 of Lot 11, Block 547, City and County of Galveston, Texas, be purchased including all improvements thereon, at a cost of \$500,000 payable from Unexpended Plant Fund Balances of the Medical Branch.

### BACKGROUND INFORMATION

The Texas Department of Corrections presently uses the hotel located on this property for housing the guards stationed in Galveston to provide security for prisoners that are patients in Medical Branch Hospitals. An Interagency Cooperation Contract will be negotiated with the Department of Corrections to continue to utilize this facility until the yet to be constructed prison hospital is completed. Through this contract approximately \$225,000.00 of the purchase price will be recovered.

One of the owners of this property, Dr. Edgar Poth, has indicated that he will want his part of the proceeds from the sale transferred directly to The University of Texas System Board of Regents for the Robertson-Poth Charitable Remainder Trust and upon his death and the death of his wife, the entire trust will be transferred to the Galveston Medical Branch to help fund the Senior Study Group.

This property is located adjacent to the present Galveston Medical Branch Campus and will at some future date be required for building expansion.

#### Recommendation from President of Galveston Medical Branch:

Dear Mr. Walker:

I have had several discussions with Drs. Poth and Gregory, owners of the Isle Hotel, located at 710 Market Street, Galveston, concerning the purchase by the Galveston Medical Branch of this facility, which is strategically located contiguous to the Medical Branch campus.

The discussions were prompted by the contract which has been executed between the Texas Department of Corrections (TDC) and Drs. Poth and Gregory for approximately thirty-six beds in the Isle Hotel to accommodate the TDC employees who guard TDC inmates consigned to the Medical Branch Hospitals for medical treatment. (With the approval received from the Board of Regents for the remodeling of the 9C Unit of the John Sealy Hospital for a discrete prison unit of thirty-five beds, it was agreed that the TDC would provide full-time, twenty-four hour, seven day per week security services for all the inpatient and outpatient inmate population at UTMB.)

Working with the \$30 State per diem allowance, TDC had to find housing for their employees that would reduce or contain the costs for providing this security protection. The Isle Hotel was the only facility in Galveston that could accommodate this requirement on a twelve month basis at a reasonable per diem room rate.

In cooperation with representatives from TDC, and after negotiations with Dr. Poth to establish a per day room rate that would be satisfactory and acceptable to all parties concerned, it was agreed that leasing the entire second floor to TDC (with accommodations for thirty-six people) would be a practicable arrangement since there could be a fluctuation in the number of guards occupying the facility at any one time. Also, this arrangement would permit TDC to have a common day room for television watching, game area, etc., and a designated apartment for their supervisor and his wife, all of which TDC had requested.

Dr. Poth quoted a price of \$7 per day, per thirty-six bed capacity, or  $\$7 \times 36 \times 365 = \$91,980/\text{yr}$ . TDC accepted this offer and they now utilize the second floor of this facility as guard residences. The services provided by the Isle Hotel are daily maid service, daily towel service and twice weekly bed linen service.

Having provided this background information, I should now like to address the reasoning behind the proposal that UTMB purchase this hotel.

It is anticipated that it will be approximately four years before the new prison hospital is operational: one year to plan, and three years to construct. TDC has agreed that should the Medical Branch purchase this hotel, they would enthusiastically enter into an Interagency Cooperation Contract for those four years for the same accommodations and services as those being provided by the present owners. As you know, dormitory facilities have been planned for the new prison hospital and TDC will vacate the Isle Hotel when their new facilities have been completed. However, this Interagency Agreement would provide the Galveston Medical Branch with a guaranteed income for the entire second floor for this four year period.

In addition to this guaranteed income, Dr. Poth indicated to me that if the sale was consummated, he would want his stock in the corporation (he owns 45%) transferred directly to The University of Texas System Board of Regents, and that upon his and his wife's death (he is 79 years of age), the entire trust would be placed in the name of the Galveston Medical Branch with the income to be used to help fund the Senior Study Group. (The Senior Study Group was authorized by the Board of Regents at their September 20, 1968 meeting.)

Drs. Poth and Gregory have agreed to sell this property and all improvements thereon to the Galveston Medical Branch for a price of \$500,000. This price is in keeping with the latest appraisal submitted by T. A. Waterman, MAI, dated November 14, 1977. (Original appraisal enclosed.)

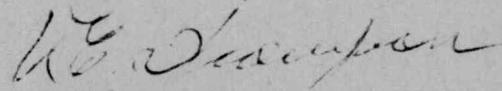
Assuming income from TDC at  $\$91,980 \times 4 \text{ yrs.} + \$225,000$  (representing 45% of the sale price, in anticipation of Dr. Poth's donation of his stock in the corporation), our initial investment would be returned in four years with an additional \$92,920 remaining for operating expenses.

When one considers all of the elements mentioned above, the purchase of the Isle Hotel at this time seems to be a good, sound business venture. Property values in Galveston have soared in the past three years, and unless a national economic disaster occurs, the price of real estate will continue to increase substantially. I believe that now is the time to acquire this piece of property. Also, because of its strategic location to the Medical Branch campus, this facility will prove to be an obstacle to the fulfillment of our long range master plan if we do not secure outright ownership to it soon.

Therefore, with the concurrence of Dr. Levin, it is recommended that the Isle Hotel (legally described as Lots 9, 10, and East 1/2 of Lot 11, Block 547, City and County of Galveston, Texas, and all improvements thereon) be purchased for \$500,000; that an appropriation of the sale price be made from Medical Branch

Unexpended Plant Funds; and, with your approval, that this proposal be submitted to the Board of Regents for final approval at the August 4, 1978 meeting.

Sincerely,



V. E. Thompson  
Vice President for Business  
and Hospital Affairs

Appraisal:

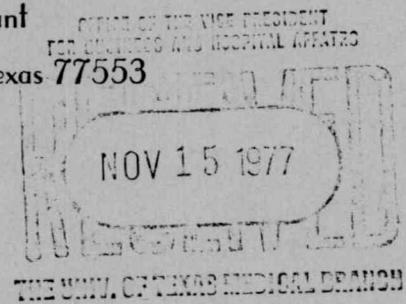
Page 1



**T. A. WATERMAN**

Real Estate Appraiser and Consultant

2217 Sealy - P. O. Box 217 - Galveston, Texas 77553  
(713) 763-2383



November 14, 1977

Board of Regents  
University of Texas Medical Branch  
Galveston, Texas 77550

Gentlemen:

Pursuant to authorization received from Mr. V. E. Thompson, Vice President for Business and Hospital Affairs, requesting an updated appraisal (or reappraisal) of current value of the Isle Hotel property, I have made a personal reinspection of same and reappraised it as of the above date.

By way of reference the appraisal made of this property was dated April 13, 1977, and titled "Appraisal of Market Value of Isle Hotel, Galveston, Texas, Lots 9, 10 and East 1/2 of Lot 11, Block 547, City and County of Galveston, Texas, as of April 4, 1977". Market Value at that time was estimated to be \$414,400.00.

In reviewing the appraisal report and reinspecting the property, along with procuring updated information on income and expense figures, as well as referring to all pertinent market and other data, the following comments are in order:

Cost Approach. Land value remains unchanged. Replacement cost of the improvements should be increased to \$343,860. This is based on current building costs estimated to be \$30.00/sq. ft. Previous unit price used was \$25.00.

The value indicated by this method is computed as follows:

Site Value. . . . .	\$ 70,950
Improvements - \$343,860 less 35% depreciation . .	<u>223,509</u>
Total . .	\$294,459

Indicated Value by Cost Approach: \$294,500 (R)

Economic Approach. Information obtained previously showed rental income based on 1 bedroom, 1 person occupancy, at \$9.00/day. This is now \$15.00/day. Also, 1 bedroom and kitchen, 2 persons, was \$12.00/day, whereas it is now \$21.40/day; 3 persons was \$16.00/day, and is now \$26.75/day.

On the expense side of the ledger hotel maids were previously making \$1.50/hour, but now making \$2.30/hour. Other miscellaneous expenses have increased slightly.

On the original appraisal the estimated gross annual income was \$90,000. This represented a synthesis of 1974-75-76 gross income figures, the latest being \$93,012.

The projection of 1977 gross income is now \$110,000 based on the higher rental rates, but this figure has been reduced to \$97,500 after consideration of the 1976 figure (\$93,012) and 1975 figure (\$82,501).

Expenses and reserves were previously estimated at \$52,396. They are now increased to \$56,500, and the net income formerly \$37,604, is now estimated to be \$41,000 (\$97,500 less \$56,500).

The interest rate selected on page 27 of the original appraisal was 10%. 2.85% was added for recapture (35 years), and 1.50% for management. The overall rate was therefore 14.5%.

However, the real estate market has been so strong this year, especially with regard to income-producing property, that investors have been content with lower returns, that is, they have been willing to take less interest return on their money in order to acquire self-liquidating investments with tax-free income in the way of depreciation. Rates have actually been as low as six percent, though generally range between seven and ten percent. In my judgment the rate expected by the typical Galveston investor for this type property is now no more than 9.5%.

The overall rate used in the updated appraisal is therefore 13.85%.

In addition to the above changes interest rates on long-term loans have softened somewhat. The previous assumption made in the Mortgage-Equity/Band

T. A. WATERMAN, MAI, SRPA, CRE . . . . . Real Estate Appraiser and Consultant  
Galveston, Texas

of Investment method was that a 75% loan for 20 years would probably require a 9½% interest rate, and a Constant of 11.19. Present conditions indicate a 9¼% rate is in order, and constant of 11.0.

The effect of the above changes is reflected in the use of the four techniques, as follows:

1. Building Residual Method - Straight Line Depreciation.

Estimated Net Annual Income. . . . .	\$ 41,000
Capital Charges: Land, \$70,950 @ 10% . . .	<u>7,095</u>
Net Income Attributable to Improvements. .	\$ 33,905
Capitalization Rate -- 13.85%	
Capitalized Value of Building, \$33,905 divided by 13.85%. . . . .	\$244,801
Plus Market Value of Land. . . . .	<u>70,950</u>
Estimated Market Value by this technique .	\$315,750 (R)

2. Mortgage-Equity Method/Band of Investment.

75% loan @ 9¼% interest, 20 yr. amortization...Constant - 11.00  
Yield on Equity Cash - 10%

11.00 x .75 = 8.25%  
10.00 x .25 = 2.50%  
Total, 10.75% plus 1.5% for mgt., = 12.25%.

Net Income - \$ 41,000  
Est. Value - \$335,500 (R)

3. Overall Rate from Market. (See explanation on previous page).  
Plus 1.5% for mgt. equals 11.00%.

Net INcome - \$ 41,000  
Est. Value - \$372,700 (R)

4. Elwood Mortgage-Equity Method.

Elwood rate about 10.00%, plus 1.50% for mgt. equals 11.5%.

Net. Income - \$ 41,000  
Est. Value -- \$372,700 (R)

T. A. WATERMAN, MAI, SRPA, CRE . . . . . Real Estate Appraiser and Consultant  
Galveston, Texas

Recapitulation:

Building Residual Method-Straight Line Depreciation. . . .	\$315,750
Mortgage-Equity Method/Band of Investment. . . . .	\$335,500
Overall Rate from Market . . . . .	\$372,700
Elwood Mortgage-Equity Method. . . . .	\$372,700

Indicated Value by Economic Approach: \$350,000.

ESTIMATE OF VALUE BY MARKET DATA APPROACH. Previous comments as to lack of market data still apply. Not any of the hotels-motels sold since the beginning of the seventies has been similar to subject. Per unit, per square foot, and other units of measurement fall far short of providing subject's indicated market value based on those sales.

One hotel-motel property mentioned as sold (Seawall Hotel/Motel) for an unconfirmed figure of \$500,000, is now believed to have been sold for \$675,000, but this figure cannot be fully confirmed, and again, the property is very dissimilar.

The Seahorse Motel sold for 1.2 million dollars last year was not previously mentioned in the original appraisal; however, this was a "sick" property on almost two acres on the Seawall Boulevard. As such, any attempt to compare it with subject would lead to a meaningless conclusion.

The "cash flow" method used in the original report was based on a figure of \$42,650. The update figure is now \$46,046 (\$41,000 plus \$5,046), and multiplied by 7 as the "times-earnings" multiple now develops a figure of \$322,322.

Indicated Value by Market Data Approach: \$322,500 (R).

CORRELATION OF THE VALUE INDICATIONS. The three preliminary estimates of market value are now--

Cost Approach. . . . .	\$294,500
Economic Approach. . . . .	\$350,000
Market Data Approach . . . . .	\$322,500

T. A. WATERMAN, MAI, SRPA, CRE . . . . . Real Estate Appraiser and Consultant  
Galveston, Texas

As previously explained the weight goes to the Economic and Cost Approaches which are now \$350,000 and \$294,500, respectively. Of some interest is the third figure of \$322,500 which coincidentally falls exactly half-way between the first two figures.

Conclusion: An amount leaning slightly more to the economic approach is selected as subject's probable market value at this time. This figure is \$325,000.

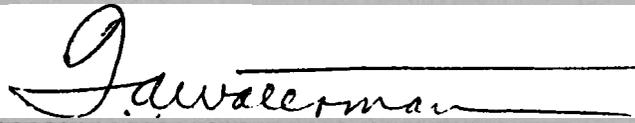
FINAL ESTIMATE OF MARKET VALUE. In line with information contained in the original report as to the average of 48% required to conform to the "market" developed by eight transactions which took place within recent years in this area, the \$325,000 selected as subject's market value is now accorded the same treatment as the others, viz:

\$325,000 times 148 equals \$481,000.

It is therefore my opinion that as of November 14, 1977, the property described herein has a market value as defined and explained in the original report, of --

FOUR HUNDRED EIGHTY-ONE THOUSAND DOLLARS  
(\$481,000.00)

The Certification, Contingent and Limiting Conditions, etc. included in the original appraisal continue to apply in this updated report.



T. A. WATERMAN, MAI, SRPA, CRE

November 14, 1977

T. A. WATERMAN, MAI, SRPA, CRE . . . . . Real Estate Appraiser and Consultant  
Galveston, Texas

3. Personnel Matters - Section 2(g). --

University Cancer Center

COMMITTEE OF THE WHOLE

EMERGENCY ITEM

BOARD OF REGENTS

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15. Recommendation for Sale of Board of Regents of The University of Texas System, The University of Texas at Arlington Housing Revenue Notes, Series 1978; Appointment of Bond Counsel and Bond Consultant and Establishment of Account for Miscellaneous Costs

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U. T. ARLINGTON

16. Land Acquisition (Chapter 73, Acts of 60th Legislature, R. S. , 1967): Recommendation for Authorization to Negotiate for Acquisition of Two Tracts of Land and the Improvements Thereon and for Authorization to Appoint Bond Counsel and Bond Consultant

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BOARD OF REGENTS

15. Recommendation for Sale of Board of Regents of The University of Texas System, The University of Texas at Arlington Housing Revenue Notes, Series 1978; Appointment of Bond Counsel and Bond Consultant and Establishment of Account for Miscellaneous Costs. --

RECOMMENDATION

It is recommended by President Nedderman, joined by System Administration, that approximately \$650,000 U. T. Arlington Housing Revenue Notes, Series 1978, be issued for retirement of existing 9-1/2% mortgages which were assumed by U. T. Arlington upon acquisition of three apartment complexes identified as Cooper South Apartments (29 units), West Apartments (14 units), and Border West Apartments (37 units). Outstanding mortgage balances as of June 30, 1978, amounted to \$641,533. Russ Securities Corp. estimates savings in excess of \$200,000 assuming an interest rate of 6-3/4% to 7% on notes to be issued. The repayment term of the notes would be considerably shorter than the existing mortgages assuming current annual debt service retirement payments are continued.

It is further recommended that the firm of Vinson & Elkins be named Bond Counsel and the firm of Russ Securities Corp. be named Bond Consultant, that the Office of Investments, Trusts and Lands be authorized to take action necessary to market the notes and present proposal to the Board of Regents at its next meeting, and that an account be established out of proceeds of the note sale for payment of fees of the Bond Counsel, Bond Consultant, and other necessary miscellaneous costs.

U. T. ARLINGTON

16. Land Acquisition (Chapter 73, Acts of 60th Legislature, R. S., 1967): Recommendation for Authorization to Negotiate for Acquisition of Two Tracts of Land and the Improvements Thereon and for Authorization to Appoint Bond Counsel and Bond Consultant. --

BACKGROUND INFORMATION

The agreement with the City of Arlington concerning the extension and widening of Border Street on the northernmost edge of the campus requires that The University of Texas at Arlington provide the right-of-way from Pecan Street to Davis Street. The necessary right-of-way, with the exception of two tracts, has been acquired through normal purchase. Condemnation proceedings on the right-of-way required out of these two tracts resulted in a special Commissioner's Award in the amount of \$92,812.00. The funds have been deposited with the Court, but the property owners have objected to the award.

The owners of the two tracts of property have presented a Contract of Sale for their entire property to The University of Texas at Arlington for a total price of \$1,050,000.00, with a cash payment of \$214,000.00 and the assumption of the existing mortgage of \$836,000.00. By purchase of these two properties, The University of Texas at Arlington will acquire 112 apartment units to provide additional student housing.

RECOMMENDATION

President Nedderman, joined by System Administration, recommends that authorization be given to negotiate for the purchase of these properties, the Pisces Apartments and the Capricorn Apartments, at a price not to exceed \$1,050,000.00. These complexes are located in an area authorized for expansion of The University of Texas at Arlington.

It is further recommended, in the event negotiations and further analysis indicate acquisition to be desirable, that the Office of Investments, Trusts and Lands be authorized to take action necessary to investigate the possibility of issuing Revenue Bonds or Notes to pay off the existing mortgage, including the naming of the firm of Vinson & Elkins as Bond Counsel and the firm of Russ Securities Corp. as Bond Consultant. It is hoped that the existing 10% mortgage, which may be prepaid without penalty, can be replaced by The University of Texas at Arlington Revenue Bonds or Notes bearing an interest rate of approximately 7%.

A report of the actions taken will be presented to the Board of Regents at the October 1978 meeting.