

Meeting No. 846

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

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Edinburg, Texas

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 OF  
 THE UNIVERSITY OF TEXAS SYSTEM  
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 EDINBURG, TEXAS

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MEETING NO. 846

THURSDAY, FEBRUARY 8, 1990.--The members of the Board of Regents of The University of Texas System convened in regular session at 9:35 a.m. on Thursday, February 8, 1990, in Board Room 316 of the Administration Building at The University of Texas - Pan American, Edinburg, Texas, with the following in attendance:

ATTENDANCE.--

Present

Chairman Beecherl, presiding  
Vice-Chairman Barshop  
Vice-Chairman Roden  
Regent Blanton  
Regent Cruikshank  
Regent Loeffler  
Regent Moncrief  
Regent Ramirez  
Regent Ratliff

Absent

Executive Secretary Dilly

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

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

WELCOME BY DR. MIGUEL A. NEVAREZ, PRESIDENT OF THE UNIVERSITY OF TEXAS - PAN AMERICAN.--Chairman Beecherl stated that the Board was pleased to be meeting for the first time in Edinburg and called on Dr. Miguel A. Nevarez, President of The University of Texas - Pan American, for any welcoming remarks on behalf of the host institution.

On behalf of the faculty, staff, and students of U. T. Pan American, President Nevarez welcomed the members of the Board and other guests to Edinburg and to the campus.

U. T. BOARD OF REGENTS: APPROVAL OF MINUTES OF REGULAR MEETING HELD ON DECEMBER 7, 1989.--Upon motion of Regent Ratliff, seconded by Vice-Chairman Barshop, the Minutes of the regular meeting of the Board of Regents of The University of Texas System held on December 7, 1989, in San Antonio, Texas, were approved as distributed by the Executive Secretary. The official copy of these Minutes is recorded in the Permanent Minutes, Volume XXXVII, Pages 608 - 942.

RECESS FOR COMMITTEE MEETINGS AND COMMITTEE REPORTS TO THE BOARD.--At 9:38 a.m., the Board recessed for the meetings of the Standing Committees and Chairman Beecherl announced that at the conclusion of each committee meeting, the Board would reconvene to approve the report and recommendations of that committee.

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

REPORTS AND RECOMMENDATIONS OF STANDING COMMITTEES

REPORT OF EXECUTIVE COMMITTEE (Pages 2 - 26).--In compliance with Section 7.14 of Chapter I of Part One of the Regents' Rules and Regulations, Chairman Beecherl reported to the Board for ratification and approval all actions taken by the Executive Committee since the last meeting. Unless otherwise indicated, the recommendations of the Executive Committee were in all things approved as set forth below:

1. U. T. System: Authorization for Transfer of Funds Requiring Advance Regental Approval Under Budget Rules and Procedures No. 2 (Exec. Com. Letter 90-4).--In accordance with House Bill 3, 71st Legislature, Regular Session, 1989, which established the Texas College Work-Study Program and appropriated \$2 million each year of the biennium of General Revenue to finance it, the Executive Committee recommended and the Board approved the following transfer of funds to The University of Texas System component institutions indicated below:

Educational and General Funds

Amount of Transfer - \$351,667

From: Allocation of General Revenue by the Coordinating Board for the Texas College Work-Study Program for 1990 (H. B. No. 3)

To: The University of Texas at Arlington	\$ 35,525
The University of Texas at Austin	116,119
The University of Texas at Dallas	7,243
The University of Texas at El Paso	47,769
The University of Texas - Pan American	82,425
The University of Texas - Pan American at Brownsville	1,000
The University of Texas at San Antonio	28,410
The University of Texas at Tyler	6,797
The University of Texas Medical Branch at Galveston	9,286
The University of Texas Health Science Center at San Antonio	<u>17,093</u>
Total	\$351,667

The purpose of this program is to provide financially needy resident students with jobs, funded in part by the State of Texas, to enable those students to attend participating public or private institutions of higher education in Texas.

Students on athletic scholarships and seminary students are not eligible to participate in this program. The Texas Higher Education Coordinating Board is charged with the administration of the program.

2. U. T. System: Approval of 1990-91 Budget Policies and Limitations for General Operating Budgets, Auxiliary Enterprises, Contracts and Grants, Restricted Current Funds, Designated Funds, and Service and Revolving Funds Activities and Calendar for Budget Operations (Exec. Com. Letter 90-5).--The Board, upon recommendation of the Executive Committee, adopted the following Budget Policies and Limitations and Calendar for preparation of the 1990-91 Operating Budgets for The University of Texas System:

1990-91 Budget Policies and Limitations

for General Operating Budgets,  
Auxiliary Enterprises, Contracts  
and Grants, Restricted Current Funds,  
Designated Funds, and Service and  
Revolving Funds Activities.

In preparing the draft of the Fiscal 1991 operating budget, the Chief Administrative Officer of each component institution should adhere to guidelines and policies as detailed below. Overall budget totals, including reasonable reserves, must be limited to the funds available for the year from:

- General Revenue Appropriations
- Estimates of Local Income
- Limited Use of Institutional Unappropriated Balances

- a. The recommendations for salary increases for personnel are subject to the current regulations and directives included in the General Appropriations Bill. This Bill states in part:

Article III, Sec. 7. Salary and Benefit Provisions

7. MERIT AUTHORIZATION. It is expressly provided that institutional administrators may grant merit salary increases to employees whose job performance and productivity is consistently above that normally expected or required.
8. MERIT REQUIREMENT FOR FACULTY AND PROFESSIONAL POSITIONS. Salary increases for faculty in the general academic universities and technical institutes; professional positions in the Texas A&M University Services; and faculty and professional positions in the health science centers and other medical education programs shall be awarded on the basis of merit and performance in accepted activities including teaching, research, and service. This shall not be interpreted so as to preclude salary adjustments designed to avoid salary inequities.

Article V, Sec. 72. Salaries to be Proportional by Fund. It is the intent of the Legislature that unless otherwise restricted payment for salaries, wages, and benefits paid from appropriated funds shall be proportional to the source of funds.

b. General Salary Policy (applicable to all fund sources)

Selective merit salary increases may be provided for the (1) faculty, (2) administrative/professional staff, and (3) classified staff subject to available resources and requirements for funding new positions, increased maintenance, operating expenses, or equipment.

- (1) Faculty Salary Policy - Merit increases or advances in rank are to be on the basis of teaching effectiveness, research, and public service. Recognizing the expectations of the legislative leadership, institutions should, as a minimum, sustain faculty salary levels reached in 1990.
  - (2) Administrative and Professional Salary Policy - Merit salary increases may be granted to administrative and professional staff and are to be based on evaluation of performance in areas appropriate to work assignments. Merit increases for administrative and professional staff should approximate increases available for classified personnel but not exceed those available for faculty.
  - (3) Classified Personnel Salary Policy - Merit salary increases may be granted to classified personnel and are to be based on evaluation of performance in areas appropriate to work assignments. Merit increases may be given only to individuals who will have been employed by the institution for at least six months as of August 31, 1990, and should be given in full step increments in accordance with the institutional pay plan.
- c. New faculty positions are to be based on conservative estimates of enrollment increases. Total faculty staffing should be reviewed in terms of needed adjustments in work load or student faculty ratios and with sensitivity to funds available for merit increases.
- d. New Administrative/Professional positions are to be requested only when justified by increased work loads and from funds available after merit salary increases are granted.
- e. New classified positions are to be requested only when justified by increased work loads and from funds available after merit salary increases are granted.
- f. Maintenance, Operation, and Equipment items are to be increased only as justified by expanded work loads, inflation, or newly developing programs.
- g. Travel funds are to be shown as separate line items.

1990-91 OPERATING BUDGET CALENDAR

December 1989	U. T. Board of Regents' Approval of Budget Policies and Limitations (Executive Committee Letter)
April 2, 1990	<u>Seven Draft Copies</u> (bound) of Budgets due to System Administration (including 7 copies of supplemental data)
April 23 - May 4, 1990	Budget Hearings with System Administration
May 14, 1990	<u>Fifteen copies</u> of Budgets (bound) due to System Administration (with 7 copies of adjusted supplemental data as applicable)
June 1, 1990	Budgets mailed to the U. T. Board of Regents
June 14, 1990	U. T. Board of Regents' Budget Meeting
June 27, 1990	<u>Fifty Copies</u> of Budgets (unbound) due to System Administration for binding

3. U. T. System: Authorization to Amend the Investment Guidelines Section of the (a) Permanent University Fund Investment Policy Statement, (b) Common Trust Fund Investment Policy Statement, and (c) Medical Liability Self-Insurance Fund Investment Policy Statement (Exec. Com. Letter 90-9).--Upon recommendation of the Executive Committee, the Board amended the investment restrictions on corporate bonds and preferred stocks in the Investment Guidelines Section of the Investment Policy Statements for the (a) Permanent University Fund, (b) Common Trust Fund, and (c) Medical Liability Self-Insurance Fund of The University of Texas System to read as set forth below:

Corporate bonds and preferred stocks must be rated a minimum of Baa3 by Moody's Investors Service, Inc. or BBB- by Standard & Poor's Corporation, respectively, when purchased unless approved by the Executive Vice Chancellor for Asset Management. Bonds rated below A3 or A- shall not constitute an excessive portion of the total bond portfolio. Unrated bonds or preferred stocks may be purchased prior to review by the Land and Investment Committee if, in the opinion of the System's investment staff, they are at least equal in quality to publicly offered securities eligible for purchase. The cost of bonds or preferred stocks rated below Baa3 or BBB-, unrated bonds, and unrated preferred

stocks which have been purchased but have not been reviewed by the Land and Investment Committee may not exceed 1% of the book value of the Fund.

4. U. T. Arlington, U. T. Austin, U. T. Medical Branch - Galveston, U. T. Health Science Center - Houston, U. T. Health Science Center - San Antonio, and U. T. M.D. Anderson Cancer Center: Acceptance of Energy Management Loans from the Office of the Governor and Approval to Proceed with Planning and Construction Pursuant to These Loans, Including Hiring Architectural and Engineering Firms, Securing Coordinating Board Approval Where Required, and Approval of Preliminary and Final Plans (Exec. Com. Letter 90-8).--The Board, upon recommendation of the Executive Committee, authorized the six institutions listed below to accept Energy Management Loans from the Office of the Governor:

The University of Texas at Arlington  
The University of Texas at Austin  
The University of Texas Medical Branch  
at Galveston  
The University of Texas Health Science  
Center at Houston  
The University of Texas Health Science  
Center at San Antonio  
The University of Texas M.D. Anderson  
Cancer Center

In addition, project authorization, appointment of architects and engineers, authorization to submit projects to the Texas Higher Education Coordinating Board, and approval of preliminary and final plans for all such projects was delegated to The University of Texas System Administration with actions to be presented to the U. T. Board of Regents for ratification via the institutional docket.

Most of the projects involved are under \$300,000 and fall under existing delegation authority. However, preliminary estimates indicate that about twelve projects will cost more than \$300,000. It is anticipated that several smaller projects might also be combined as design proceeds and bid documents are prepared.

These loans will finance approximately 120 energy saving projects, ranging in cost from \$2,000 to \$800,000. The source of funding for these grants is monies deposited to the State Treasury's Oil Overcharge Fund. The loans will be repaid from legislative appropriations to be earmarked for this purpose. It will take approximately twenty-four months from the date of acceptance of these loans to complete all projects.

These projects will be reflected in the FY 1991 Capital Budget.

A detailed list of these projects is set out on Pages 7 - 14.

**LOAN APPROVAL STATEMENT**  
for  
**Energy Conservation Retrofit Measures**

File Name =

Agency: University of Texas at Arlington  
Agency No.: 714  
Loan Number: 89-

**Agency Loan Coordinator**

Name: J. D. Wetzel  
Title: Vice President for Business Affairs  
Phone: 817 273 2102  
Fax: \_\_\_\_\_  
Address: P. O. Box 19119, Arlington, TX 76019

Building	E C R M	Description of Energy Conservation Retrofit Measure (ECRM) (1)	Cost	Savings		ECRM Loan Amount (3)
			Estimated ECRM Cost (2)	Annual Energy Cost Savings	Pay- back (yrs)	
Business	1	Lighting control for high diversity spaces	\$25,404	\$7,754	3.3	\$25,404
Business	2	VAV conversion for building air handlers	\$304,225	\$76,206	4.0	\$304,225
Davis Hall	1	VAV conversion	\$197,740	\$54,760	3.6	\$197,740
Fine Arts	1	Lighting control for high diversity spaces	\$21,074	\$4,391	4.8	\$21,074
Fine Arts	2	Variable speed control for chilled water pump	\$27,591	\$4,816	5.7	\$27,591
Fine Arts	3	VAV conversion	\$282,073	\$104,943	2.5	\$282,073
Library	1	Lighting control for high diversity spaces	\$4,619	\$968	4.8	\$4,619
Library	2	Variable Speed Control for Chilled Water Pump	\$12,845	\$2,136	6.0	\$12,845
Life Science	1	Lighting control for high diversity spaces	\$14,145	\$6,263	2.3	\$14,145
Life Science	2	Replacement of air intake screens	\$2,526	\$1,056	2.4	\$2,526
Life Science	3	Variable speed pumping	\$20,039	\$5,545	3.6	\$20,039
University Hall	1	VAV conversion of systems AHU-1 and AHU-	\$239,382	\$75,431	3.2	\$239,382
University Hall	2	Variable speed control for chilled water pump	\$12,845	\$2,320	5.5	\$12,845
University Hall	3	Lighting control for high diversity spaces	\$20,785	\$5,646	3.7	\$20,785
			<b>\$1,165,293</b>	<b>\$352,237</b>	<b>3.3</b>	<b>\$1,165,293</b>

ECRM Loan Amount +	\$1,165,293
10% contingency allowance +	\$116,529
Engineering Audit Expense +	\$0
<b>Total Loan Amount =</b>	<b>\$1,281,822</b>

Anticipated Substantial Completion  
Date (months) 24  
Payback (with allowance) 3.5 years

Comments: \_\_\_\_\_

- 1) Includes detailed engineering design, labor, and materials.  
2) Cost of individual ECRM projects may not exceed 120% of approved loan amount. Any individual variances exceeding this amount must receive prior written approval from lender.  
3) No ECRMs may be cancelled after loan is granted without prior written lender approval.

Updated:  
12/15/89 10:42

## LOAN APPROVAL STATEMENT

File Name = \_\_\_\_\_  
for  
Energy Conservation Retrofit Measures

Agency: University of Texas at Austin  
Agency No.: 721  
Loan Number: 89-

## Agency Loan Coordinator

Name: Kenneth J. Caskey  
Title: Associate Vice President for Business Affairs  
Phone: 512 471 1422  
Fax: \_\_\_\_\_  
Address: P. O. Box 7580, Austin, TX 78713

Building	E C R M	Description of Energy Conservation Retrofit Measure (ECRM) (1)	Cost	Savings		ECRM Loan Amount (3)
			Estimated ECRM Cost (2)	Annual Energy Cost Savings	Pay- back (yrs)	
Education	1	Replace Incandescent Lighting	\$50,036	\$38,220	1.3	\$50,036
Education	2	Occupancy Sensors	\$1,845	\$1,199	1.5	\$1,845
Education	3	Variable Volume Conversion	\$555,068	\$118,071	4.8	\$555,068
Education	4	Variable Speed Pump Drive	\$30,021	\$7,665	3.9	\$30,021
PCL	1	Variable Volume Conversion	\$708,764	\$362,898	1.9	\$708,764
PCL	2	Occupancy Sensors	\$3,250	\$1,210	2.7	\$3,250
PCL	3	Variable Speed CHW Pumping	\$25,129	\$9,515	2.6	\$25,129
Welch	1	Variable Speed AHU Drives	\$734,728	\$278,494	2.7	\$734,728
Welch Hall	2	Replace Incandescent Lights	\$16,715	\$3,184	5.2	\$16,715
Welch Hall	3	CWP Variable Speed	\$30,002	\$23,757	1.3	\$30,002
UTC	1	Variable Volume Conversion	\$328,820	\$97,848	3.4	\$328,820
UTC	2	Install 3-Position Switches	\$3,091	\$9,998	0.3	\$3,091
UTC	4	Variable Speed CWP	\$34,344	\$10,537	3.3	\$34,344
J.J. Comm	1	Variable Volume Conversion	\$404,874	\$210,141	1.9	\$404,874
J.J. Comm	2	Variable Speed CWP	\$68,502	\$31,138	2.2	\$68,502
J.J. Comm	3	Lighting Control	\$4,111	\$3,481	1.2	\$4,111
J.J. Comm	7	Two Speed AHU Motors	\$66,278	\$10,785	6.2	\$66,278
Waggener Hall	2	Dual Duct VAV	\$88,852	\$20,400	4.3	\$88,852
Burdine	2	Dual Duct VAV	\$122,968	\$38,138	3.4	\$122,968
Burdine	3	Variable Volume CHW Pumping	\$11,993	\$5,911	2.0	\$11,993
Garrison	1	Connect to FMCS	\$19,194	\$9,401	2.0	\$19,194
Garrison	4	Dual Duct VAV	\$59,979	\$9,088	6.8	\$59,979
Garrison	5	Variable Volume CHW Pumping	\$8,313	\$1,419	5.9	\$8,313
Gearing Hall	2	Dual Duct VAV	\$134,815	\$24,280	5.6	\$134,815
Gearing Hall	3	Variable Volume ChW	\$10,643	\$2,087	5.1	\$10,643
Nursing	2	Dual Duct VAV	\$161,842	\$38,441	4.2	\$161,842
Nursing	3	Variable Volume CHW Pumping	\$10,874	\$2,795	3.8	\$10,874
Steindhan Hall	1	Hot & Cold Deck Reset	\$19,369	\$5,788	3.4	\$19,369
WCH	2	Replace Economizer AC-1	\$2,790	\$710	3.9	\$2,790
WCH	4	Dual Duct VAV	\$64,700	\$11,301	5.7	\$64,700
WCH	5	Variable Volume CHW Pumping	\$9,875	\$3,871	2.6	\$9,875
WIN	2	Dual Duct VAV	\$178,157	\$36,587	4.6	\$178,157
WIN	3	Variable Volume CHW Pumping	\$33,855	\$8,314	5.3	\$33,855
Painter Hall	3	Turn off AC's 2, 3, & 4	\$4,768	\$4,805	1.0	\$4,768

**LOAN APPROVAL STATEMENT**  
for  
**Energy Conservation Retrofit Measures**

File Name =

Agency: University of Texas at Austin  
Agency No.: 721  
Loan Number: 89-

Agency Loan Coordinator

Name: Kenneth J. Caskey  
Title: Associate Vice President for Business Affairs  
Phone: 512 471 1422  
Fax: \_\_\_\_\_  
Address: P. O. Box 7580, Austin, TX 78713

Building	E C R M	Description of Energy Conservation Retrofit Measure (ECRM) (1)	Cost	Savings		ECRM Loan Amount (3)
			Estimated ECRM Cost (2)	Annual Energy Cost Savings	Pay- back (yrs)	
Painter Hall	5	Cold Deck Controls AC-1	\$41,958	\$10,374	4.0	\$41,958
Painter Hall	6	VAV Conversion AC-1	\$58,819	\$28,624	2.2	\$58,819
Painter Hall	7	Replace AC-3 & 4	\$34,287	\$5,158	6.6	\$34,287
Painter Hall	8	VAV Conversion AC-5	\$77,124	\$12,110	6.4	\$77,124
Painter Hall	9	VAV Conversion AC-6	\$37,375	\$8,884	5.4	\$37,375
		Adjustment for dependencies		(\$2,683)		
			<b>\$4,253,502</b>	<b>\$1,493,476</b>	<b>2.8</b>	<b>\$4,253,502</b>

ECRM Loan Amount +	\$4,253,502
10% contingency allowance +	\$425,350
Engineering Audit Expense +	\$0
<b>Total Loan Amount =</b>	<b>\$4,678,852</b>

Anticipated Substantial Completion  
Date (months) 15  
Payback (with allowance) 3.1 years

Comments: \_\_\_\_\_

- 1) Includes detailed engineering design, labor, and materials.
- 2) Cost of individual ECRM projects may not exceed 120% of approved loan amount. Any individual variances exceeding this amount must receive prior written approval from lender.
- 3) No ECRMs may be cancelled after loan is granted without prior written lender approval.

Updated: 12/15/89 10:44
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**LOAN APPROVAL STATEMENT**

File Name = \_\_\_\_\_  
for  
**Energy Conservation Retrofit Measures**

Agency: UT Medical Branch-Galveston  
Agency No.: 723  
Loan Number: 89-

Agency Loan Coordinator

Name: E. J. Pederson  
Title: Executive Vice President for Administration and Business Affairs  
Phone: 409 761 2594  
Fax: \_\_\_\_\_  
Address: Office of the Executive Vice President, Route A25, Galveston, TX 77550

Building	ECRM	Description of Energy Conservation Retrofit Measure (ECRM) (1)	Cost		Savings		ECRM Loan Amount (3)
			Estimated ECRM Cost (2)	Annual Energy Cost Savings	Pay-back (yrs)		
Campus	C-1	Power Factor Correction	\$52,581	\$7,189	7.3	\$52,581	
Campus	C-2	Economizer Cycle Operations	\$12,372	\$71,240	0.2	\$12,372	
Campus	C-3	Hot Water Turnoff During Cooling Season	\$10,310	\$224,588	0.0	\$10,310	
Campus	C-5*	Lighting Replacement Program	\$151,557	\$77,482	2.0	\$151,557	
Campus	C-8	Energy Mngmt. Control System	\$449,001	\$77,482	5.8	\$449,001	
Moody Memoria	1-A	AHU Fan Speed Reduction	\$20,414	\$21,493	0.9	\$20,414	
Moody Memoria	2-A	Lighting Program	\$10,893	\$17,900	0.6	\$10,893	
Moody Memoria	3-A	Rare Books	\$25,775	\$15,493	1.7	\$25,775	
Moody Memoria	4-A	Solar Screen	\$8,248	\$2,505	3.3	\$8,248	
Moody Memoria	5-A	Chilled Water Pump Speed Control	\$10,929	\$22,699	0.5	\$10,929	
Basic Sciences	1-B	AHU Fan Speed Reduction	\$75,315	\$70,349	1.1	\$75,315	
Basic Sciences	2-B	Lighting Program	\$28,249	\$13,570	2.1	\$28,249	
Basic Sciences	3-B	Animal Area AHU	\$49,488	\$27,775	1.8	\$49,488	
Basic Sciences	4-B	HVAC Rebalancing	\$77,325	\$31,873	2.4	\$77,325	
Basic Sciences	5-B	Chilled Water Pump Speed Control	\$43,302	\$12,595	3.4	\$43,302	
Clinical Science	1-C	AHU Fan Speed Reduction	\$40,931	\$27,262	1.5	\$40,931	
Clinical Science	2-C	Lighting Program	\$14,815	\$7,848	1.9	\$14,815	
Clinical Science	3-C	5th Floor AHU	\$49,488	\$27,443	1.8	\$49,488	
Clinical Science	4-C	HVAC Rebalancing	\$41,240	\$10,864	3.8	\$41,240	
Clinical Science	6-C	Mechanical Room Lights	\$376	\$460	0.8	\$376	
Clinical Science	7-C	Chilled/Hot Water Pump Speed Controls	\$21,703	\$38,217	0.8	\$21,703	
John Sealy Nor	1-D	AHU Fan Speed Reduction	\$7,836	\$6,606	1.2	\$7,836	
John Sealy Nor	2-D	Lighting Program	\$7,114	\$4,391	1.6	\$7,114	
John Sealy Nor	3-D	New AHU for Operating Suite 6	\$29,384	\$51,998	0.6	\$29,384	
John Sealy Nor	4-D	Chilled Water	\$14,382	\$42,850	0.3	\$14,382	
John Sealy Sou	1-E	AHU Fan Speed Reduction	\$128,875	\$48,377	2.7	\$128,875	
John Sealy Sou	2-E	Lighting Program	\$52,220	\$86,252	0.6	\$52,220	
John Sealy Sou	3-E	Chilled Water Pump Speed Control	\$31,136	\$139,555	0.2	\$31,136	
Microbiology Bu	1-F	AHU Fan Speed Control	\$12,888	\$11,934	1.1	\$12,888	
Microbiology Bu	2-F	Lighting Program	\$3,423	\$4,731	0.7	\$3,423	
Microbiology Bu	3-F	New AHU for Animal Pens	\$25,775	\$25,235	1.0	\$25,775	
Microbiology Bu	4-F	Chilled Water Pump Speed Control	\$11,650	\$10,942	1.1	\$11,650	
Animal Care	1-G	Lighting Program	\$1,495	\$561	2.6	\$1,495	
Animal Care	2-G	Chilled Water Pump Speed Control	\$11,650	\$18,132	0.6	\$11,650	

**LOAN APPROVAL STATEMENT**  
for  
**Energy Conservation Retrofit Measures**

File Name =

Agency: UT Medical Branch-Galveston  
Agency No.: 723  
Loan Number: 89-

**Agency Loan Coordinator**

Name: E. J. Pederson  
Title: Executive Vice President for Administration and Business Affairs  
Phone: 409 761 2594  
Fax: \_\_\_\_\_  
Address: Office of the Executive Vice President, Route A25, Galveston, TX 77550

Building	E C R M	Description of Energy Conservation Retrofit Measure (ECRM) (1)	Cost	Savings		ECRM Loan Amount (3)
			Estimated ECRM Cost (2)	Annual Energy Cost Savings	Pay- back (yrs)	
Pharmacology	1-H	AHU Fan Speed Reduction	\$15,156	\$12,854	1.2	\$15,156
Pharmacology	2-H	Lighting Program	\$9,640	\$4,837	2.0	\$9,640
Pharmacology	3-H	New AHU for Animal Pens	\$25,775	\$19,523	1.3	\$25,775
Pharmacology	4-H	Chilled Water Pump Speed Control	\$11,850	\$19,837	0.6	\$11,650
			<b>\$1,594,361</b>	<b>\$1,314,582</b>	<b>1.2</b>	<b>\$1,594,361</b>

ECRM Loan Amount +	\$1,594,361
10% contingency allowance +	\$159,436
Engineering Audit Expense +	\$0
<b>Total Loan Amount =</b>	<b>\$1,753,797</b>

Anticipated Substantial Completion  
Date (months) 24  
Payback (with allowance) 1.3 years

Comments: \_\_\_\_\_

- 1) Includes detailed engineering design, labor, and materials.
- 2) Cost of individual ECRM projects may not exceed 120% of approved loan amount. Any individual variances exceeding this amount must receive prior written approval from lender.
- 3) No ECRMs may be cancelled after loan is granted without prior written lender approval.

Updated:  
12/15/89 10:48

**LOAN APPROVAL STATEMENT**

File Name - **for Energy Conservation Retrofit Measures**

Agency: University of Texas Health Science Center at Houston  
 Agency No.: 744  
 Loan Number: 89-

**Agency Loan Coordinator**

Name: Brian K. Yeoman  
 Title: Assistant Vice President, Support Services  
 Phone: 713 792 4998  
 Fax: \_\_\_\_\_  
 Address: P. O. Box 20038, Houston, TX 77225

Building	E C R M	Description of Energy Conservation Retrofit Measure (ECRM) (1)	Cost	Savings		ECRM Loan Amount (3)
			Estimated ECRM Cost (2)	Annual Energy Cost Savings	Pay-back (yrs)	
MSB	1	Modify Air & Water Distribution System	NA	NA	NA	\$0
MSB	3	Modify Lighting	\$412,400	\$98,489	4.3	\$412,400
SPH	1	Convert AHU-floors B-7th	NA	NA	NA	\$0
SPH	2	Perform Air-side Modification Floors B-10	\$140,781	\$39,533	3.6	\$140,781
SPH	3	Building Pumping & Chilled Water Flow	\$193,075	\$43,075	4.5	\$193,075
SPH	4	Utilize an EMCS for Control of Air Handler Un	\$207,786	\$98,098	2.1	\$207,786
		Adjustment for dependencies		(\$58,915)		
			<b>\$954,042</b>	<b>\$218,260</b>	<b>4.4</b>	<b>\$954,042</b>

ECRM Loan Amount +	\$954,042
10% contingency allowance +	\$95,404
Engineering Audit Expense +	\$0
<b>Total Loan Amount =</b>	<b>\$1,049,446</b>

Anticipated Substantial Completion  
 Date (months) 18  
 Payback (with allowance) 4.8 years

Comments: \_\_\_\_\_

- 1) Includes detailed engineering design, labor, and materials.
- 2) Cost of individual ECRM projects may not exceed 120% of approved loan amount. Any individual variances exceeding this amount must receive prior written approval from lender.
- 3) No ECRMs may be cancelled after loan is granted without prior written lender approval.

Updated:  
 12/15/89 11:23

**LOAN APPROVAL STATEMENT**  
for  
**Energy Conservation Retrofit Measures**

File Name =

Agency: LTHSC-San Antonio  
Agency No.: 745  
Loan Number: 89-

**Agency Loan Coordinator**

Name: Robert B. Price  
Title: Executive Vice President for Administration and Business Affairs  
Phone: 512 587 2000  
Fax: \_\_\_\_\_  
Address: 7703 Floyd Curl Drive, San Antonio, TX 78284

Building	E C R M	Description of Energy Conservation Retrofit Measure (ECRM) (1)	Cost		Savings		ECRM Loan Amount (3)
			Estimated ECRM Cost (2)	Annual Energy Cost Savings	Pay- back (yrs)		
Dental School	1	Z-Duct Heat Recovery for AHUs 11 & 12	\$66,535	\$37,156	1.8	\$66,535	
Dental School	2	Variable Speed Chilled Water Pump	\$53,715	\$26,101	2.1	\$53,715	
Dental School	4	Reflectors	\$173,195	\$82,173	2.8	\$173,195	
Dental School	5	Restroom Lighting Controls	\$3,712	\$1,174	3.2	\$3,712	
Dental School	6	Fluorescent Power Reducers	\$8,152	\$1,841	4.4	\$8,152	
Dental School	7	Solar Screens	\$8,227	\$3,275	2.5	\$8,227	
Dental School	8	Incandescent Lighting Replacement	\$11,227	\$19,030	0.6	\$11,227	
Dental School	9	Variable Volume Conversion for AHU #10	\$37,178	\$13,272	2.8	\$37,178	
Medical School	1	Variable Speed AHU Conversion	\$101,688	\$62,636	1.6	\$101,688	
Medical School	2	Duct Modifications	\$53,818	\$20,294	2.7	\$53,818	
Medical School	3	Two Speed Motors	\$33,698	\$7,905	4.3	\$33,698	
Medical School	5	Reflectors	\$140,583	\$50,453	2.8	\$140,583	
Medical School	6	Restroom Lighting Controls	\$3,866	\$1,236	3.1	\$3,866	
Medical School	7	Solar Screens	\$15,599	\$5,468	2.9	\$15,599	
Medical School	8	Fluorescent Power Reducers	\$6,069	\$1,336	4.5	\$6,069	
Medical School	9	Incandescent Lamp Replacement	\$7,058	\$10,250	0.7	\$7,058	
Medical School	10	Photocell Control	\$397	\$186	2.1	\$397	
			<b>\$724,717</b>	<b>\$323,786</b>	<b>2.2</b>	<b>\$724,717</b>	

ECRM Loan Amount +	\$724,717
10% contingency allowance +	\$72,472
Engineering Audit Expense +	\$0
<b>Total Loan Amount =</b>	<b>\$797,189</b>

Anticipated Substantial Completion  
Date (months) \_\_\_\_\_  
Payback (with allowance) **2.5 years**

Comments: \_\_\_\_\_

- 1) Includes detailed engineering design, labor, and materials.
- 2) Cost of individual ECRM projects may not exceed 120% of approved loan amount. Any individual variances exceeding this amount must receive prior written approval from lender.
- 3) No ECRMs may be cancelled after loan is granted without prior written lender approval.

Updated:  
12/15/89 11:03

**LOAN APPROVAL STATEMENT**

File Name - \_\_\_\_\_  
for  
**Energy Conservation Retrofit Measures**

Agency: UT System Cancer Center-M. D. Anderson  
Agency No.: 508  
Loan Number: 89-

**Agency Loan Coordinator**

Name: Robert G. Baker  
Title: Associate Vice President for Administrative Services  
Phone: 713 792 8500  
Fax: \_\_\_\_\_  
Address: 1515 Holcombe Blvd., Houston, TX 77030

Building	E C R M	Description of Energy Conservation Retrofit Measure (ECRM) (1)	Cost	Savings		ECRM Loan Amount (3)
			Estimated ECRM Cost (2)	Annual Energy Cost Savings	Pay- back (yrs)	
M.D. Anderson	2	Perform Lighting Modification	\$627,879	\$89,578	7.0	\$627,879
M.D. Anderson	3	Upgrade the Existing EMCS	\$637,158	\$118,067	5.4	\$637,158
M.D. Anderson	4	Air-Side Modification to Fume Hood Areas	\$821,397	\$108,421	7.6	\$821,397
Smith Research	1	Perform Lighting Fixtures Retrofit	\$375,284	\$57,584	6.5	\$375,284
Smith Research	2	Install a small EMCS for Control of AHU's	\$225,789	\$42,142	5.4	\$225,789
Smith Research	3	Outside/Makeup/Exhaust Air System Modifica	\$94,264	\$36,092	2.6	\$94,264
Smithville Scier	1	Lighting Fixture Repl. or Retrofit	\$100,641	\$14,253	7.1	\$100,641
Smithville Scier	3	Outside/Makeup/Exhaust Air System Modifica	\$116,467	\$29,976	3.9	\$116,467
		Adjustment for dependencies		(\$75,586)		
			<b>\$2,998,379</b>	<b>\$420,497</b>	<b>7.1</b>	<b>\$2,998,879</b>

ECRM Loan Amount +	\$2,998,879
10% contingency allowance +	\$299,888
Engineering Audit Expense +	\$0
<b>Total Loan Amount =</b>	<b>\$3,298,767</b>

**Anticipated Substantial Completion**

Date (months) **15**

Payback (with allowance) **7.6 years**

Comments: Utility cost savings values are anticipated to be higher than shown here.

- 1) Includes detailed engineering design, labor, and materials.
- 2) Cost of individual ECRM projects may not exceed 120% of approved loan amount. Any individual variances exceeding this amount must receive prior written approval from lender.
- 3) No ECRMs may be cancelled after loan is granted without prior written lender approval.

Updated:  
12/15/89 10:41

5. U. T. Dallas - Animal Care Facility (Project No. 302-599): Award of Construction Contract to Total Construction Concepts, Inc., Dallas, Texas, and Approval to Increase Total Project Cost (Exec. Com. Letter 90-7).--The Executive Committee recommended and the Board:

- a. Awarded a construction contract for the conversion of an existing building (formerly Founders Machine Shop) at The University of Texas at Dallas into an Animal Care Facility to the lowest responsive bidder, Total Construction Concepts, Inc., Dallas, Texas, for the Base Bid and Alternate Bid Nos. 1, 2, 3 and 4 in the amount of \$527,500
- b. Approved an increase in the authorized total project cost from \$710,000 to \$728,000 and approved the transfer of \$18,000 of Permanent University Fund Bond Proceeds from funds allocated to U. T. Dallas, Repair and Rehabilitation Projects, in the Capital Improvement Program approved by the U. T. Board of Regents in June 1988.

The total project cost is composed of the following elements:

Construction Cost	\$527,500
Fees and Administrative Expenses	75,495
Relocation Cost	55,000
Equipment, Future Work, Miscellaneous Expenses and Project Contingency	<u>70,005</u>
Total Project Cost	\$728,000

The Animal Care Facility was included in the Capital Improvement Program approved in October 1985 and the FY 1990 Capital Budget approved in August 1989. Funding for this project is \$595,000 (excluding the transfer of \$18,000) from Permanent University Fund Bond Proceeds and \$115,000 from U. T. Dallas Unexpended Plant Funds.

This project was approved by the Texas Higher Education Coordinating Board in October 1988.

6. U. T. Dallas: Approval of Implementation Plan for the Admission of Freshman and Sophomore Students; Authorization for President Rutherford to Make Minor Modifications to the Implementation Plan; Amendments to the Role and Mission Statement and Table of Programs; and Authorization to Submit Both to the Coordinating Board for Approval (Catalog Change) (Exec. Com. Letter 90-5).-- Approval was given to the implementation plan set out in the Executive Summary on Pages 17 - 20 for the admission of freshman and sophomore students at The University of Texas at Dallas effective with the Summer Session 1990 and to the amendments to the Role and Mission Statement and the Table of Programs which will be formally submitted to the Texas Higher Education Coordinating Board for approval.

Further, President Rutford was authorized to make minor modifications to the implementation plan if recommended by the Coordinating Board and approved by the Executive Vice Chancellor for Academic Affairs.

The implementation plan for the admission of freshman and sophomore students to U. T. Dallas was developed in accordance with the plan elements adopted by the U. T. Board of Regents at its meeting in August 1989 and in response both to the legislation authorizing the admission of freshmen and sophomores and to the requirements of the Texas Higher Education Coordinating Board.

Amendments to the Role and Mission Statement and Table of Programs include deletion of language prohibiting the enrollment of freshmen and sophomores, updating the Table of Programs to reflect changes made since 1985 when the Table was initially adopted, and other minor editorial changes. The addition of freshmen and sophomores will not necessitate any changes in existing authorized degree programs or in the administrative structure of U. T. Dallas. Additionally, no new construction will be required to begin the program of admitting freshman and sophomore students.

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

Executive Summary  
The University of Texas at Dallas  
Proposal for Admission of Freshman and Sophomore Students

Overview

U. T. Dallas proposes to implement the 71st Legislature's House Bill 42 (Texas Education Code, Section 70.08). This new law allows U. T. Dallas to enroll up to 1,040 lower-division students in 1990 and 1991 and up to 5,200 lower-division students thereafter, provided that applicants meet the same high admission standards as used by U. T. Austin. Section 3 of the Bill provides that implementation is contingent upon prior approval by the Coordinating Board and requires the Coordinating Board to confirm that the implementation conforms to "applicable elements cited in Subchapter C, Chapter 61, Education Code," the subchapter specifying the powers and duties of the Coordinating Board.

A review of Subchapter C suggests that the Coordinating Board will need to approve minor amendments to the role and mission statement, such as those suggested in Tab A.<sup>\*</sup> Following normal Coordinating Board procedures, all other applicable elements should be handled by the staff, including review of proposed lower-level courses, verification of compliance with core curriculum requirements, and verification of the provision of required remedial education services. The need for a lower division, the cost to the taxpayers of implementing the proposal, and the resultant quality of education to be made available to Texans are summarized below. These three factors, Need, Cost, and Quality, are the factors normally considered by the Coordinating Board when approving new degree programs. While no new degree programs are involved in the implementation of House Bill 42, the Board is expected to use these criteria in its consideration of lower-level status for U. T. Dallas. The issues related to the other "applicable elements" of Subchapter C are included at the end of this summary.

Need

Providing freshman and sophomore educational opportunities at U. T. Dallas will reduce the pressure to add physical plant and programmatic capacity at other Texas public higher education institutions. If this opportunity were not provided, it is anticipated that most of the pressure to accommodate these students would fall upon The University of Texas at Arlington, the University of North Texas, The University of Texas at Austin, and Texas A&M University. Under recently adopted Coordinating Board guidelines, all of these institutions are faced with the prospect of limiting enrollments to levels that can be accommodated with existing physical plants. The combined enrollment increase projected by the Texas Higher Education Coordinating Board for these four institutions between 1988 and the year 2000 is in excess of 8,000 students. Because U. T. Dallas is currently a commuter-oriented institution serving primarily part-time evening students, it has unused classroom capacity in the daytime. Although additional teaching laboratories and faculty offices will eventually be required to accommodate added freshmen and sophomores, no additional classrooms will be required to accommodate the first increment of daytime lower-division students.

\* This document is on file in the Office of the Board of Regents.

The Texas Water Development Board projects population growth for Dallas and Collin Counties of over 1.1 million people in the next thirty years. This thirty-year increase is slightly greater than the current population of Bexar County. To serve this additional million people will require a substantial increase in the capacity of the existing educational institutions in the region or the development of new institutions. Some of that added capacity can be provided at U. T. Dallas at least as economically as it can be provided elsewhere. U. T. Dallas is on the Collin/Dallas County line, centrally located to serve this new population.

Providing a lower division at U. T. Dallas increases the instructional options for all U. T. Dallas students, including those who transfer after receiving the two-year associate degree. In the absence of a lower division, juniors and seniors do not have the opportunity to take such lower-division elective courses as a foreign language or an introductory fine arts course. Also, students who wish to change majors (a common practice at four-year institutions) are prohibited from completing lower-level prerequisites at U. T. Dallas. Similarly, individuals who plan to become upper-division students at U. T. Dallas by enrolling in a community college are currently precluded from taking any upper-division courses for which they may be qualified until they have completed at least fifty-four hours of lower-division course work. This curricular rigidity is particularly bothersome for engineering and science students who may need to start the upper-division part of a mathematics or science sequence before having completed all of the lower-division social science and humanities requirements.

The proposed lower-division curriculum will be structured to have a special appeal for students with an interest in science and mathematics. Consequently, it is anticipated that more of these students will continue on for upper-division work in science and engineering than if they had attended other institutions with more general lower-division curricula. The availability of this lower-division curriculum will make the upper-division and graduate science and engineering programs at U. T. Dallas more accessible than if the program were available only at the upper division.

The pressing need for scientists and engineers is well documented. The need for scientists and engineers in the North Dallas region is especially acute. This regional need is well documented by the Mayor's Task Force on High Technology and by a consultant to the University from the National Center for Higher Education Management Systems. Industry in the North Dallas region currently recruits more than 5,000 new engineers and scientists annually. Dallas is the only major city in the U. S. which has no public four-year university, and U. T. Dallas is the only U. S. doctoral degree granting, general academic institution which does not admit freshmen and sophomores.

#### Cost

Annual operating cost to the State for serving freshmen and sophomores at U. T. Dallas will be the same as if those students had been enrolled at any other senior college or university in the state. The Texas formula funding procedures ensure that students generate the same state-funded support regardless of the institution which they attend.

Facilities cost will be somewhat less than if these students were accommodated at an institution which is already using its classrooms to capacity. The initial increment of students admitted as freshmen and sophomores at U. T. Dallas will be required to attend classes in the daytime, during periods when classrooms are currently available. Consequently, there will be some cost savings associated with accommodating students at U. T. Dallas rather than at another institution.

#### Quality

Because substantial private funds have been pledged to supplement state funding of freshmen and sophomores at U. T. Dallas, it will be possible to achieve higher quality instructional programs for these students than if they attended other public institutions. Private funds will be used to improve the student/faculty ratio and to increase the percentage of courses taught by tenured and tenure-track faculty above what would be possible with normal state funding. Private funds for scholarships have also been pledged.

U. T. Dallas has a nationally recognized faculty. The faculty is especially strong in science and engineering. This existing faculty will participate fully in the instruction of freshmen and sophomores. The University will not hire a separate faculty to teach freshmen and sophomores. Neither will it rely upon large numbers of graduate assistants or part-time faculty.

Admission standards, as required by H. B. 42, will be at least as high as the standards used by U. T. Austin. The ability of the students is thus ensured.

#### Other Issues

A review of Coordinating Board statutory authority, Subchapter C, Chapter 61, Texas Education Code, and House Bill 42, suggests the following additional issues for consideration by the Coordinating Board:

- (a) Enrollment Limits -- House Bill 42 limits admission and enrollment of entering freshmen to 2,000 and limits the total number of freshmen and sophomores, including lower-division transfer students, to 5,200 except that no more than 1,040 lower-division students may be admitted and enrolled in the first two years of operation. The Bill also establishes very strict admissions criteria for freshman and lower-division transfer students, thus further limiting the number who will enroll. Hence, Coordinating Board review at this time need not address overall enrollment ceilings and need focus only on compliance with House Bill 42.
- (b) Role and Mission Statement and Associated Table of Programs -- The addition of lower-division students at U. T. Dallas will not require changes in the Table of Programs or in the basic mission of the institution. However, minor editorial changes in the Coordinating Board approved Role and Mission Statement, removing the restriction on the enrollment of lower-division students, will be required.

- (c) New Degree Programs and Organizational Units -- The admission of lower-division students does not require establishment of any new organizational units nor the creation of any new degree programs at this time for U. T. Dallas.
- (d) Approval of Lower-Division Courses -- Several new lower-division courses will need to be added to the approved course inventory at U. T. Dallas. In accordance with normal administrative procedures for addition of courses, these can be approved at the Coordinating Board staff level. Typical courses include freshman composition, U. S. and Texas history, calculus, inorganic and organic chemistry, and introductory physics.
- (e) Core Curriculum -- The curriculum for freshmen and sophomores will need to be consistent with the Coordinating Board's guidelines on core curriculum. Such consistency will be demonstrated by identifying required and elective courses.
- (f) Remedial Education -- With the admission of lower-division students, U. T. Dallas will need to add remedial education for any admitted students who fail any part of the Texas Academic Skills Program (TASP) examination, in accordance with Coordinating Board and statutory requirements. The legislatively mandated admission standards should ensure that a very small number of the lower-division students will require remedial programs.

#### Summary

In summary, the University proposes to enroll a limited number of highly qualified freshman and sophomore students, with emphasis on students who demonstrate a strong interest in science and engineering. Only students who meet admission standards at least as high as those used by U. T. Austin may be admitted. This limited lower-division enrollment at U. T. Dallas will relieve some of the pressure for growth at U. T. Arlington, U. T. Austin, Texas A&M University, and the University of North Texas. The program may also attract some students who would otherwise go out of state and, consequently, be less likely to serve Texas. The program will increase the supply of scientists and engineers for Texas and will cost the state no more than if those students had been enrolled at other public universities. Availability of lower-division courses will benefit upper-division students as well as allow lower-division students to take upper-division courses when appropriate. Capital costs will be somewhat lower because U. T. Dallas has some daytime classroom capacity available. Operating costs to be borne by the state are the same as if these students enrolled in any other formula funded Texas college or university. The University has a quality faculty to teach the freshman and sophomore classes.

7. U. T. Medical Branch - Galveston - Emergency Generators (Project No. 601-718): Authorization for Project; Appointment of Burns DeLatte & McCoy, Inc., Houston, Texas, as Project Engineer to Prepare Final Plans; Approval to Submit to Coordinating Board; Authorization to Advertise for Bids; and Authorization for Executive Committee to Award Contracts (Exec. Com. Letter 90-7).-- The Board, upon recommendation of the Executive Committee:

- a. Authorized a project for the purchase and installation of emergency generators at The University of Texas Medical Branch at Galveston at an estimated total project cost of \$3,690,000
- b. Appointed the firm of Burns DeLatte & McCoy, Inc., Houston, Texas, as Project Engineer to prepare final plans and specifications
- c. Authorized submission of the project to the Texas Higher Education Coordinating Board
- d. Authorized the Office of Facilities Planning and Construction to advertise for bids upon completion of final review
- e. Authorized the Executive Committee to award all contracts associated with this project within the authorized total project cost.

This project will include the purchase and installation of seven new diesel powered generators and three new natural gas powered generators to provide emergency power to new facilities under construction, facilities under renovation, and facilities requiring additional power. The project will also include relocating two existing generators to other facilities which require additional emergency power. A new emergency power distribution system will be required in three existing facilities. New space will need to be constructed at four different locations, totaling approximately 3,000 gross square feet, to house generators. Other generators will be located in existing space or in space currently under construction.

Funding for this project was included in the FY 1990 Capital Budget approved by the U. T. Board of Regents in August 1989 at an estimated total project cost of \$4,000,000.

8. U. T. Health Science Center - San Antonio - Institute of Biotechnology - Hayden Head Building: Approval of Building Cornerstone Inscription (Exec. Com. Letter 90-5).--The facility known as the Hayden Head Building was constructed by the Texas Research and Technology Foundation on a site in the Texas Research Park, San Antonio, Texas, for the U. T. Institute of Biotechnology for the benefit of The University of Texas Health Science Center at San Antonio.

In accordance with a request by the Texas Research and Technology Foundation, the Board approved the inscription set out on Page 22 for a cornerstone on the Hayden Head Building.

The inscription follows a previously established precedent for gift facilities and includes the names of members of the Board of Trustees of the donor, the Texas Research and Technology Foundation, and the names of members of the U. T. Board of Regents at the time the gift was received in January 1990.

HAYDEN HEAD BUILDING  
Built through the Generosity  
of the  
Ross Perot Family  
1990

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AND  
TECHNOLOGY FOUNDATION  
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9. U. T. M.D. Anderson Cancer Center - LeRoy Melcher, Jr. Memorial Fountain and a Memorial Garden (Project No. 703-700): Authorization to Redesign Fountain and to Design Memorial Garden; Approval to Name the Garden the Dorothy H. Hudson Memorial Garden (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1.2, Naming of Facilities Other Than Buildings); Authorization to Prepare Final Plans and Advertise for Bids; Authorization for Executive Committee to Award Contracts; and Appropriation Therefor (Exec. Com. Letter 90-6).--In October 1989, the U. T. Board of Regents rejected all construction bids received for the LeRoy Melcher, Jr. Memorial Fountain at The University of Texas M.D. Anderson Cancer Center because it had not been possible to vacate a street easement held by the Texas Medical Center, Inc., that crossed part of the planned construction site. Consequently, a new site has been selected

near the intersection of Holcombe Boulevard and John Freeman Avenue which requires limited redesign of the Fountain.

Upon recommendation of the Executive Committee, the Board:

- a. Authorized the redesign, at a new site, of the LeRoy Melcher, Jr. Memorial Fountain at an estimated total project cost of \$750,000 and design of a Memorial Garden on an adjacent site at an estimated total project cost of \$225,000 at the U. T. M.D. Anderson Cancer Center
  - b. Approved naming the garden the Dorothy H. Hudson Memorial Garden in accordance with the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1.2 (Naming of Facilities Other Than Buildings)
  - c. Authorized the Office of Facilities Planning and Construction to design and prepare final plans and specifications for the fountain and the garden to be constructed under a single contract and, upon completion of final review, advertise for bids
  - d. Authorized the Executive Committee to award a construction contract within the authorized total project costs
  - e. Appropriated \$225,000 from gift funds donated by the Hudson family for total project funding of the Dorothy H. Hudson Memorial Garden. Previous appropriations had been \$750,000 from gift funds donated by the Melcher family for total project funding of the LeRoy Melcher, Jr. Memorial Fountain.
10. U. T. M.D. Anderson Cancer Center - U. T. M.D. Anderson Hospital - Modifications and Renovations - Phase III (Project No. 703-695): Confirmation of Intent to Award Contract to Basic Constructors, Inc., Houston, Texas (Second Lowest Bidder), and to Reject Proposal of The Argee Corporation, Denver, Colorado (Lowest Bidder); Executive Secretary Instructed to Notify Lowest Bidder of Rejection and Offer Opportunity to Appeal; Authorization for Chancellor to Appoint Hearing Officer if Required; and Approval for Executive Committee to Award Contract (Exec. Com. Letter 90-6).--The Executive Committee recommended and the Board:
- a. Confirmed its intent to award the contract for construction of the Modifications and Renovations - Phase III at the U. T. M.D. Anderson Hospital of The University of Texas M.D. Anderson Cancer Center to the second lowest bidder, Basic Constructors, Inc., Houston, Texas, in the amount of \$2,922,000 (for the Base Bid and Alternate No. 1), rather than to the lowest bidder, The Argee Corporation, Denver, Colorado, which bid a price of \$2,894,000 (for the Base Bid and Alternate No. 1), on the grounds that the lowest bidder is not responsible

- b. Instructed the Executive Secretary of the U. T. Board of Regents to notify the lowest bidder of the decision for award and to advise that a notice of appeal may be filed with the U. T. Board of Regents within seven (7) calendar days of receipt of such notification
- c. Authorized the Chancellor, if The Argee Corporation files a notice of protest against the Board's proposed decision in a timely fashion, to appoint a Hearing Officer who shall promptly convene and conduct a hearing and subsequently submit the records of the hearing and a report of his or her findings through the Chancellor's Office to the Executive Committee of the U. T. Board of Regents
- d. Authorized the Executive Committee to award a construction contract to the next lowest bidder, Basic Constructors, Inc., in the event that a timely notice of protest is not filed; or, if a timely notice of protest is filed and a hearing is held, to award a construction contract to the bidder that is determined, upon consideration of the records of the hearing and the Hearing Officer's findings, to be the lowest responsible bidder, whether that be The Argee Corporation or Basic Constructors, Inc. If The Argee Corporation is selected, the contract should be awarded on the basis of the Base Bid plus Alternates 1 and 2 for a total of \$2,911,500.

Secretary's Note: The Argee Corporation elected not to appeal so the appointment of a Hearing Officer was not necessary. See Item 11 below for the award of contract to the lowest responsible bidder.

- 11. U. T. M.D. Anderson Cancer Center - U. T. M.D. Anderson Hospital - Modifications and Renovations - Phase III (Project No. 703-695): Award of Construction Contract to Basic Constructors, Inc., Houston, Texas, and Approval to Reduce the Total Project Cost (Exec. Com. Letter 90-9).--The Board, upon recommendation of the Executive Committee:
  - a. Awarded a construction contract for the Modifications and Renovations - Phase III at the U. T. M.D. Anderson Hospital of The University of Texas M.D. Anderson Cancer Center to the lowest responsible bidder, Basic Constructors, Inc., Houston, Texas, for the Base Bid and Alternate Bid No. 1 in the amount of \$2,922,000
  - b. Approved a reduction in the authorized total project cost from \$6,900,000 to \$4,500,000 and reduced the appropriation of Permanent University Fund Bond Proceeds from \$5,000,000 to \$2,600,000. The appropriation of \$1,900,000 from U. T. M.D. Anderson Cancer Center Institutional Reserves remains unchanged.

In accordance with authorization of the U. T. Board of Regents in August 1989, bids for the third phase of modifications and renovations to the U. T. M.D. Anderson Hospital at the U. T. M.D. Anderson Cancer Center were received on November 15, 1989.

Following the bid opening, the U. T. Board of Regents, via Executive Committee Letter 90-6 dated December 18, 1989, proposed to reject the proposal of the lowest bidder, The Argee Corporation, Denver, Colorado, as coming from a nonresponsible contractor subject to The Argee Corporation's right to protest; proposed an award to the second lowest bidder (which was the lowest responsible bidder), Basic Constructors, Inc., Houston, Texas; and instructed the Executive Secretary of the U. T. Board of Regents to notify the lowest bidder of the proposed award and advise that a notice of appeal must be filed within seven (7) calendar days.

The Argee Corporation was notified on January 3, 1990, of the proposed contract award and given until close of business on January 10, 1990, to file a notice of appeal. The Argee Corporation notified the Executive Secretary that no appeal would be filed.

The revised total project cost is composed of the following elements:

Construction Cost	\$2,922,000
Fees and Administrative Expenses	369,600
Furniture and Equipment	317,000
Future Work (FCMS, Air Balancing, Install Telecommunications Cable, Asbestos Abatement)	744,000
Miscellaneous Expenses	28,000
Project Contingency	<u>119,400</u>
Total Project Cost	\$4,500,000

The FY 1990 Capital Budget was amended by reducing the commitment of Permanent University Fund Bond Proceeds by \$2.4 million.

See related Item 10 on Page 23.

12. U. T. M.D. Anderson Cancer Center (U. T. M.D. Anderson Science Park) - Research Laboratory Expansion (Project No. 703-668): Award of Construction Contract to Templeton Construction Company, San Angelo, Texas (Exec. Com. Letter 90-7).--Approval was given to award a contract for the construction of the Research Laboratory Expansion at the Research Division of the U. T. M.D. Anderson Science Park at The University of Texas M.D. Anderson Cancer Center to the lowest responsible bidder, Templeton Construction Company, San Angelo, Texas, for the Base Bid, Alternate Bid Nos. A1, A2, A3, A4 and A6, and three (3) Biological Safety Cabinets at \$9,000 each (Unit Price Bid No. 2) in the total amount of \$3,348,000.

The authorized total project cost is composed of the following elements:

Construction Cost	\$3,248,000
Fees and Administrative Expenses	465,140
Furniture and Equipment	90,000
Future Work (Air Balancing)	36,000
Miscellaneous Expenses	40,000
Project Contingency	<u>20,860</u>
Total Project Cost	\$4,000,000

Funds for this project include \$2,000,000 from private grant and gift funds and \$2,000,000 from U. T. M.D. Anderson Cancer Center Unappropriated Balances. The project was included in the FY 1990 Capital Budget approved by the U. T. Board of Regents in August 1989.

REPORT AND RECOMMENDATIONS OF THE PERSONNEL AND AUDIT COMMITTEE (Pages 27 - 29).--Committee Chairman Roden reported that the Personnel and Audit Committee had met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Personnel and Audit Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. System: Establishment of Sick Leave Pool Policy Effective March 1, 1990.--Article 6252-8e of Vernon's Texas Civil Statutes requires State agencies to establish voluntary sick leave pools to allow for the allocation of sick leave to employees who have exhausted their accrued sick leave as a result of a catastrophic illness or injury.

In accordance therewith, the Board, upon recommendation of the Personnel and Audit Committee, approved the following policy providing for the establishment of sick leave pools at each component institution of The University of Texas System and at The University of Texas System Administration effective March 1, 1990:

#### SICK LEAVE POOL POLICY

1. PURPOSE. Each component institution of the U. T. System and U. T. System Administration shall establish a sick leave pool to provide a source of additional sick leave for those employees who have exhausted accrued sick leave because of a catastrophic illness or injury.
2. DEFINITIONS. As used in this Policy:
  - 2.1 "Catastrophic illness or injury" means a severe condition or combination of conditions affecting the mental or physical health of an employee or the employee's immediate family that requires the services of a licensed practitioner for a prolonged period of time and that requires the employee to exhaust accrued leave and to lose compensation from the State.
  - 2.2 "Employee" means a regular employee of a component institution of the U. T. System or the U. T. System Administration as defined in Article V of the General Appropriations Act.
  - 2.3 "Immediate family" means those persons living in the same household with the employee who are either related to the employee by kinship, adoption, or marriage or are certified by the Texas Department of Human Services as foster children of the employee or, if not living in the same household, are totally dependent upon the employee for personal care or services on a continuing basis.
  - 2.4 "Licensed practitioner" means a person who is licensed to practice in one of the health professions set forth in Paragraph (B) of Article 3.70-2 of the Texas Insurance Code.

- 2.5 "Pool administrator" means the person appointed to administer the sick leave pool.
- 2.6 "Sick leave pool" or "pool" means the accumulated sick leave donated by employees for utilization in accordance with this Policy.
3. POOL ADMINISTRATOR. This Policy shall be administered at each component institution by a pool administrator designated by the chief administrative officer and at the U. T. System Administration by a pool administrator designated by the Chancellor of the U. T. System.
- 3.1 The pool administrator shall adopt forms and regulations appropriate for the administration of this Policy.
- 3.2 The decision of the pool administrator regarding contributions to and withdrawals from the pool shall be final.
4. SICK LEAVE POOL. The sick leave pool at each component institution and the U. T. System Administration shall consist of the sick leave voluntarily contributed to the pool by employees.
- 4.1 An employee who desires to contribute sick leave to the pool must submit an application to the pool administrator.
- 4.2 Contributions to the pool must be in units of eight (8) hours and no more than three (3) units may be contributed by an employee during each fiscal year.
- 4.3 Upon approval of an application, the pool administrator shall credit the sick leave pool with the sick leave contributed by an employee and shall direct the personnel department to deduct a corresponding amount from that employee's accrued sick leave.
- 4.4 Sick leave contributed to the pool may not be designated for the use of a particular person.
- 4.5 Although contributions are voluntary, employees who leave state employment should be encouraged to contribute to the pool.
5. WITHDRAWAL OF SICK LEAVE FROM THE POOL. Applications to withdraw sick leave from the pool must be submitted on the form prescribed by the pool administrator. An application must be filed with the pool administrator and must be accompanied by a statement from the licensed practitioner who treated the illness or injury that resulted in the exhaustion of the accrued sick leave of the employee making the application. The pool administrator will consider applications in the order in which they are received and will approve or deny an application within ten (10) working days after receipt.
- 5.1 An employee is eligible to withdraw sick leave from the pool if the pool administrator finds that the employee has

exhausted all accrued sick leave because of a catastrophic illness or injury or because of a previous donation of sick leave to the pool.

5.2 In determining the amount of sick leave to be assigned to an eligible employee from the pool, the pool administrator shall take into consideration the information contained in the employee's application, the number of applications then pending, and the amount of sick leave available in the pool. In no event shall the sick leave allocated to an eligible employee from the pool exceed ninety (90) days or one-third (1/3) of the pool, whichever is less. Upon approval of an employee's application, the pool administrator shall notify the personnel office of the amount of sick leave to be assigned to the employee.

5.3 The employee may use sick leave assigned from the pool in the same manner as sick leave accrued pursuant to Article V of the General Appropriations Act and shall be treated in the same manner and shall be entitled to accrue the same benefits as an employee who uses such accrued sick leave.

5.4 The estate of a deceased employee shall not be entitled to payment for unused sick leave assigned from the pool.

2. U. T. System and U. T. Austin: Designation of Mr. Joe E. Boyd, Jr. as Vice Chancellor for Business Affairs Emeritus and Dr. Lorene L. Rogers as President Emeritus [Regents' Rules and Regulations, Part One, Chapter II, Section 13, Subsection 13.4 (Honorary Titles)].--The Board, upon recommendation of the Personnel and Audit Committee, conferred honorary emeritus titles on the two individuals indicated below:

- a. Mr. Joe E. Boyd, Jr., Vice Chancellor for Business Affairs Emeritus, The University of Texas System
- b. Dr. Lorene L. Rogers, President Emeritus, The University of Texas at Austin.

Both individuals are now fully retired and are thereby eligible for emeritus honors under the Regents' Rules and Regulations, Part One, Chapter II, Section 13, Subsection 13.4.

These emeritus titles are in recognition of service in the respective positions but do not include emoluments or privileges other than those generally available to persons who have retired from the U. T. System.

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 30 - 45).--Committee Chairman Barshop reported that the Academic Affairs Committee had met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Academic Affairs Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. Austin: Initial Appointments to Endowed Academic Positions in the College of Liberal Arts and the College of Natural Sciences Effective September 1, 1990.--The Board approved the following initial appointments to endowed academic positions at The University of Texas at Austin effective September 1, 1990:

a. College of Liberal Arts

- (1) Dr. Jose Luis Varela, Faculty of Philology, Universidad Complutense de Madrid, to the Peter T. Flawn Centennial Professorship in Spanish Language and Literature
- (2) Dr. Laurence Thomas, Department of Philosophy, Syracuse University, to the Roy Allison Vaughan Centennial Professorship in Philosophy
- (3) Dr. Jane C. Marcus, The City University of New York (CUNY) Graduate School and City College of New York, to the Iris Howard Regents Professorship in English Literature

b. College of Natural Sciences

Dr. Roy F. Schwitters, Director, Superconducting Super Collider Laboratory, to the Fourth Sid W. Richardson Foundation Regents Chair in Physics.

2. U. T. Austin: Establishment of a Graduate Program Including Master of Arts (M.A.) and Doctor of Philosophy (Ph.D.) Degrees in Molecular Biology and Authorization to Submit the Program to the Coordinating Board for Approval (Catalog Change).--In order to advance to the forefront of research in molecular biology and to afford new opportunities to attack fundamental problems in society related to health, food production, and related technologies, the Board established a graduate program including Master of Arts (M.A.) and Doctor of Philosophy (Ph.D.) degrees in Molecular Biology at The University of Texas at Austin and authorized submission of the program to the Texas Higher Education Coordinating Board for review and appropriate action.

Existing faculty resources and the presence of six endowed academic positions will permit the University to provide a high quality program with present resources.

The program can be implemented with existing faculty and will require the addition of only four new courses. These courses will be team taught by faculty from related disciplines and will form the core curriculum for the new degree program.

As the program gains strength and visibility, the level of funding from federal and industrial sources will undoubtedly increase and will generate funds for equipment and student support. Funds have also been allocated to build a new Life Sciences Building which will aid greatly in the competition for research funding in the molecular biology field.

The graduate program in molecular biology will be implemented upon approval by the Coordinating Board and is consistent with U. T. Austin's Strategic Plan and approved Role and Scope Table of Programs.

Upon Coordinating Board approval, it was ordered that the next appropriate catalog published at U. T. Austin be amended to reflect this action.

3. U. T. Austin: Approval of Voluntary Student Services Fees Effective with the Fall Semester 1990 (Catalog Change).--The Academic Affairs Committee recommended and the Board approved the Voluntary Student Services Fees at The University of Texas at Austin to be effective with the Fall Semester 1990 as set forth below:

	1990-91 Fee	
	Academic Year	Spring Semester
Athletics	\$52.00	\$26.00
Athletics Dependent	64.00	32.00
Drama Department	12.00	6.00
Performing Arts	25.00	12.50
TSP Package*	33.50	29.25
<u>Cactus</u> Yearbook	28.50	28.50
<u>UTmost</u> Magazine	8.50	4.30
Official Directory	2.00	(not offered)
<u>Peregrinus</u> Yearbook	15.00	15.00
<u>Analecta</u> Literary Journal	3.50	3.50
<u>Polis</u> Magazine	4.00	2.00
Locker/Basket and Shower	8.00	4.00

\*TSP Package represents a reduced cost for purchase of Cactus, UTmost and the Official Directory.

All the fees remain unchanged from the previous year except the TSP Package which had an increase of \$1.00 due to higher costs of printing for the Cactus Yearbook.

It was ordered that the next appropriate catalog published at U. T. Austin be amended to include these changes.

4. U. T. Austin: Authorization to Increase the Compulsory Texas Union Fee Effective with the Fall Semester 1990 (Catalog Change).--Upon recommendation of the Academic Affairs Committee, the Board approved an increase in the compulsory Texas Union Fee at The University of Texas at Austin from \$23 per semester or summer session to \$28 per semester or summer session to be effective with the Fall Semester 1990. This fee, which will pay for significant repairs and rehabilitation in the Texas Union, will be reduced proportionally for students who register for less than twelve weeks during the summer session.

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

5. U. T. Austin: Establishment of the Harry Ransom Humanities Research Center Advisory Council (Regents' Rules and Regulations, Part One, Chapter VII, Section 3).--Pursuant to the Regents' Rules and Regulations, Part One, Chapter VII, Section 3, the Board established the Harry Ransom Humanities Research Center Advisory Council at The University of Texas at Austin with the understanding that initial nominees thereto will be submitted for approval at a future meeting.

The specific purposes of this 25 member advisory council will be to increase public awareness of the resources of the Harry Ransom Humanities Research Center and to enhance private funding support.

6. U. T. Austin: Approval of Memoranda of Agreement with Darnall U. S. Army Community Hospital, Fort Hood, Texas.--The Board, upon recommendation of the Academic Affairs Committee, approved the memoranda of agreement set out on Pages 33 - 42 by and between The University of Texas at Austin and Darnall U. S. Army Community Hospital, Fort Hood, Texas.

These agreements will allow selected graduate students in speech pathology and audiology in the College of Communication and in the School of Social Work to receive clinical training at the hospital.



REPLY TO  
ATTENTION OF

DEPARTMENT OF THE ARMY  
UNITED STATES ARMY MEDICAL DEPARTMENT ACTIVITY  
FORT HOOD, TEXAS 76544-5063



MEMORANDUM OF AGREEMENT  
BETWEEN  
DARNALL U.S. ARMY COMMUNITY HOSPITAL  
AND  
THE UNIVERSITY OF TEXAS AT AUSTIN

SUBJECT: Affiliation Agreement for the Acceptance, Appointment, and Clinical Assignment of University of Texas at Austin trainees by Darnall U.S. Army Community Hospital.

1. Purpose. To define the acceptance, appointment, and clinical assignment of trainees from The University of Texas at Austin by Darnall U.S. Army Community Hospital.
2. Reference. AR 351-3, Professional Training Programs of the Army Medical Department.
3. Problem.
  - a. The University of Texas at Austin, hereafter called educational institution, which is accredited by the Southern Association of Colleges and Universities conducts a program of training for post-graduate level social work students. The program is accredited by the National Association of Social Workers and leads to a Master of Social Work Degree. The program curriculum requires that the trainees obtain clinical learning experience.
  - b. The Darnall U.S. Army Community Hospital, Fort Hood, Texas, hereafter called the Army medical facility, conducts certain clinical activities in which trainees in the educational program, if allowed to participate, can obtain all or part of their required clinical learning experience.
  - c. An affiliation under this memorandum will benefit both parties by contributing to the educational preparation of a future supply of health care providers.
  - d. Trainees will be student volunteers under section 3111 of title 5, United States Code (5 USC 3111). They will not be Federal employees, but will be covered by 5 USC 8101-8151, relating to compensation for certain injuries, and by 28 USC 2671-2680 and 10 USC 1089, relating to tort claims.

e. Selection for this training will be made without regard to race, sex, color, religion, creed, national origin, lawful political or other affiliation, marital status, age (other than legal minimum age limitations), or physical handicap. Handicapped persons will not be provided benefits, service, or training that is different or separate from what is provided to others unless such action is required to provide equity. A qualified handicapped person will not otherwise be limited in the enjoyment of any right, privilege, advantage, or opportunity granted to others receiving the training and benefits of this agreement.

4. Scope. This agreement applies to not more than five trainees per semester and will not detract from the Army Medical Department's medical and training mission.

5. Understanding.

a. This agreement applies to not more than the one category of trainees described in paragraph 3a.

b. Affiliation under this agreement must not detract from the medical mission of the Army medical facility, or the education and training needs of Army Medical Department personnel.

c. There will be no payment of charges or fees between the parties to this agreement, and no payment of compensation by the United States to the trainees.

d. Insofar as the commander of the Army medical facility finds it consistent with his or her command's basic mission, the Army medical facility will--

(1) Screen prospective trainees to ascertain their qualifications and suitability and arrange for their appointment as student volunteers.

(2) Coordinate with the educational institutions to prevent conflict of schedules and activities during the clinical learning experience, and designate an appropriate point of contact for this purpose. This coordination involves--

(a) Planning with representatives of the educational institution.

(b) Orienting trainees and assigning them to specific clinical cases and experiences, including attendance at selected conferences, clinics, courses, and programs conducted by the Army medical facility.

(3) Retain responsibility for patient care in the facility and exercise supervision over trainees consistent with the facility's quality assurance program.

(4) Permit, on reasonable request, the inspection of clinical and related facilities by agencies charged with accreditation of the educational institution program.

(5) Notify the school of any intent to release a student.

e. The educational institution will--

(1) At least 30 days before the beginning of each training period, provide the names of the trainees eligible to be appointed, the dates and hours for which training is requested, and the clinical activities in which training is requested.

(2) Permit trainees to accept Federal appointment as student volunteers for the purpose of participating in clinical learning experiences, and provide such personal information on trainees as is necessary. Verify that they meet minimum age requirements of 18 years and, on request, certify that they are enrolled at least half-time in the educational institution's program. Ensure that trainees are available for completion of the appointment process before the training period begins.

(3) Notify the Army medical facility of a change in the enrollment status of any trainee.

(4) Designate an appropriate point of contact to coordinate trainee activities under this agreement.

(5) Provide and maintain the personnel records and reports necessary to document the trainees' clinical learning experience for the purpose of academic credit.

(6) Be responsible for such health and other medical examinations and protective measures as the commander of the Army medical facility deems necessary.

(7) Assist in the enforcement of such rules and regulations governing trainees as may be issued by the

commander of the Army medical facility and its host installation.

(8) Assist in enforcing the prohibition against the publication by trainees of any material related to the clinical learning experience that has not been reviewed and cleared by the Army medical facility to assure that--

- (a) No classified information is published.
- (b) Infringement of patients' rights to privacy is avoided.
- (c) Military procedures are completely accurate.

(9) Withdraw a trainee from participation in the clinical learning experience on written notice.

#### 6. Effective Period.

The terms of this agreement--

a. Will be effective on 1 January 1990 subject to approval by Health Services Command, and will continue in effect until terminated.

b. May be amended by the parties without referral to the approving authority only to incorporate changes required by Army Regulation 351-3.

#### 7. Termination

Either party may terminate the arrangements under this agreement by giving 30 days advance written notice of the effective date of termination. Except under unusual conditions, the notice will be given before the beginning of a training period. It is understood that the approving authority may terminate these arrangements at any time to meet the mission needs of the Army Medical Department.

The University of Texas  
at Austin

Darnall U.S. Army  
Community Hospital

By: *William H. Cunningham*  
William H. Cunningham  
President

By: *Robert G. Claypool*  
ROBERT G. CLAYPOOL  
Colonel, Medical Corps

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

Title: Commanding

Date: January 2, 1990

Date: November 10, 1989

FOR THE U.S. ARMY HEALTH SERVICES COMMAND:

Approved

By: \_\_\_\_\_

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

Date: \_\_\_\_\_

THE UNIVERSITY OF TEXAS SYSTEM:

FORM APPROVED:

CONTENT APPROVED:

*[Signature]*  
Office of General Counsel

*[Signature]*  
James P. Duncan  
Executive Vice Chancellor  
for Academic Affairs

CERTIFICATE OF APPROVAL

I hereby certify that the foregoing Agreement was approved by the Board of Regents of The University of Texas System on the 8th day of February, 1990, and that the person whose signature appears above is authorized to execute such agreement on behalf of the Board.

*[Signature]*  
Executive Secretary, Board of Regents  
The University of Texas System

ARTHUR H. DILLY

Agreement Number HSH-23-89

MEMORANDUM OF AGREEMENT  
BETWEEN  
DARNALL U.S. ARMY COMMUNITY HOSPITAL  
AND  
THE UNIVERSITY OF TEXAS AT AUSTIN, AUSTIN, TEXAS

SUBJECT: Affiliation Agreement for the Acceptance, Appointment, and Clinical Assignment of The University of Texas at Austin Trainees by Darnall U.S. Army Community Hospital.

1. Purpose. To define the acceptance, appointment, and clinical assignment of trainees from The University of Texas at Austin by Darnall U.S. Army Community Hospital.

2. Reference. AR 351-3, Professional Training Programs of the Army Medical Department.

3. Problem.

a. The University of Texas at Austin, hereafter called educational institution, which is accredited by The Southern Association of Colleges and Schools conducts a program of training for graduate level students in Speech/Language Pathology and Audiology. The program is accredited by the Educational Standards Board of the Board of Examiners in Speech/Language Pathology and Audiology and leads to a Masters Degree in Communication Science and Disorders. The program curriculum requires that the trainees obtain clinical learning experience.

b. The Darnall U.S. Army Community Hospital, Fort Hood, Texas, hereafter called the Army medical facility, conducts certain clinical activities in which trainees in the educational program, if allowed to participate, can obtain all or part of their required clinical learning experience.

c. An affiliation under this memorandum will benefit both parties by contributing to the educational preparation of a future supply of health care providers.

d. Trainees will be student volunteers under section 3111 of title 5, United States Code (5 USC 3111). They will not be Federal employees, but will be covered by 5 USC 8101-8151, relating to compensation for certain injuries, and by 28 USC 2671-2680 and 10 USC 1089, relating to tort claims.

e. Selection for this training will be made without regard to race, sex, color, religion, creed, national origin.

lawful political or other affiliation, marital status, age (other than legal minimum age limitations), or physical handicap. Handicapped persons will not be provided benefits, service, or training that is different or separate from what is provided to others unless such action is required to provide equity. A qualified handicapped person will not otherwise be limited in the enjoyment of any right, privilege, advantage, or opportunity granted to others receiving the training and benefits of this agreement.

4. Scope. This agreement applies to not more than one trainee per semester and will not detract from the Army Medical Department's medical and training mission.

5. Understanding.

a. This agreement applies to not more than one of the category of trainees described in paragraph 3a.

b. Affiliation under this agreement must not detract from the medical mission of the Army medical facility, or the education and training needs of Army Medical Department personnel.

c. There will be no payment of charges or fees between the parties to this agreement, and no payment of compensation by the United States to the trainees.

d. Insofar as the commander of the Army medical facility finds it consistent with his or her command's basic mission, the Army medical facility will--

(1) Screen prospective trainees to ascertain their qualifications and suitability and arrange for their appointment as student volunteers.

(2) Coordinate with the educational institution to prevent conflict of schedules and activities during the clinical learning experience, and designate an appropriate point of contact for this purpose. This coordination involves--

(a) Planning with representatives of the educational institution.

(b) Orienting trainees and assigning them to specific clinical cases and experiences, including attendance at selected conferences, clinics, courses, and programs conducted by the Army medical facility.

(3) Retain responsibility for patient care in the facility and exercise supervision over trainees consistent with the facility's quality assurance program.

(4) Permit, on reasonable request, the inspection of clinical and related facilities by agencies charged with accreditation of the educational institution program.

(5) Notify the school of any intent to release a student.

e. The educational institution will--

(1) At least 30 days before the beginning of each training period, provide the names of the trainees eligible to be appointed, the dates and hours for which training is requested, and the clinical activities in which training is requested.

(2) Permit trainees to accept Federal appointment as student volunteers for the purpose of participating in clinical learning experiences, and provide such personal information on trainees as is necessary. Verify that they meet minimum age requirements of 18 years and, on request, certify that they are enrolled at least half-time in the educational institution's program. Ensure that trainees are available for completion of the appointment process before the training period begins.

(3) Notify the Army medical facility of a change in the enrollment status of any trainee.

(4) Designate an appropriate point of contact to coordinate trainee activities under this agreement.

(5) Provide and maintain the personnel records and reports necessary to document the trainees' clinical learning experience for the purpose of academic credit.

(6) Be responsible for such health and other medical examinations and protective measures as the commander of the Army medical facility deems necessary.

(7) Assist in the enforcement of such rules and regulations governing trainees as may be issued by the commander of the Army medical facility and its host installation.

(8) Assist in enforcing the prohibition against the publication by trainees of any material related to the

clinical learning experience that has not been reviewed and cleared by the Army medical facility to assure that--

- (a) No classified information is published.
- (b) Infringement of patients' rights to privacy is avoided.
- (c) Military procedures are completely accurate.
- (9) A trainee is withdrawn from participation in the clinical learning experience on a written notice from the commander of the Army medical facility that further participation by the trainee is not desirable.

6. Effective Period.

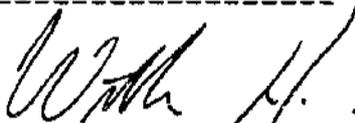
The terms of this agreement--

- a. Will be effective on September 1, 1989, subject to approval by Health Services Command, and will continue in effect until terminated.
- b. May be amended by the parties without referral to the approving authority only to incorporate changes required by Army Regulation 351-3.

7. Termination

Either party may terminate the arrangements under this agreement by giving 30 days advance written notice of the effective date of termination. Except under unusual conditions, the notice will be given before the beginning of a training period. It is understood that the approving authority may terminate these arrangements at any time to meet the mission needs of the Army Medical Department.

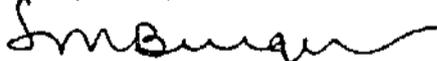
The University of Texas  
At Austin

By:   
William H. Cunningham  
President

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

Date: January 2, 1990

Darnall U.S. Army  
Community Hospital

By:   
LESLIE M. BURGER  
Colonel, Medical Corps

Title: Commanding

Date: 12 Jul 89

FOR THE U.S. ARMY HEALTH SERVICES COMMAND:

Approved [Signature]  
For by: T. R. Byrne, COL, MS

Title: Asst DCSRM

Date: 2 June 49

THE UNIVERSITY OF TEXAS SYSTEM:

FORM APPROVED:

[Signature]  
Office of General Counsel

CONTENT APPROVED:

[Signature]  
James P. Duncan  
Executive Vice Chancellor  
for Academic Affairs

CERTIFICATE OF APPROVAL

I hereby certify that the foregoing Agreement was approved by the Board of Regents of The University of Texas System on the 8th day of February, 1949, and that the person whose signature appears above is authorized to execute such agreement on behalf of the Board.

[Signature]  
Executive Secretary, Board of Regents  
The University of Texas System  
ARTHUR H. DILLY

7. U. T. Dallas: Authorization to Name Room 5.602 in the J. Erik Jonsson Center in the School of Management the Occidental Chemical Seminar Room (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings).-- In accordance with the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, relating to the naming of facilities other than buildings, the Board named Room 5.602 in the J. Erik Jonsson Center in the School of Management at The University of Texas at Dallas the Occidental Chemical Seminar Room.

The naming of this room is in recognition of a gift from Occidental Chemical Corporation, Dallas, Texas, to renovate, equip, and furnish the seminar room for the School of Management.

8. U. T. El Paso: Approval to Revise Parking Permit Classifications and Corresponding Fees Effective with the Fall Semester 1990 (Catalog Change).--In order to relieve parking congestion within controlled campus areas, the Board approved a revision of parking permit classifications and corresponding fees at The University of Texas at El Paso to be effective with the Fall Semester 1990 as set out below:

	<u>1990-91</u> <u>Fees</u> *
<u>Faculty/Staff Decals</u>	
Class O (reserved)	\$100.00
Class F (faculty)	N/A
Class F-I (faculty, inner lots)	50.00
Class F-P (faculty, perimeter lots)	30.00
Class F-R (faculty, remote lots)	10.00
Class S (staff)	N/A
Class S-I (staff, inner lots)	50.00
Class S-P (staff, perimeter lots)	30.00
Class S-R (staff, remote lots)	10.00
<u>Student Decals</u>	
Class A (all students)	N/A
Class A-P (students, perimeter lots)	20.00
Class A-R (students, remote lots)	10.00
Class M (motorcycles)	10.00
Class D (residence hall occupants)	No Charge
Class V (residents of UTEP Village)	No Charge
Class R (Share-A-Ride)	1.00
<u>Other</u>	
Class H (disabled)**	No Charge
Temporary-All Classes (one month only)	5.00
Replacement Decal	1.00

\*Parking permit fees are reduced if purchased in the spring semester or summer session.

\*\*If vehicle does not meet the requirements of Vernon's Annotated Texas Civil Statutes, Articles 6675a.5e and 6675a-5e.1, the annual fee is \$20.00.

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

9. U. T. Pan American: Authorization to Increase Residence Hall Room and Board and Meal Plan Rates Effective with the Fall Semester 1990 (Catalog Change).--Upon recommendation of the Academic Affairs Committee, the Board increased residence hall room and board and meal plan rates at The University of Texas - Pan American effective with the Fall Semester 1990 as set out below:

	<u>1990-91 Rates</u>
<u>Room and Board Rates Per Semester</u>	
Room and 10A Meal Plan	\$ 979.00
Room and 10B Meal Plan	1,034.00
Room and 15 Meal Plan	1,089.00
Room and 20 Meal Plan	1,144.00
<u>Room and Board Rates (Summer Session)</u>	
Room and 20 Meal Plan	440.00
<u>Room and Board--Other Fees</u>	
Installment Payment Fee	5.00
Delinquent Installment Fee	5.00
<u>Meals Only Rates Per Semester</u>	
10A Meal Plan	388.00
10B Meal Plan	410.00
15 Meal Plan	550.00
20 Meal Plan	605.00
<u>Meals Only Rates (Summer Session)</u>	
20 Meal Plan	240.00
<u>Meals Only--Other Fees</u>	
Installment Payment Fee	5.00
Delinquent Installment Fee	5.00
Change of Meal Plan Service Charge	3.00

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

10. U. T. Pan American: Establishment of Development Board and Approval of Initial Nominees Thereto (Regents' Rules and Regulations, Part One, Chapter VII, Section 2).--In accordance with the Regents' Rules and Regulations, Part One, Chapter VII, Section 2, the Board established a Development Board at The University of Texas - Pan American and approved initial nominees thereto.

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

11. U. T. System: Report by Executive Vice Chancellor for Academic Affairs Duncan on Role and Scope Tables of Programs.--At the conclusion of the Academic Affairs Committee meeting, Executive Vice Chancellor for Academic Affairs Duncan addressed the subject of role and scope tables of programs for all component institutions of The University of Texas System and a new legislatively mandated requirement for Texas Higher Education Coordinating Board review of these institutional tables at least every four years with involvement of the chairperson of the institution's Board of Regents. Executive Vice Chancellor Duncan distributed copies of current tables of programs and indicated that only minor editorial changes were needed in U. T. System tables for this first four-year review.

Executive Vice Chancellor Duncan noted that in the next few weeks U. T. System Administration would be preparing minor edits to the tables for all components and would circulate to all Board members the packet of edited tables for review and comment prior to Chairman Beecherl's certification of involvement and forwarding to the Coordinating Board.

Chairman Beecherl asked the Board members to address comments or questions to Executive Vice Chancellor Duncan or himself.

[A copy of Executive Vice Chancellor Duncan's handouts is on file in the Office of the Board of Regents.]

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE (Pages 46 - 117).--Committee Chairman Blanton reported that the Health Affairs Committee had met in open session to consider those items on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Health Affairs Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. System: Amendment to Article IV, Section 2 of the Plan for Professional Medical Liability Self-Insurance Effective Immediately.--Since a greater number of part-time and voluntary faculty are being utilized in the health-related component institutions to fulfill their mission of teaching, research, and patient care, the Board amended Section 2 of Article IV of The University of Texas System Professional Medical Liability Self-Insurance Plan effective immediately to read as set forth below:

Section 2. Medical staff members as defined in Article II, (a), (2) above shall become participants in the Plan upon written designation by the chief administrative officer of the health care institution with the concurrence of the Executive Vice Chancellor for Health Affairs.

Because many commercial professional liability insurers will not provide coverage for physicians who supervise physicians in training, it is prudent for the components to provide liability coverage for these volunteer and part-time staff physicians who provide highly specialized services to the components.

2. U. T. System: Authorization to Increase Premium Rates for Professional Medical Liability Self-Insurance Plan Effective September 1, 1990.--Following a brief discussion, authorization was granted to increase the institutional premium rates for The University of Texas System Professional Medical Liability Self-Insurance Plan effective September 1, 1990, as follows:

<u>Risk Class</u>	<u>Premium Rates</u>	
	<u>Staff</u>	<u>Resident</u>
1	\$ 2,508	\$ 1,680
2	4,200	2,784
3	7,152	4,764
4	11,628	7,740
5	19,320	12,840

This 10% increase in Self-Insurance Plan premiums will result in rates remaining well below those charged by commercial carriers and other self-insurance plans.

3. U. T. Southwestern Medical Center - Dallas: Appointment of Initial Holders - (a) Roger N. Rosenberg, M.D., to The Abe (Brunky), Morris, and William Zale Distinguished Professorship in Neurology, (b) Jonathan W. Uhr, M.D., to the Raymond and Ellen Willie Distinguished Chair in Cancer Research, in Honor of Laverne and Raymond Willie, Sr., and (c) Dr. Ellen S. Vitetta to The Scheryle Simmons Patigian Distinguished Chair in Cancer Immunobiology Effective Immediately.--The Board approved the following initial appointments to endowed academic positions at The University of Texas Southwestern Medical Center at Dallas effective immediately:

- a. Roger N. Rosenberg, M.D., Professor and Chairman of the Department of Neurology, to The Abe (Brunky), Morris, and William Zale Distinguished Professorship in Neurology

See Page 140 related to the establishment of this Professorship.

- b. Jonathan W. Uhr, M.D., Professor and Chairman of the Department of Microbiology and Professor of Internal Medicine, to the Raymond and Ellen Willie Distinguished Chair in Cancer Research, in Honor of Laverne and Raymond Willie, Sr.

See Page 140 related to the establishment of this Chair.

- c. Dr. Ellen S. Vitetta, Professor of Microbiology and Director of the Cancer Immunobiology Research Center, to The Scheryle Simmons Patigian Distinguished Chair in Cancer Immunobiology.

4. U. T. Southwestern Medical Center - Dallas: Approval of Revised Schedule of Parking Fees Effective with the Fall Semester 1990 (Catalog Change).--Approval was given to revise the schedule of parking fees at The University of Texas Southwestern Medical Center at Dallas effective with the Fall Semester 1990 as set out below:

<u>Location/Type Parking</u>	<u>1990-91 Fees</u>
<u>Garage 1; Lot 5</u>	
Faculty Reserved	\$300
Faculty/Administrative and Professional Staff	130
Clinical Faculty (non-paid)	5
<u>Garage 2; Lot 4</u>	
Staff (Allied Health Sciences School)	65
Students	30
<u>Lot 4</u>	
Students (Allied Health Sciences School)	30
Staff	35
Students	30

<u>Location/Type Parking</u>	<u>1990-91 Fees</u>
<u>Lot 1</u>	
Handicapped/Faculty (reserved)	\$300
Handicapped/Faculty (non-reserved)	130
Handicapped (w/o decal)	35
<u>Temporary Permits</u>	17

It was ordered that the next appropriate catalog published at the U. T. Southwestern Medical Center - Dallas be amended to conform to this action.

5. U. T. Medical Branch - Galveston: Roger D. Soloway, M.D., Appointed Initial Holder of the Marie B. Gale Professorship in Internal Medicine Effective December 7, 1989.-- Upon recommendation of the Health Affairs Committee, the Board appointed Roger D. Soloway, M.D., Director of the Division of Gastroenterology in the Department of Internal Medicine and Co-Director of the Lithotripsy Center, as initial holder of the Marie B. Gale Professorship in Internal Medicine at The University of Texas Medical Branch at Galveston effective December 7, 1989.
  
6. U. T. Health Science Center - Houston: Initial Appointments to Endowed Academic Positions - (a) Jorge D. Blanco, M.D., to the Dr. John T. Armstrong Professorship in Obstetrics and Gynecology and (b) M. Yusoff Dawood, M.D., to The Berel Held, M.D. Professorship in the Department of Obstetrics, Gynecology and Reproductive Sciences Effective Immediately.--The Board appointed the following individuals as initial holders of endowed academic positions at The University of Texas Health Science Center at Houston effective immediately:
  - a. Jorge D. Blanco, M.D., Professor in the Department of Obstetrics, Gynecology and Reproductive Sciences and Chief of Obstetrics and Gynecology at Lyndon B. Johnson General Hospital, to the Dr. John T. Armstrong Professorship in Obstetrics and Gynecology
  - b. M. Yusoff Dawood, M.D., Professor in the Department of Obstetrics, Gynecology and Reproductive Sciences, to The Berel Held, M.D. Professorship in the Department of Obstetrics, Gynecology and Reproductive Sciences.
  
7. U. T. Health Science Center - Houston (U. T. Nursing School - Houston): Authorization for an Administrative Reorganization to Establish the Departments of Nursing for Acute and Continuing Care, Nursing for Target Populations, and Nursing Systems and Technology and to Submit the Proposal to the Coordinating Board for Approval (Catalog Change).--Authorization was given to reorganize the administrative structure of the graduate and undergraduate faculty of the U. T. Nursing School - Houston at The University of Texas Health Science Center at

Houston and to establish the following three departments with each department being subdivided into four divisions:

Department of Nursing for Acute and Continuing Care

Department of Nursing for Target Populations

Department of Nursing Systems and Technology.

This administrative reorganization will involve neither the addition of new academic programs or courses nor require an increase in space or employees. Thus, no additional costs will be incurred.

Upon Coordinating Board approval, the next appropriate catalog published at the U. T. Health Science Center - Houston will be amended to conform to this action.

8. U. T. M.D. Anderson Cancer Center - M.D. Anderson Cancer Center Outreach Corporation (Outreach): Approval of (a) Business Plan; (b) Amendments to Articles of Incorporation; (c) Amendments to Bylaws; (d) Members of the Board of Directors; (e) Educational Affiliation Agreement; and (f) License and Sublicense Agreements.--At the April 1989 meeting, the U. T. Board of Regents approved the Articles of Incorporation and Bylaws of the M.D. Anderson Cancer Center Outreach Corporation (Outreach) on behalf of The University of Texas M.D. Anderson Cancer Center and directed that the Business Plan, contracts, agreements and similar documents incident to the operational status of Outreach be approved by the U. T. Board of Regents.

Following opening remarks by President LeMaistre and a detailed discussion, the Board, upon recommendation of the Health Affairs Committee:

- a. Approved the Business Plan of Outreach set forth on Pages 51 - 52
- b. Approved amendments to the Articles of Incorporation of Outreach on Pages 53 - 59 to:
  - (1) Insert the names of the four initial members of the Board of Directors (Article VI)
  - (2) Provide that all amendments to the Articles of Incorporation must have the prior approval of the U. T. Board of Regents (Article XIII).
- c. Approved amendments to the Bylaws of Outreach on Pages 60 - 73 to:
  - (1) Provide that all members of the Board of Directors must have the prior approval of the U. T. Board of Regents (Article II)
  - (2) Provide that all amendments to the Bylaws must have the prior approval of the U. T. Board of Regents (Article X)

- (3) Provide that an Advisory Board rather than being mandatory is discretionary (Articles II and VII).
- d. Approved the following named persons as initial members of the Board of Directors of Outreach:
- |     |                       |                |
|-----|-----------------------|----------------|
| (1) | Mr. Roy M. Huffington | Houston, Texas |
| (2) | Mr. Ben F. Love       | Houston, Texas |
| (3) | Mr. Randall Meyer     | Houston, Texas |
| (4) | Mr. W. Randolph Smith | Houston, Texas |
- e. Approved the Educational Affiliation Agreement in substantially the form set out on Pages 74 - 85 by and between U. T. M.D. Anderson Cancer Center and Orlando Cancer Center, Orlando, Florida
- f. Approved the License Agreement between the U. T. Board of Regents and Outreach in substantially the form set forth on Pages 86 - 97
- (1) Approved the Sublicense Agreement between Outreach and Orlando Cancer Center in substantially the form set out on Pages 98 - 107
- (2) Approved the Sublicense Agreement between Outreach and Hematology-Oncology Associates of Central Florida, Orlando, Florida, in substantially the form set forth on Pages 108 - 117
- (3) Approved the form of the Sublicense Agreement reflected in the agreement with Hematology-Oncology Associates of Central Florida for use with other physicians or groups that are contractually committed to provide services through Orlando Cancer Center and authorized execution of such agreements by the Executive Vice Chancellor for Health Affairs.

Vice Chancellor for Business Affairs Burck reported that the Business Plan had been carefully developed by the Administration of the U. T. M.D. Anderson Cancer Center assisted by the use of reputable health service consultants and ongoing consultation and advice from appropriate U. T. System Administration officials. There is agreement that the plan is operationally viable, provides a mechanism for that component to increase the scope and quality of cancer services to an expanded patient base, and will enhance institutionally generated income.

The Business Plan also reflects the corporate organization and related agreements which have been negotiated. It is the judgment of the Chancellor, Executive Vice Chancellor for Health Affairs, Vice Chancellor for Business Affairs, and Office of General Counsel, together with other officials of the U. T. System Administration and U. T. M.D. Anderson Cancer Center, that the not-for-profit corporate organization reflected in the Business Plan presents the organizational structure most advantageous to the success of the Outreach program.

ORLANDO CANCER CENTER, INC.

BUSINESS PLAN

Florida is one of the fastest growing states in the United States. Based on a detailed analysis of the demographic trends and forecasts at the county level, Central Florida (including the Orlando, Tampa, and West Palm Beach regions) is the area within Florida that is forecast to have the highest growth in absolute population and in percentage of population in excess of 55 years of age. The projected population in Florida for the year 1990 is 12.9 million people and the projected number of statewide new cancer cases in that year is approximately 64,000 cases. It is estimated that 54% of the 1990 population and 63% of the new cancer cases in 1990 will occur in the Central Florida region. These numbers and percentages are forecast to increase through the year 2000.

There are currently two major nonprofit medical institutions that serve the Orlando area, one of which is Orlando Regional Medical Center ("ORMC"). ORMC is a 1,045-bed nonprofit teaching hospital that currently has a cancer program approved by the American College of Surgeons.

M.D. Anderson Cancer Center Outreach Corporation ("Outreach") has determined to enter into a cooperative arrangement with ORMC through the organization of Orlando Cancer Center, Inc. ("OCC"). The purpose of the project will be to establish in a freestanding facility a comprehensive outpatient cancer care program in Orlando, which will be the exclusive Orlando outpatient cancer care program of Outreach and ORMC.

OCC will be organized as a Florida nonprofit corporation with two Members, Outreach and ORMC. Each of the Members will appoint 1/2 of the Board of Directors of OCC. The location of the OCC facility will be on the campus of ORMC.

The OCC facility will offer patients comprehensive outpatient cancer care services, including radiation therapy, chemotherapy, pharmacy, nursing, lab services, pathology, diagnostic radiology, and surgery. Pursuant to contract between Outreach and OCC, Outreach will provide, and receive compensation for the provision of, certain personnel to OCC, including the Medical Director, the Administrator, the Finance Director, and the Marketing Director. Pursuant to an Educational Affiliation Agreement between The University of Texas M.D. Anderson Cancer Center ("Anderson") and OCC, Anderson will provide a series of educational programs covering clinical oncology care and related topics. Pursuant to several license agreements, OCC (and its contracting physicians) will be authorized to use the mark "M.D. Anderson Cancer Center

Outreach Corporation," subject to approval of such use by the Board of Regents via the U.T. System Office of General Counsel.

The Members have provided for initial capitalization of \$1,200,000 and an additional capital commitment of \$1,000,000 if needed. OCC will be capitalized exclusively through moneys from ORMC; ORMC will provide its capital contribution in cash and will provide Outreach's capital contribution via ORMC's loan of such funds to OCC. Outreach's repayment obligation is limited to the withholding of a portion of OCC's distributions to Outreach. OCC will distribute periodically to the Members for their nonprofit purposes the excess of revenues over expenses.

Anticipated operational results, which are derived from detailed proforma projections, forecast annual distributions to Members for the first 7 years of operation as follows:

Year	<u>Annual Distributions to Members</u>	<u>Cumulative Distributions to Members</u>
1	\$2.1 million	\$ 2.1 million
2	\$4.0	\$ 6.1
3	\$2.7	\$ 8.8
4	\$4.0	\$12.8
5	\$4.3	\$17.0
6	\$5.2	\$22.2
7	\$6.3	\$28.5

In conclusion, the Central Florida market is a top priority location for the development of a cooperative cancer care program. The freestanding comprehensive outpatient cancer care program in Orlando, sponsored by ORMC and Outreach, builds on a solid foundation at ORMC and adds the oncologic expertise and reputation of Anderson. The development of such a program gives every indication of being both medically and economically feasible. The program as planned should provide an expanded quality of cancer care services to the citizens of Florida and, through Outreach, should provide additional funds on a targeted basis to assist the research and development needs at Anderson.

This Business Plan has been reviewed by the M.D. Anderson Cancer Center and U.T. System Office. A more detailed presentation will be made at the briefing of Regents at the Board's February meeting.

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Non-Profit



The State of Texas  
SECRETARY OF STATE

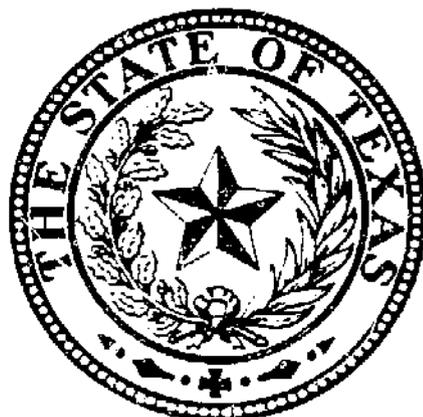
CERTIFICATE OF INCORPORATION  
OF

M.D. ANDERSON CANCER CENTER OUTREACH CORPORATION  
CHARTER NO. 1133805

The undersigned, as Secretary of State of the State of Texas, hereby certifies that Articles of Incorporation for the above corporation duly signed and verified pursuant to the provisions of the Texas Non-Profit Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY the undersigned, as such Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Incorporation and attaches hereto a copy of the Articles of Incorporation.

Dated NOVEMBER 21, 19 89



George S. Bayard Jr.  
Secretary of State

WJB

FILED  
In the Office of the  
Secretary of State of Texas

NOV 21 1989

ARTICLES OF INCORPORATION  
OF

Corporations Section

M.D. ANDERSON CANCER CENTER OUTREACH CORPORATION

I, the undersigned natural person, of the age of eighteen (18) years or more, acting as incorporator of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation (the "Corporation"):

ARTICLE I.

The name of the Corporation is M.D. ANDERSON CANCER CENTER OUTREACH CORPORATION.

ARTICLE II.

The Corporation is a non-profit corporation.

ARTICLE III.

The period of the Corporation's duration is perpetual.

ARTICLE IV.

The purposes for which the Corporation is organized and to be operated are charitable, educational, and scientific. In accomplishment of such purposes, the Corporation is to be administered solely for the benefit of The University of Texas M.D. Anderson Cancer Center (the "Beneficiary"), by providing, directly or indirectly, assistance and benefit, financial or otherwise, to the Beneficiary through whatever means are determined by the Board of Directors, including, but not limited to, making distributions or providing services to the Beneficiary. In accomplishment of such purposes, the Corporation will emphasize clinical, educational, and scientific aspects of cancer care throughout the United States and in foreign countries, and will

- (a) Establish and maintain comprehensive outpatient centers for cancer care, including without limitation general clinics and specialty clinics, offering ambulatory chemotherapy,

diagnostic radiology, therapeutic radiology, clinical and pathology laboratories, and pharmacy;

(b) Establish and maintain inpatient cancer centers in various settings (such as a unit in an acute-care facility or as a freestanding unit on an acute-care campus);

(c) Enter into co-operative agreements with local medical centers, providing institutional services with respect to inpatient care for cancer patients;

(d) Enter into educational agreements with local medical centers or other institutions to enhance the training of technicians and allied health professionals in the care of cancer patients;

(e) Enter into agreements with The University of Texas M.D. Anderson Cancer Center for the use of necessary or appropriate services, facilities, equipment, personnel, programs, names, service marks, trademarks, intellectual property, and such other items that would further the purposes of the Corporation;

(f) Establish and maintain programs, including educational programs and services for physicians, educational programs for the public, and marketing programs, for the purposes of generating and enhancing referrals with respect to the services and facilities offered by The University of Texas M.D. Anderson Cancer Center; and

(g) Perform such other activities or functions that the Board deems appropriate or necessary for the accomplishment of the purposes of the Corporation.

The broadest discretion is vested in and conferred upon the Board of Directors for the accomplishment of these purposes, provided, however, that no contribution shall be made or distributed to or for any person, firm, corporation, or other entity that shall apply, directly or indirectly, such contributed funds for any purpose or purposes in violation of the Constitution and statutes of the United States or the State of Texas.

If (a) the Beneficiary ceases to be an organization described in Section 509(a)(1) or 509(a)(2) of the Code or (b) the Beneficiary is dissolved or otherwise ceases to exist, the Board of Directors shall by written notice (evidencing at least a

majority determination of the Board of Directors) administer the Corporation for the sole benefit of The University of Texas System (the "First Substitute Beneficiary"). If (a) the First Substitute Beneficiary is not or thereafter ceases to be an organization described in Section 509(a)(1) or 509(a)(2) of the Code or (b) the First Substitute Beneficiary is dissolved or otherwise ceases to exist, the Board of Directors shall by written notice (evidencing at least a majority determination of the Board of Directors) administer the Corporation for the sole benefit of the State of Texas (the "Second Substitute Beneficiary").

#### ARTICLE V.

The street address of the initial registered office of the Corporation is 811 Dallas Avenue, Houston, Texas, 77002, and the name of its initial registered agent at such address is CT Corporation System.

#### ARTICLE VI.

The initial number of Board of Directors is four (4), and the names and addresses of the persons who are to serve initially as Directors are:

<u>Name</u>	<u>Address</u>
Mr. Randall Meyer	1100 Milam, Suite 4601 Houston, Texas 77002
Mr. W. Randolph Smith	3501 First City Tower 1001 Fannin Street Houston, Texas 77002-6760
Mr. Roy M. Huffington	Interfirst Plaza 1100 Louisiana, Suite 5107 Houston, Texas 77002
Mr. Ben F. Love	600 Travis, 61st Floor Houston, Texas 77002

ARTICLE VII.

The name and street address of the incorporator are:

<u>Name</u>	<u>Address</u>
Mr. Hugh C. Wilfong II	2800 First City Tower 1001 Fannin Street Houston, Texas 77002-6760

ARTICLE VIII.

Regardless of any other provisions of these Articles of Incorporation or the laws of the State of Texas, the Corporation shall not:

(1) Permit any part of the net earnings of the Corporation to inure to the benefit of any private individual (except that reasonable compensation may be paid for personal services rendered to or for the Corporation affecting one or more of its purposes);

(2) Devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise;

(3) Participate in, or intervene in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office; or

(4) Attempt to influence the outcome of any specific public election or to carry on, directly or indirectly, any voter registration drives.

ARTICLE IX.

If the Corporation is a private foundation within the meaning of Section 509(a) of the Code, the Corporation:

(1) Shall distribute its net income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code;

(2) Shall not engage in any act of self-dealing as defined in Section 4941(d) of the Code;

(3) Shall not retain any excess business holdings as defined in Section 4943(c) of the Code;

(4) Shall not make any investments in such manner as to subject it to tax under Section 4944 of the Code; and

(5) Shall not make any taxable expenditures as defined in Section 4945(d) of the Code.

#### ARTICLE X.

Upon the dissolution of the Corporation, after payment or provision for payment of the Corporation's liabilities has been made, the Corporation's remaining assets shall be distributed exclusively to the Beneficiary or to the First Substitute Beneficiary in the event the First Substitute Beneficiary is selected pursuant to the provisions of ARTICLE IV or to the Second Substitute Beneficiary in the event the Second Substitute Beneficiary is selected pursuant to the provisions of ARTICLE IV. The amount of any distribution made under this ARTICLE X shall be determined by the Board of Directors.

#### ARTICLE XI.

The Corporation shall indemnify (which indemnification shall include, without limitation, advancing reasonable expenses) any person who is or was a Director, officer, employee, or agent of the Corporation (or any person who is or was serving at the request of the Corporation as a Director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise) to the fullest extent required or permitted by applicable law. In addition, the Corporation shall have the power to indemnify (which indemnification shall include, without limitation, advancing reasonable expenses) to the fullest extent permitted by law such other persons as the Board of Directors may determine from time to time. The Corporation shall have the power to purchase and maintain at its expense insurance on behalf of such persons to the fullest extent permitted by applicable law, whether

or not the Corporation would have the power to indemnify such person under the foregoing provisions.

ARTICLE XII.

References to the "Code" in these Articles of Incorporation are references to sections of the Internal Revenue Code of 1986 and corresponding provisions of any subsequent federal tax laws.

ARTICLE XIII.

These Articles may be amended by the Member; provided, however, that any such amendment shall have received the prior approval of the Board of Regents of The University of Texas System.

IN WITNESS WHEREOF, I have hereunto set my hand this 20<sup>th</sup> day of November, 1989.

Hugh C. Wilfong II  
Mr. Hugh C. Wilfong II

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BYLAWS

OF

M.D. ANDERSON CANCER CENTER OUTREACH CORPORATION

ARTICLE I  
STRUCTURE, MEMBER, AND PURPOSES

Section 1. Structure. The M.D. Anderson Cancer Center Outreach Corporation (the "Corporation") is a nonprofit corporation organized under the laws of the State of Texas, which has a Member within the meaning of the Texas Non-Profit Corporation Act, Tex. Rev. Civ. Stat. Ann. Art. 1396 (the "Act"). The Articles of Incorporation of the Corporation (as amended from time to time, the "Articles of Incorporation") were filed in the office of the Secretary of the State of Texas on November 21, 1989.

Section 2. Member. The Member of the Corporation shall be the President, as exists from time to time and acting in his official capacity, of The University of Texas M.D. Anderson Cancer Center (the "Cancer Center") or any organization succeeding to the assets and liabilities of the Cancer Center. In the event that the title of President of the Cancer Center is abolished, the Member of the Corporation shall be the highest-ranking person in the administration of the Cancer Center organization. In the event that the Cancer Center ceases to do business, the Member of the Corporation shall be the Board of Regents of The University of Texas System.

Section 3. Purposes. The purposes for which the Corporation is organized and to be operated are charitable, educational, and scientific, and, in accomplishment of such purposes, the Corporation is to be administered solely for the benefit of the Cancer Center. The Corporation shall have, without limitation, the following purposes:

- (a) Establish and maintain comprehensive outpatient centers for cancer care, including without limitation general clinics and specialty clinics, offering ambulatory chemotherapy, diagnostic radiology, therapeutic radiology, clinical and pathology laboratories, and pharmacy;
- (b) Establish and maintain inpatient cancer centers in various settings (such as a unit in an acute-care facility or as a freestanding unit on an acute-care campus);

- (c) Enter into co-operative agreements with local medical centers, providing institutional services with respect to inpatient care for cancer patients;
- (d) Enter into educational agreements with local medical centers or other institutions to enhance the training of technicians and allied health professionals in the care of cancer patients;
- (e) Enter into agreements with The University of Texas M.D. Anderson Cancer Center for the use of necessary or appropriate services, facilities, equipment, personnel, programs, names, service marks, trademarks, intellectual property, and such other items that would further the purposes of the Corporation;
- (f) Establish and maintain programs, including educational programs and services for physicians, educational programs for the public, and marketing programs, for the purposes of generating and enhancing referrals with respect to the services and facilities offered by The University of Texas M.D. Anderson Cancer Center; and
- (g) Perform such other activities or functions that the Board deems appropriate or necessary for the accomplishment of the purposes of the Corporation.

ARTICLE II  
ACTION BY MEMBER

Section 1. Appointments. The Member shall appoint Directors of the Corporation in accordance with the provisions of Article IV, Section 3 of these Bylaws (the "Bylaws") and, if the Member determines to create an Advisory Board, certain Advisory Board members in accordance with the provisions of Article VII, Section 3 of these Bylaws; provided, however, that the Members's appointment of Directors of the Corporation shall be subject to the prior approval of such nominees by the Board of Regents of The University of Texas System.

Section 2. Other Actions by Member. The Member may remove from office at any time with or without cause any person appointed

by the Member to serve on the Board of Directors or on the Advisory Board.

Section 3. Annual Meeting of Member. The annual meeting of the Member shall be held at such time and place as shall be designated by the Member, or, if not so designated, on the \_\_\_\_\_ of the month of \_\_\_\_\_ of each year at the Corporation's registered office for the purpose of appointing Directors and certain Advisory Board members for the ensuing year and transacting such other business as may be properly brought before such annual meeting. No notice of such annual meetings shall be required.

Section 4. Special Meetings of Member. Special meetings of the Member shall be held whenever called by the Chairman of the Board, the Board of Directors, or the Member. Notice of special meetings shall be required. The Secretary shall give notice of each special meeting to the Member by delivering written notice to the Member either in person or by mail stating the place, day, and hour of the meeting and the purpose or purposes for which the meeting is called, not less than ten (10) days nor more than fifty (50) days before the date of the meeting.

Section 5. Voting. The Member may vote in person or by proxy executed in writing by the Member. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and unless otherwise made irrevocable by law.

Section 6. Conduct of Business. At meetings of the Member, matters pertaining to the Corporation's purposes shall be considered. The President of the Cancer Center, if present, shall preside as chairman at meetings of the Member; and in such individual's absence a chairman shall be chosen by the Member. The Member shall fix the rules and procedures for its meetings, keep regular minutes of its meetings, and cause such minutes to be recorded in books kept for that purpose in the principal office of the Corporation.

ARTICLE III  
OFFICES

Section 1. Principal Place of Business. The principal place of business of the Corporation shall be located at \_\_\_\_\_ . The Corporation may have such other offices, either within or without the State of Texas, as the Board of Directors may determine or as the affairs of the Corporation may require from time to time.

Section 2. Registered Office and Registered Agent. The Corporation shall have and continuously maintain in the State of Texas a registered office and a registered agent whose office is the Corporation's registered office, as required by the Act. The registered office may but need not be identical with the principal office of the Corporation in the State of Texas, and the address of the registered office may be changed from time to time by the Board of Directors in accordance with applicable law.

ARTICLE IV  
BOARD OF DIRECTORS

Section 1. Powers. The property, business, and affairs of the Corporation shall be managed and controlled by the Board of Directors, and subject to the restrictions imposed by law, the Articles of Incorporation, and these Bylaws, the Board of Directors shall exercise all of the powers of the Corporation.

Section 2. Number. The Board of Directors shall consist initially of the four (4) Directors named in the Articles of Incorporation of the Corporation initially filed with the Secretary of State of Texas. The number of Directors may be increased or decreased (provided such decrease does not have the effect of shortening the term of any incumbent Director) from time to time by amendment of the Bylaws in accordance with the provisions of Article X, provided that the number of Directors shall never be less than three (3).

Section 3. Appointment and Term. At its annual meeting, the Member shall appoint all Directors. Such appointments shall be effective on the date of the next Annual Meeting (as defined in Article IV, Section 7 of these Bylaws). Each person serving as a Director shall serve until the earlier to occur of (a) the next

Annual Meeting (as defined in Article IV, Section 7 of these Bylaws), or (b) such Director's death, resignation, or removal as provided in these Bylaws.

Section 4. Removal. Any Director may be removed from office at any time, with or without cause, by the Member.

Section 5. Vacancies. Any vacancy occurring in the office of a Director, whether by death, resignation, removal, increase in the number of Directors, or otherwise, shall be filled by the Member.

Section 6. Meetings of Directors. The Directors may hold meetings, maintain an office, and keep the Corporation's books and records at such place or places within or without the State of Texas as the Board of Directors may from time to time determine; provided, however, that in the absence of any such determination, such place shall be the Corporation's principal office in the State of Texas.

Section 7. Annual Meetings. The annual meeting of the Board of Directors ("Annual Meeting") shall be held at such time and place as shall be designated from time to time by resolution of the Board of Directors, or, if not so designated, on the second \_\_\_\_\_ of the month of \_\_\_\_\_ of each year at the Corporation's principal office for the purpose of (a) electing officers for the ensuing year, and (b) transacting such other business as may be properly brought before such Annual Meeting. Notice of Annual Meetings shall not be required.

Section 8. Regular Meetings. Regular meetings of the Board of Directors ("Regular Meetings") shall be held quarterly at such times and places as shall be designated from time to time by resolution of the Board of Directors. Notice of Regular Meetings shall be required.

Section 9. Special Meetings. Special meetings of the Board of Directors ("Special Meetings") shall be held at such times and places as shall be designated from time to time by the Chairman or, on the written request of any Director, by the Secretary or on the written request of the Member. Notice of Special Meetings shall be required.

Section 10. Notice of Meetings. The Secretary shall give notice of the time and place of each Regular and Special Meeting to each Director in person, or by mail, telegraph, or telephone, at least five (5) days before such meeting. Unless otherwise indicated in such notice, any and all matters pertaining to the Corporation's purposes may be considered and acted upon at such meeting. At any such meeting at which every Director shall be present even though without notice, any matter pertaining to the Corporation's purposes may be considered and acted upon.

Section 11. Quorum. A majority of the then acting Directors shall constitute a quorum for the consideration of any matters pertaining to the Corporation's purposes. If at any meeting of the Board of Directors there is less than a quorum present, a majority of those present may adjourn the meeting from time to time. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law, the Articles of Incorporation, or these Bylaws.

Section 12. Voting. A Director may vote in person or by proxy executed in writing by the Director. No proxy shall be valid after three (3) months from the date of its execution. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and unless otherwise made irrevocable by law.

Section 13. Conduct of Business. At meetings of the Board of Directors, matters pertaining to the Corporation's purposes shall be considered.

At all meetings of the Board of Directors, the Chairman of the Board shall preside, and in the absence of the Chairman of the Board, a chairman shall be chosen by the Board of Directors from among the Directors present.

The Secretary of the Corporation shall act as secretary of all meetings of the Board of Directors, but in the absence of the Secretary, the chairman may appoint any person to act as secretary of the meeting. The chairman of any meeting of the Board of Directors shall determine the order of business and the procedure at the meeting, including, without limitation, conduct of the discussion and the order of business.

Section 14. Compensation of Directors; Expenses. Persons serving as Directors shall not receive any salary or compensation for their services as Directors; provided, however, that nothing contained herein shall be construed as precluding any Director from receiving compensation in a reasonable amount for personal services rendered (other than services rendered as a Director) that are reasonable and necessary in carrying out the Corporation's purposes as the Board of Directors may from time to time determine. A Director shall be entitled to reimbursement for reasonable expenses incurred by him in carrying out his duties as a Director.

ARTICLE V  
COMMITTEES

Section 1. Board Committees. The Board of Directors may from time to time designate members of the Board of Directors to constitute committees that shall have and may exercise such powers as a majority of the Board of Directors may determine in the resolution that creates the committee. The Board of Directors may appoint individuals who are not members of the Board of Directors to any committee; provided, however, that a majority of the committee members shall be members of the Board of Directors if such committee exercises the authority of the Board of Directors in the management of the Corporation.

Other committees, not having and exercising the authority of the Board of Directors in the management of the Corporation, may be designated and members appointed by a resolution adopted by the Board of Directors. Membership of such committees may, but need not, be limited to Directors.

Section 2. Procedures; Meetings; Quorum. Any committee created by the Board of Directors or these Bylaws, unless otherwise expressly provided herein, shall (a) have a chairman designated by the Board of Directors, (b) fix its own rules or procedures, (c) meet at such times and at such place or places as may be provided by such rules or by resolution of such committee or resolution of the Board of Directors, and (d) keep regular minutes of its meetings and cause such minutes to be recorded in books kept for that purpose in the principal office of the Corporation, and report the same to the Board of Directors at its next succeeding meeting. At every meeting of any such committee, the presence of a majority of all the members thereof shall constitute a quorum, and the

affirmative vote of a majority of the members present shall be necessary for the adoption by it of any action, unless otherwise expressly provided in the committee's rules or procedures or these Bylaws or by the Board of Directors.

The Board of Directors may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting of such committee and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint the designated alternate Director to act at that meeting in the place of the absent or disqualified member.

#### ARTICLE VI OFFICERS

Section 1. Number, Titles, and Term of Office. The officers of the Corporation shall consist of a Chairman of the Board, a President, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers and assistant officers as the Board of Directors may from time to time elect or appoint. Such other officers and assistant officers shall have such authority and responsibility as may be assigned to them by the Board of Directors. Any two (2) or more offices may be held by the same individual, except the offices of President and Secretary. Except for those officers elected pursuant to the Unanimous Consent of Directors in Lieu of Organizational Meeting (the "Organization Consent"), the term of office for each officer shall be until the next succeeding Annual Meeting at which officers are elected. The term of office for those officers elected pursuant to the Organization Consent shall be that period of time beginning on the date of the Organization Consent and ending on the date of the first Annual Meeting. In any event, a duly-elected officer shall serve in the office to which he or she is elected until his or her successor has been duly elected and qualified.

Section 2. Removal. Any officer or agent or member of a committee elected or appointed by the Board of Directors may be removed by the Board of Directors, but such removal shall be without prejudice to the contract rights, if any, of the individual

so removed. Election or appointment of an officer or agent or member of a committee shall not of itself create contract rights.

Section 3. Vacancies. Any vacancy occurring in any office of the Corporation may be filled by the Board of Directors.

Section 4. Powers and Duties of the Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Board of Directors and the Advisory Board and shall have such other powers and duties as may be assigned to such officer in these Bylaws or from time to time by the Board of Directors. The Chairman of the Board shall be appointed by the Member.

Section 5. Powers and Duties of the President. The President shall be the Chief Executive Officer of the Corporation. Subject to the control of the Board of Directors, the President shall have general executive charge, management, and control of the properties, business, and operations of the Corporation with all such powers as may be reasonably incident to such responsibilities; shall have the authority to agree upon and execute all leases, contracts, evidences of indebtedness, and other obligations in the name of the Corporation subject to the approval of the Board of Directors and the Executive Committee; and shall have such other powers and duties as may be designated in these Bylaws and as may be assigned to such officer from time to time by the Board of Directors.

Section 6. Powers and Duties of a Vice President. Each Vice President shall have such powers and duties as may be assigned to such officer by the Board of Directors including the performance of the duties of the President upon the death, absence, or resignation of the President or upon the President's inability to perform the duties of such office. Any action taken by a Vice President in the performance of the duties of the President shall be conclusive evidence of the absence or inability to act of the President at the time such action was taken.

Section 7. Powers and Duties of the Treasurer. The Treasurer shall have custody of all of the Corporation's funds and securities that come into such officer's hands. When necessary or proper, the Treasurer may endorse or cause to be endorsed, in the name and on behalf of the Corporation, checks, notes, and other obligations for collection and shall deposit or cause to be deposited the same to the credit of the Corporation in such bank or banks or depositories

and in such manner as shall be designated and prescribed by the Board of Directors; may sign or cause to be signed all receipts and vouchers for payments made to the Corporation either alone or jointly with such other officer as may be designated by the Board of Directors; whenever required by the Board of Directors, shall render or cause to be rendered a statement of the cash account; shall enter or cause to be entered regularly in the Corporation's books to be kept by such officer for that purpose full and accurate accounts of all moneys received and paid out on account of the Corporation; shall perform all acts incident to the position of Treasurer subject to the control of the Board of Directors; and shall, if required by the Board of Directors, give such bond for the faithful discharge of such officer's duties in such form as the Board of Directors may require.

Section 8. Powers and Duties of the Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors in books provided for that purpose; shall attend to the giving and serving of all notices; in furtherance of the Corporation's purposes and subject to the limitations contained in the Articles of Incorporation, may sign with the President in the name and on behalf of the Corporation and/or attest the signatures thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes, and other instruments of the Corporation; shall have charge of the Corporation's books, records, documents, and instruments, except the books of account and financial records and securities of which the Treasurer shall have custody and charge, and such other books and papers as the Board of Directors may direct, all of which shall be open at reasonable times to the inspection of any Director upon application at the Corporation's office during business hours; and shall in general perform all duties incident to the office of Secretary subject to the control of the Board of Directors.

#### ARTICLE VII ADVISORY BOARD

Section 1. Powers. The Corporation may have an advisory board (the "Advisory Board"). If an Advisory Board is created by the Member, the following provisions of Article VII shall govern the operation of the Advisory Board. The Advisory Board shall, upon the request of the Board of Directors, advise and assist the

Board of Directors on such matters as the Board of Directors may designate.

Section 2. Number. The Advisory Board shall consist of such persons appointed to the Advisory Board from time to time by the Member. The number of Advisory Board members may be increased or decreased from time to time by the Member; provided that any such decrease or increase shall be in accordance with the provisions of applicable law, and provided further, to the extent practicable and allowable by applicable law.

Section 3. Appointment. The Member shall appoint persons to the Advisory Board.

Section 4. Term. All members of the Advisory Board shall be classified, with respect to the time for which they severally hold office, into three classes as nearly as equal in number as possible. The first class shall be originally appointed for a term expiring at the Annual Meeting next following the Member's creation of the Advisory Board, the second class shall be originally elected for a term expiring at the next following Annual Meeting, and the third class shall be originally elected for a term expiring at the next following Annual Meeting, with Advisory Board members of each class to hold office in any event until their successors have been elected or appointed and qualified, or until their earlier death, resignation, or removal.

Section 5. Removal. Any Advisory Board member may be removed at any time, with or without cause, by the Member.

Section 6. Vacancy. Any vacancy occurring in the Advisory Board shall be filled by the Member.

Section 7. Meetings. The Advisory Board may hold meetings at such time and place as the Advisory Board may from time to time determine; provided, however, in the absence of such determination, such place shall be the Corporation's principal office in the State of Texas.

Section 8. Notice of Meetings. The Secretary shall give notice to Advisory Board members of the time and place of each Advisory Board meeting as far in advance as practicable before such meeting. Unless otherwise indicated in such notice, any and all matters pertaining to the Advisory Board's purposes may be

considered and acted upon at such meeting. At any meeting at which every Advisory Board member shall be present even though without notice, any matter pertaining to the Advisory Board's purposes may be considered and acted upon.

Section 9. Quorum. A majority of the then acting Advisory Board members shall constitute a quorum for the consideration of any matters pertaining to the Advisory Board's purposes. If at any meeting of the Advisory Board there is less than a quorum present, a majority of those present may adjourn the meeting from time to time.

Section 10. Voting. An Advisory Board member may vote in person or by proxy executed in writing by such individual.

Section 11. Conduct of Business. Unless the Member designates a chairman of the Advisory Board, the Chairman of the Board of Directors shall act as chairman of all meetings of the Advisory Board at which such individual is present; in the absence of a chairman designated by the Member and the Chairman of the Board of Directors, a chairman shall be chosen from among the Advisory Board members present. The chairman of any meeting of the Advisory Board shall determine the order of business and the procedure at the meeting, including, without limitation, conduct of the discussion and the order of business. The Advisory Board shall keep regular minutes of all its meetings and cause such minutes to be recorded in books kept for that purpose in the principal office of the Corporation, and shall report the same to the Board of Directors at its next succeeding meeting.

Members of the Board of Directors shall be invited to attend all meetings of the Advisory Board.

#### ARTICLE VIII MISCELLANEOUS PROVISIONS

Section 1. Fiscal Year. The Corporation's fiscal year shall be as determined from time to time by the Board of Directors.

Section 2. Seal. The Corporation's seal, if any, shall be such as may be approved from time to time by the Board of Directors.

Section 3. Notice and Waiver of Notice. Whenever any notice is required to be given by mail under the provisions of these Bylaws, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed postpaid wrapper addressed to the person or Member entitled thereto at such person's post office address, as such appears in the records of the Corporation, and such notice shall be deemed to have been given on the date of such mailing. A waiver of notice in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to notice.

Section 4. Resignations. Any Director or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the President or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 5. Action Without a Meeting by Member, Directors, or Committees; Telephone Meetings. Any action required by law or these Bylaws to be taken at a meeting of the Member, the Board of Directors, or any committee, or any action which may be taken at a meeting of the Member, the Board of Directors, or of any committee thereof may be taken without such a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all of the Member, Directors, or members of the committee, as the case may be. Such consent shall have the same force and effect as a unanimous vote at a meeting, and may be stated as such in any document or instrument filed with the Secretary of State. Subject to the requirements of law for notice of meetings, unless otherwise restricted by the Articles of Incorporation or these Bylaws, Member, members of the Board of Directors, or members of any committee may participate in and hold a meeting of such Member, Board of Directors, or committee, as the case may be, by means of a conference telephone, or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such meeting shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

ARTICLE IX  
INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Corporation shall indemnify (which indemnification shall include, without limitation, advancing reasonable expenses) any person who is or was a Director, officer, employee, or agent of the Corporation (or any person who is or was serving at the request of the Corporation as a Director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise) to the fullest extent required or permitted by applicable law. In addition, the Corporation shall have the power to indemnify (which indemnification shall include, without limitation, advancing reasonable expenses) to the fullest extent permitted by law such other persons as the Board of Directors may determine from time to time. The Corporation shall have the power to purchase and maintain at its expense insurance on behalf of such persons to the fullest extent permitted by applicable law, whether or not the Corporation would have the power to indemnify such person under the foregoing provisions.

ARTICLE X  
AMENDMENTS

These Bylaws may be altered, amended, or repealed by the Member at any annual meeting of the Member, or at any special meeting of the Member if notice of the proposed amendment is contained in the notice of such special meeting of the Member; provided, however, that any such alteration, amendment, or repeal shall have received the prior approval of the Board of Regents of The University of Texas System.

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EDUCATIONAL AFFILIATION AGREEMENT

THE STATE OF TEXAS

COUNTY OF HARRIS

This AGREEMENT made and entered into this \_\_ day of \_\_\_\_\_, 19\_\_ by and between the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM ("Board"), a State agency duly authorized to execute this Agreement, for and primarily in behalf of the UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER in Houston ("Anderson"), and ORLANDO CANCER CENTER ("Center").

WITNESSETH:

WHEREAS, in recognition of contemporary trends in medicine and future scientific advancements, Anderson and Center agree on the desirability of establishing a closer working relationship between the two institutions, who share a common commitment for a program of excellence in cancer prevention, treatment, education and research; and

WHEREAS, Center periodically desires to provide for its staff unique health care related educational experiences; and

WHEREAS, Anderson is committed to obtaining highly skilled health care personnel and to providing them with opportunities to participate in professional education and training programs; and

WHEREAS, to accomplish such objectives, the parties seek to establish an educational program for Center's health care professionals,

NOW THEREFORE, in consideration of the mutual covenants herein Anderson and Center agree as follows:

1. Anderson Obligations.

Anderson agrees to provide a series of educational programs, at a site in or near Orlando, Florida provided by the Center, covering clinical oncology care and related topics. It is anticipated that such programs will be presented approximately every three weeks during the year, with an estimated total number of fifteen (15) presentations per year. The topics to be covered in such programs will vary throughout the year and, during a multiyear cycle, will include the full array of cancer care issues and specialty areas. An illustrative set of topical areas to be presented is appended to this Agreement as Attachment "A." The actual schedule of topical presentations will be finalized and implemented through routine administrative mechanisms and letters of agreement between the designated representatives of Anderson (Vice President for Academic Affairs) and the Center (Medical Director). To ensure orderly planning, scheduling and promoting of such

presentations, the respective representatives must agree on (a) the presentation topic, (b) the individual speaker, and (c) the specific time and date for each presentation at least sixty (60) days in advance of the event. Except for certain acts to be performed by Board and Anderson pursuant to express provisions of this Agreement, Board hereby authorizes Anderson to furnish the personnel for the educational programs referenced in Paragraph 1 and as illustrated in Attachment "A."

2. Center Obligations.

The costs associated with the provision of these educational services will be paid by the Center to Anderson on a cost reimbursement basis. The Center will pay directly to Anderson (a) all reasonable travel expenses incurred by Anderson staff in the provision of services listed under Paragraph 1 above; (b) costs associated with duplication of materials for handouts to attendees and related type expenses; and (c) a specified amount per program to defray the cost of Anderson staff. Reasonable travel expenses shall be defined the same as Anderson Travel Policies and Procedures, as funded under the Designated Funds category. Payments shall be made by the Center to Anderson after receipt of a signed Anderson invoice and verification of delivery by Center personnel. The reimbursement amounts and the annual total cost of all programs provided under this Agreement shall be consistent with the Program Budget specified in Attachment "B." To reflect future cost changes and other operational factors affecting reimbursement, the parties may renegotiate the amounts specified in Attachment "B" before an automatic annual renewal of this Agreement; any such revisions to Attachment "B" shall

become effective on the renewal date and shall not otherwise alter the contents of the Agreement.

3. Dispute Resolution.

If any aspect of this Agreement becomes unsatisfactory to either party, a Joint Committee composed of the Center Medical Director, the Center Chief of Staff and the Anderson Vice President for Academic Affairs, shall be responsible for discussing and resolving the questions involved. The Joint Committee shall submit written recommendations to the authorities in each institution as to how an issue will be resolved. If the Joint Committee concludes that the Agreement should be amended or terminated, any such amendment or termination date must be mutually accepted by both parties in order to become effective. Such amendment or termination must be set forth in writing and signed by both parties.

4. Amendments.

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 Board.

5. Oral Representations.

No oral representations of any officer, agent, or employee of the parties, either before or after the effective date of this Agreement, shall effect or modify any obligations of either party hereunder.

6. Term and Termination.

a. Term.

This Agreement shall not become effective unless and until approved by Board. 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 of execution.

b. Termination.

- (1) After the initial one (1) year term, this Agreement may be renewed automatically from year to year unless one party shall have given ninety (90) days prior written notice of its intention to terminate this Agreement. If such notice is given, this Agreement shall terminate on the last day of the notice period.
- (2) This Agreement may be terminated in writing pursuant to a Joint Committee recommendation as set forth in Paragraph 3.
- (3) Notwithstanding any other provision herein, this Agreement shall automatically terminate upon the termination of any of the following agreements:
  - (a) Center Members' Agreement;
  - (b) Agreement for Personnel to be provided by M. D. Anderson Cancer Center Outreach Corporation to Orlando Cancer Center, Inc.; or
  - (c) Center - Outreach License Agreement

7. Use of Name.

Neither party shall release, publish, or otherwise distribute information containing the name of the other party or any of its employees without prior written approval by an authorized representative of the non-releasing party, said approval not to be unreasonably withheld. For purposes of this Agreement, the authorized representative of the Board and Anderson shall be the President of Anderson or his designee, and the authorized representative for the Center shall be Center's Chairman of the Board, or his designee.

8. Miscellaneous Provisions.

a. Governing Law.

This Agreement shall be executed and delivered in, and shall be interpreted and enforced pursuant to and in accordance with, the laws of the State of Texas. All duties and obligations of the parties are performable in Harris County, Texas and Harris County, Texas shall be the exclusive venue for any litigation, special proceeding, or other proceeding as between the parties that may be brought, or arise out of, or in connection with, or by reason of this Agreement.

b. Notice.

Any notice, demand or communication required or permitted herein shall be deemed effective when personally delivered or mailed by prepaid certified mail, return receipt requested, addressed as follows:

For Anderson: Mr. David J. Bachrach  
Executive Vice President for  
Administration & Finance  
U.T.M.D. Anderson Cancer Center  
1515 Holcombe Blvd., Box 104  
Houston, Texas 77030

For Center: Mr. John Hillenmeyer  
Chairman  
Orlando Cancer Center  
1414 South Kuhl Avenue  
Orlando, Florida 32806-2093

Either party may change such addresses from time to time by notifying the other party as to the specific change.

c. Assignment.

This Agreement shall be binding on and shall inure to the benefit 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 of 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.

d. Severability.

In the event any provision of this Agreement is held to be invalid, illegal, or unenforceable for any reason and in any respect, such invalidity, illegality, or unenforceability shall in no event effect, prejudice, or disturb the validity of the remainder of this Agreement, which shall be and remain in full force and effect in accordance with its terms.

e. Paragraphs: Headings.

The division of this Agreement into paragraphs, sections, and subsections and the use of captions and headings in connection therewith are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives this \_\_ day of \_\_\_\_\_, 19\_\_.

ATTEST:

THE UNIVERSITY OF TEXAS M. D.  
ANDERSON CANCER CENTER

\_\_\_\_\_  
(Title)

By: \_\_\_\_\_  
President

ATTEST:

ORLANDO CANCER CENTER

\_\_\_\_\_  
(Title)

By: \_\_\_\_\_  
(Title)

FORM APPROVED:

CONTENT APPROVED:

\_\_\_\_\_  
General Counsel  
University of Texas System

\_\_\_\_\_  
Office of the Chancellor  
University of Texas System

### CERTIFICATE OF APPROVAL

I hereby certify that the foregoing Agreement was approved by the Board of Regents of the University of Texas System on the \_\_ day of \_\_\_\_\_, 19\_\_.

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

## ATTACHMENT "A"

### Illustrative Continuing Medical Education Program Topics

The following topical listing of programs is organized around areas of physician specialty at Anderson. Further detail on each area of specialty can be found in the following documents:

1. "The University of Texas M. D. Anderson Cancer Center - Guide For Referring Physicians - 1989-1990";
2. "The University of Texas M. D. Anderson Cancer Center - Office of Patient Care Annual Report - 1987-1988"; and
3. "Research Report 1989, The University of Texas M. D. Anderson Cancer Center".

Copies of these documents, and future updates of these or related documents, are incorporated by reference into this agreement. This topical listing is meant to be illustrative of the types of programs that will be available.

It is anticipated that approximately fifteen (15) programs will be presented during a twelve month period, or one program every three weeks. Specific program topics, speakers, and logistics will be agreed to by the Anderson representative (Vice President for Academic Affairs) and the Orlando Cancer Center representative (Medical Director) at least sixty (60) days in advance of the event. This list of programs is subject to change, and the availability of any individual speaker is subject to future written program-specific agreements.

The primary thrust of all topical presentations will focus on the clinical diagnosis and treatment methods of the specific oncologic disease(s), and current clinical research activities being undertaken at various sites including M. D. Anderson Cancer Center.

#### DIVISION OF SURGERY

##### General Surgery

- Breast Tumors
- Gastrointestinal Tumors
- Liver Tumors
- Skin Tumors
- Bone Tumors
- Endocrine Tumors
- Soft Tissue Tumors

##### Gynecological Surgery

##### Head and Neck Surgery

- Head and Neck Tumors
- Neurosurgery

Plastic and Reconstructive Surgery  
Thoracic Surgery  
Lung Malignancies  
Esophageal Malignancies  
Other Thoracic Malignancies  
Urologic Surgery  
Genitourinary Cancers  
Urinary Tract Tumors  
Male Reproductive System Tumors  
Anesthesiology  
Dental Oncology

#### DIVISION OF MEDICINE

Clinical Immunology and Biological Therapy  
Hematology  
Adult Leukemia Research Program  
Bone Marrow Transplantation  
Clinical Studies  
General Hematology  
Experimental Hematology  
Leukemia  
Lymphoma  
Molecular Hematology  
Pheresis Services  
Medical Oncology  
Breast Medical Oncology  
Community Oncology  
Digestive Diseases and Gastrointestinal Oncology  
General Oncology  
Genitourinary Oncology  
Gynecologic Medical Oncology  
Melanoma/Sarcoma  
Pharmacology  
Medical Specialties  
Cardiopulmonary  
Endocrinology  
Infectious Diseases  
General Internal Medicine  
Rehabilitation Medicine  
Neuro-Oncology  
Central Nervous System Tumors  
Brain Tumors  
Neuropsychology  
Neuropsychiatry  
Pain Control

#### DIVISION OF RADIOTHERAPY

Clinical Radiotherapy  
Breast Radiotherapy  
Gastrointestinal and Genitourinary Radiotherapy  
Gynecological Radiotherapy  
Head and Neck Radiotherapy  
Lung Radiotherapy  
Lymphoma/Total Body Irradiation  
Neutrons  
Pediatrics/Central Nervous System/Soft Tissue Sarcoma  
Experimental Radiotherapy  
Radiation Physics

**DIVISION OF DIAGNOSTIC IMAGING**

Diagnostic Radiology  
Angiography/Interventional Radiology  
Metabolic and Experimental Radiology  
Computed Tomography  
Gastrointestinal Radiology  
Head and Neck Radiology  
Lymphangiography  
Mammographic Radiology  
Neuroradiology  
Orthopedic Radiology  
Pediatric Radiology  
Pulmonary Radiology  
Ultrasound  
Nuclear Medicine

**DIVISION OF LABORATORY MEDICINE**

Laboratory Medicine  
Clinical Chemistry  
Clinical Microbiology and Infection Control Service  
Cytogenetics Laboratory  
General Services  
Laboratory Hematology and Blood Bank

**DIVISION OF PATHOLOGY**

Anatomic Pathology  
Cytopathology  
Flow Cytometry  
Hematopathology  
Immunocytochemistry  
Neuropathology  
Pathogenics  
Surgical Pathology  
Molecular Pathology

**DIVISION OF PEDIATRICS**

Clinical Pediatrics  
Experimental Pediatrics

**DIVISION OF CANCER PREVENTION**

Cancer Prevention and Control

**OFFICE OF RESEARCH**

Fundamental Cancer Research

**DIVISION OF NURSING**

Clinical Nursing Support

**DIVISION OF PHARMACY**

Clinical Pharmacy Support

ATTACHMENT "B"

Educational Affiliation Agreement - Program Budget

The following budget is an estimate of the likely costs associated with the implementation of this education affiliation program over a twelve month period, assuming a maximum of fifteen (15) presentations during the year. The Orlando Cancer Center agrees to pay Anderson no more than \$30,000 per year for these services. The actual cost to the Center shall be based on the actual cost per presentation, consistent with the following budget:

1.	Travel Expenses:		
	Number of Persons Traveling =		1
	Airfare Roundtrip	758.00	
	Ground Transportation	120.00	
	Hotel (2 nights)	250.00	
	Per Diem (2 days)	100.00	
	Miscellaneous	<u>22.00</u>	
	Total Travel Expense Per Program		1,250.00
2.	Handout Materials for Attendees		
	Duplication	100.00	
	Miscellaneous	<u>50.00</u>	
	Total Materials Expense Per Program		150.00
3.	Reimbursement to Anderson for Professional Staff Time	600.00	
	TOTAL COST PER PROGRAM		\$2,000.00

Payments shall be made by the Center to Anderson after receipt of a signed Anderson invoice and verification of service delivery by Center personnel. Each invoice shall cover the costs associated with one or more programs, with costs specified by the above budget categories and specific program.

DRAFT OF December 28, 1989

LICENSE Agreement

This License Agreement ("Agreement") is entered into effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 1989, between the parties hereto, who agree as follows in consideration of the mutual promises contained herein:

1. PARTIES

- 1.1 The Board of Regents of The University of Texas System (hereinafter referred to as BOARD OF REGENTS) has its principal office at 201 West 7th Street, Austin, Texas 78701.
- 1.2 M. D. Anderson Cancer Center Outreach Corporation (hereinafter referred to as LICENSEE) has a principal place of business at 1515 Holcombe, Houston, Texas 77030.
- 1.3 BOARD OF REGENTS and LICENSEE are the parties to this Agreement.

2. BACKGROUND

- 2.1 BOARD OF REGENTS owns rights in certain marks now and previously used by THE UNIVERSITY OF TEXAS SYSTEM and/or component institutions thereof identified in Attachment A hereto, and has acquired public recognition and goodwill through the use of such marks.
- 2.2 LICENSEE recognizes the goodwill appurtenant to use of the marks

and desires to obtain a nonexclusive license to utilize such marks. BOARD OF REGENTS is willing to grant such a license under the terms and conditions of this Agreement.

3. **DEFINITIONS**

- 3.1 MARKS include trademarks and service marks.
- 3.2 LICENSED MARKS means those marks listed in Attachment A, including common law rights, as well as any applications for registration which may be filed by BOARD OF REGENTS or registrations which may be issued to BOARD OF REGENTS covering such marks, whether state or federal.
- 3.3 LICENSED SERVICES means those services specified in Attachment B hereto in connection with which any of the LICENSED MARKS are used.
- 3.4 TERM means the effective period of this Agreement, which shall commence on the EFFECTIVE DATE and which shall terminate, upon the earliest termination of any of the following Agreements:
  - a. Orlando Cancer Center Members Agreement,
  - b. Agreement for Personnel to be provided by M. D. Anderson Cancer Center Outreach Corporation to Orlando Cancer Center, Inc., and

- c. Educational Affiliation Agreement between The University of Texas M. D. Anderson Cancer Center and Orlando Cancer Center, Inc.

3.5 QUALITY means an acceptable level of quality to BOARD OF REGENTS.

4. LICENSE GRANT

Subject to the terms and conditions of this Agreement, BOARD OF REGENTS grants to LICENSEE the nonexclusive right and license to utilize the LICENSED MARKS during the TERM hereof: (a) solely in connection with the LICENSED SERVICES of QUALITY of its joint undertaking with Orlando Regional Medical Center of Orlando, Florida; and (b) with advertising and promotional material elsewhere to the extent appropriate to the provision of services through the Orlando Cancer Center in Orlando, Florida.

5. DEFAULT TERMINATION

5.1 Upon expiration or termination of this Agreement, all rights granted to LICENSEE hereunder shall cease, and LICENSEE will refrain from further use of the LICENSED MARKS, or any mark or name reasonably deemed by BOARD OF REGENTS to be similar to the LICENSED MARKS, in connection with the provision of or promotion of services. LICENSEE acknowledges that failure to comply with this

provision will result in immediate and irreparable harm affording injunctive and any and all other appropriate relief to BOARD OF REGENTS.

5.2 Upon expiration or termination of this Agreement, LICENSEE shall not operate its business in any manner which would falsely suggest to the public that this Agreement is still in force or that any relationship exists between LICENSEE and BOARD OF REGENTS.

6. SUBLICENSES

LICENSEE shall have the right to grant a sublicense under this Agreement only to Orlando Cancer Center and to physicians or physician groups that are contractually obligated to provide physician services through Orlando Cancer Center, such license subject to the prior written approval of BOARD OF REGENTS.

7. GOODWILL IN LICENSED MARKS

LICENSEE agrees that the essence of this Agreement is founded on the goodwill associated with the LICENSED MARKS and the value of that goodwill in the minds of the consuming public. LICENSEE agrees that it is critical that such goodwill be protected and enhanced and, toward this end, LICENSEE shall not during the TERM or thereafter:

- (a) attack the title or any rights of BOARD OF REGENTS in or to the LICENSED MARKS;

- (b) apply to register or maintain any application or registration of the LICENSED MARKS or any other mark confusing similar thereto in any jurisdiction, domestic or foreign;
- (c) use any colorable imitation of any of the LICENSED MARKS, or any variant form (including variant design forms, logos, colors, or typestyles) of the LICENSED MARKS not specifically approved by BOARD OF REGENTS;
- (d) misuse the LICENSED MARKS;
- (e) take any action that would bring the LICENSED MARKS into public disrepute;
- (f) use the LICENSED MARKS, or any mark or name confusingly similar thereto, in its corporate or trade name without approval of BOARD OF REGENTS; or
- (f) take any action that would tend to destroy or diminish the goodwill in the LICENSED MARKS.

8. QUALITY CONTROL: ADVERTISING APPROVAL

8.1 ALL LICENSED SERVICES shall be QUALITY services. LICENSEE acknowledges that if LICENSED SERVICES were of inferior quality, the substantial goodwill which BOARD OF REGENTS possesses in MARKS would be impaired. Accordingly, LICENSEE agrees that all LICENSED SERVICES shall be of high quality.

8.2 All advertising and promotional material bearing the LICENSED MARKS shall be subject to the approval of BOARD OF REGENTS via The University of Texas System Office of General Counsel. LICENSEE shall furnish advertising and promotional materials to BOARD OF REGENTS. In addition, LICENSEE shall furnish to BOARD OF REGENTS one (1) copy of any advertisement of LICENSED SERVICES used by LICENSEE. BOARD OF REGENTS shall have two (2) weeks from receipt thereof in which to reject in writing the materials. In the absence of rejection, or upon earlier written acceptance, the materials will be deemed as accepted. LICENSEE shall furnish to BOARD OF REGENTS a further sample of advertising if it desires to change the advertising. BOARD OF REGENTS will have two (2) weeks to reject advertising. Failure to reject will be deemed acceptable.

9. MARKING

LICENSEE agrees that it will designate the LICENSED SERVICES in a manner as specified from time to time in writing by BOARD OF REGENTS to indicate the rights of BOARD OF REGENTS in the LICENSED MARKS, including registration status of the LICENSED MARKS and that the services are provided pursuant to license.

10. INDEMNITY/HOLD HARMLESS

10.1 LICENSEE agrees that it is wholly responsible for all services provided by it, including all LICENSED SERVICES, and that BOARD OF REGENTS shall have no liability for any services, including any LICENSED SERVICE, provided by LICENSEE or by the sublicensee of LICENSEE. LICENSEE indemnifies and holds harmless BOARD OF REGENTS and the officers, employees, and agents thereof, from any claims, demands, causes of actions and damages, including reasonable attorney's fees, caused or arising out of LICENSEE'S provision of professional services, including LICENSED SERVICES.

10.2 INDEMNITY. To the extent authorized by the Constitution and the laws of the State of Texas, the BOARD OF REGENTS indemnifies and holds harmless LICENSEE and the officers, employees and agents, thereof, from any claims, demands, causes of action, and damages including reasonable attorneys' fees, based solely on an alleged infringement by LICENSEE of the claimant's trademark or trade name directly resulting from the use by LICENSEE of a LICENSED MARK.

11. NOTICES

Any notices, statements, payments, or reports required by this Agreement shall be deemed served when deposited in the United States mail, first class postage prepaid, certified or registered mail, return receipt requested and addressed as follows:

IF TO LICENSEE:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

BOARD OF REGENTS:

Trademark Licensing Manager  
Office of General Counsel  
The University of Texas System  
201 West 7th Street  
Austin, Texas 78701

12. STATUS OF PARTIES

This Agreement is not intended to create, and shall not be interpreted or construed as creating, a partnership, joint venture, agency, employment, master and servant, or similar relationship between BOARD OF REGENTS and LICENSEE or the sublicensee, and no representation to the contrary shall be binding upon BOARD OF REGENTS.

13. BINDING EFFECT

This Agreement shall be binding upon and inure to the benefit of BOARD OF REGENTS and LICENSEE and their respective successors, assigns, executors, heirs, and personal representatives.

14. LAW GOVERNING

This Agreement shall for all purposes be governed by and interpreted and enforced in accordance with the laws of the State of Texas. LICENSEE

hereby agrees that any action arising out of this Agreement shall be litigated under the laws of the State of Texas in a court of competent jurisdiction in Travis County, Texas, and LICENSEE hereby agrees to submit to the jurisdiction of the courts of the State of Texas and to obtain the sublicensee's consent to submit to the jurisdiction of the court's of the State of Texas, and that service of process by certified mail, return receipt requested, shall be sufficient to confer in personam jurisdiction over LICENSEE or the sublicensee. LICENSEE agrees that the terms of this paragraph will be part of the sublicense.

15. MISCELLANEOUS

- 15.1 The provisions of this Agreement are severable, and if any provision shall be held illegal, invalid, or unenforceable, such holding shall not affect the legality, validity, or enforceability of any other provision. Any such illegal, invalid, or unenforceable provision shall be deemed stricken herefrom as if it had never been contained herein, but all other provisions shall continue in full force and effect.
- 15.2 As used herein, the term LICENSEE shall include the plural as well as the singular, the masculine and feminine genders, and corporations, partnerships, and other business entities as well as individuals.
- 15.3 This Agreement contains the entire Agreement between the parties with respect to the subject matter hereof and supersedes any prior Agreements between the parties, written or oral, with respect to such subject matter.

15.4 This Agreement may not be amended, modified, or rescinded except by a written Agreement executed by BOARD OF REGENTS and LICENSEE.

EXECUTED BY BOARD OF REGENTS and LICENSEE on the day and year first above written, in duplicate copies, each of which shall be deemed an original.

THE BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

By: \_\_\_\_\_  
Hans Mark, Chancellor

M. D. ANDERSON CANCER  
CENTER OUTREACH  
CORPORATION

By: \_\_\_\_\_  
(Name of individual)

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

Approved as to Form:

\_\_\_\_\_  
U.T. System  
Office of General Counsel

ATTACHMENT A  
LICENSED MARKS ARE:

M. D. Anderson Cancer Center Outreach Corporation

ATTACHMENT B

LICENSED SERVICES ARE:

In accordance with Licensee's purposes and emphases on the clinical, educational and scientific aspects of cancer care, the following services may be provided by Licensee in connection with the Licensed Marks listed in Attachment A:

1. Cancer Care Services provided in Surgery, Medicine, Radiotherapy, Diagnostic Imaging, Laboratory Medicine, Pathology, Pediatrics, Cancer Prevention, Nursing and Pharmacy;
2. Cancer Research Services; and
3. Cancer Education Services.

DRAFT of December 28, 1989

OUTREACH - OCC  
LICENSE AGREEMENT

This License Agreement ("Agreement") is entered into effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 1989, between the parties hereto, who agree as follows in consideration of the mutual promises contained herein:

1. PARTIES

- 1.1 M. D. Anderson Cancer Center Outreach Corporation (hereinafter referred to as LICENSOR) has a principal place of business at 1515 Holcombe, Houston, Texas 77030.
- 1.2 Orlando Cancer Center (hereinafter referred to as LICENSEE) has a principal place of business at \_\_\_\_\_ Orlando, Florida.
- 1.3 LICENSOR and LICENSEE are the parties to this Agreement.

2. BACKGROUND

- 2.1 LICENSOR has rights in certain marks identified in Attachment A hereto, and public recognition and goodwill have been acquired through the use of such marks.
- 2.2 LICENSEE recognizes the goodwill appurtenant to use of the marks and desires to obtain a nonexclusive license to utilize such marks. LICENSOR is willing to grant such a license under the terms and conditions of this Agreement.

3. **DEFINITIONS**

- 3.1 MARKS include trademarks and service marks.
- 3.2 LICENSED MARKS means those marks listed in Attachment A, including common law rights, as well as any applications for registration or registrations which may be issued covering such marks, whether state or federal.
- 3.3 LICENSED SERVICES means those services specified in Attachment B hereto in connection with which any of the LICENSED MARKS are used.
- 3.4 TERM means the effective period of this Agreement, which shall commence on the EFFECTIVE DATE and which shall terminate, upon the earliest termination of any of the following Agreements:
- a. Orlando Cancer Center, Inc. Members' Agreement,
  - b. Agreement for Personnel to be Provided by M. D. Anderson Cancer Center Outreach Corporation to Orlando Cancer Center, Inc., and
  - c. Educational Affiliation Agreement between The University of Texas M. D. Anderson Cancer Center and Orlando Cancer Center, Inc.
- 3.5 QUALITY means an acceptable level of quality to LICENSOR.

4. LICENSE GRANT

Subject to the terms and conditions of this Agreement, LICENSOR grants to LICENSEE the nonexclusive right and license to utilize the LICENSED MARKS during the TERM hereof: (a) solely in connection with the LICENSED SERVICES of QUALITY to be rendered in Orlando, Florida; and (b) with advertising and promotional material elsewhere to the extent appropriate to the provision of services in Orlando, Florida.

5. DEFAULT, TERMINATION

5.1 Upon expiration or termination of this Agreement, all rights granted to LICENSEE hereunder shall cease, and LICENSEE will refrain from further use of the LICENSED MARKS, or any mark or name reasonably deemed by LICENSOR to be similar to the LICENSED MARKS, in connection with the provision of or promotion of services. LICENSEE acknowledges that failure to comply with this provision will result in immediate and irreparable harm affording injunctive and any and all other appropriate relief to the owner of the LICENSED MARKS.

5.2 Upon expiration or termination of this Agreement, LICENSEE shall not operate its business in any manner which would falsely suggest to the public that this Agreement is still in force or that any relationship exists between LICENSEE and LICENSOR or the owner of the

LICENSED MARKS.

6. GOODWILL IN LICENSED MARKS

LICENSEE agrees that the essence of this Agreement is founded on the goodwill associated with the LICENSED MARKS and the value of that goodwill in the minds of the consuming public. LICENSEE agrees that it is critical that such goodwill be protected and enhanced and, toward this end, LICENSEE shall not during the TERM or thereafter:

- (a) attack the title or any rights in or to the LICENSED MARKS;
- (b) apply to register or maintain any application or registration of the LICENSED MARKS or any other mark confusing similar thereto in any jurisdiction, domestic or foreign;
- (c) use any colorable imitation of any of the LICENSED MARKS, or any variant form (including variant design forms, logos, colors, or typestyles) of the LICENSED MARKS not specifically approved by LICENSOR;
- (d) misuse the LICENSED MARKS;
- (e) take any action that would bring the LICENSED MARKS into public disrepute;
- (f) use the LICENSED MARKS, or any mark or name confusingly similar thereto, in its corporate or trade name without approval of LICENSOR; or

- (f) take any action that would tend to destroy or diminish the goodwill in the LICENSED MARKS.

7. QUALITY CONTROL; ADVERTISING APPROVAL

- 7.1 All LICENSED SERVICES shall be QUALITY services. LICENSEE acknowledges that if LICENSED SERVICES were of inferior quality, the substantial goodwill in LICENSED MARKS would be impaired. Accordingly, LICENSEE agrees that all LICENSED SERVICES shall be of high quality.
- 7.2 All advertising and promotional material bearing the LICENSED MARKS shall be subject to the approval of LICENSOR. LICENSEE shall furnish advertising and promotional materials to LICENSOR, and to The University of Texas System Office of General Counsel, Intellectual Property Division, at 201 W. 7th St., Austin, Texas 78701. In addition, LICENSEE shall furnish to LICENSOR one (1) copy of any advertisement of LICENSED SERVICES used by LICENSEE. LICENSOR shall have one (1) month from receipt thereof in which to reject in writing the materials. In the absence of rejection, or upon earlier written acceptance, the materials will be deemed as accepted. LICENSEE shall furnish to LICENSOR a further sample of advertising if it desires to change the advertising. LICENSOR will have one (1) month to reject advertising. Failure to reject will be deemed acceptable.

8. MARKING

LICENSEE agrees that it will designate the LICENSED SERVICES in a manner as specified from time to time in writing by LICENSOR to indicate the rights of LICENSOR in the LICENSED MARKS, including registration status of the LICENSED MARKS and that the services are provided pursuant to license.

9. INDEMNITY/HOLD HARMLESS

LICENSEE agrees that it is wholly responsible for all services provided by it, including all LICENSED SERVICES, and that neither LICENSOR nor the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM (hereinafter "BOARD") shall have any liability for any services, including any LICENSED SERVICE, provided by LICENSEE. LICENSEE indemnifies and holds harmless LICENSOR and BOARD and the officers, employees, and agents thereof, from any claims, demands, causes of action and damages, including reasonable attorney's fees, caused or arising out of LICENSEE'S provision of professional services, including LICENSED SERVICES.

10. NOTICES

All notices or demands required to be made or permitted under this Agreement shall be in writing and shall be deemed served when deposited in the United States mail, first class postage prepaid, certified or registered mail, return receipt

requested, addressed as provided in paragraph 1 of this Agreement, or to such other address as either party may from time to time designate in writing.

11. STATUS OF PARTIES

This Agreement is not intended to create, and shall not be interpreted or construed as creating, a partnership, joint venture, agency, employment, master and servant, or similar relationship between BOARD, LICENSOR and LICENSEE and no representation to the contrary shall be binding upon BOARD or LICENSOR.

12. BINDING EFFECT

This Agreement shall be binding upon and inure to the benefit of BOARD, LICENSOR and LICENSEE and their respective successors, assigns, executors, heirs, and personal representatives.

13. LAW GOVERNING

This Agreement shall for all purposes be governed by and interpreted and enforced in accordance with the laws of the State of Texas. LICENSEE hereby agrees that any action arising out of this Agreement shall be litigated under the laws of the State of Texas in a court of competent jurisdiction in Texas, and LICENSEE hereby agrees to submit to the jurisdiction of the courts of the State of Texas, and that service of process by certified mail, return receipt requested, shall be sufficient to confer in personam jurisdiction over LICENSEE.

14. MISCELLANEOUS

- 14.1 The provisions of this Agreement are severable, and if any provision shall be held illegal, invalid, or unenforceable, such holding shall not affect the legality, validity, or enforceability of any other provision. Any such illegal, invalid, or unenforceable provision shall be deemed stricken herefrom as if it had never been contained herein, but all other provisions shall continue in full force and effect.
- 14.2 As used herein, the term LICENSEE shall include the plural as well as the singular, the masculine and feminine genders, and corporations, partnerships, and other business entities as well as individuals.
- 14.3 This Agreement contains the entire Agreement between the parties with respect to the subject matter hereof and supersedes any prior agreements between the parties, written or oral, with respect to such subject matter.
- 14.4 This Agreement may not be amended, modified, or rescinded except by a written agreement executed by LICENSOR and LICENSEE.

EXECUTED BY LICENSOR and LICENSEE on the day and year first above written, in duplicate copies, each of which shall be deemed an original.

LICENSOR:

M. D. ANDERSON CANCER  
CENTER OUTREACH CORPORATION

By: \_\_\_\_\_  
(Name of Individual)

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

LICENSEE:

ORLANDO CANCER CENTER

By: \_\_\_\_\_  
(Name of Individual)

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

ATTACHMENT A  
LICENSED MARKS ARE:

M. D. Anderson Cancer Center Outreach Corporation

ATTACHMENT B

LICENSED SERVICES ARE:

In accordance with Licensee's purposes and emphases on the clinical, educational and scientific aspects of cancer care, the following services may be provided by Licensee in connection with the Licensed Marks listed in Attachment A:

1. Cancer Care Services provided in Surgery, Medicine, Radiotherapy, Diagnostic Imaging, Laboratory Medicine, Pathology, Pediatrics, Cancer Prevention, Nursing and Pharmacy;
2. Cancer Research Services; and
3. Cancer Education Services.

DRAFT of December 28, 1989

OUTREACH - HEMATOLOGY-ONCOLOGY ASSOCIATES  
OF CENTRAL FLORIDA  
LICENSE AGREEMENT

This License Agreement ("Agreement") is entered into effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 1989, between the parties hereto, who agree as follows in consideration of the mutual promises contained herein:

1. PARTIES

- 1.1 M. D. Anderson Cancer Center Outreach Corporation (hereinafter referred to as LICENSOR) has a principal place of business at 1515 Holcombe, Houston, Texas 77030.
- 1.2 Hematology-Oncology Associates of Central Florida (hereinafter referred to as LICENSEE) has a principal place of business at \_\_\_\_\_ Orlando, Florida.
- 1.3 LICENSOR and LICENSEE are the parties to this Agreement.

2. BACKGROUND

- 2.1 LICENSOR has rights in certain marks identified in Attachment A hereto, and public recognition and goodwill have been acquired through the use of such marks.
- 2.2 LICENSEE recognizes the goodwill appurtenant to use of the marks and desires to obtain a nonexclusive license to utilize such marks. LICENSOR is willing to grant such a license under the terms and conditions of this Agreement.

3. DEFINITIONS

- 3.1 MARKS include trademarks and service marks.
- 3.2 LICENSED MARKS means those marks listed in Attachment A, including common law rights, as well as any applications for registration or registrations which may be issued covering such marks, whether state or federal.
- 3.3 LICENSED SERVICES means those services specified in Attachment B hereto in connection with which any of the LICENSED MARKS are used.
- 3.4 TERM means the effective period of this Agreement, which shall commence on the EFFECTIVE DATE and which shall terminate, upon the earliest termination of any of the following Agreements:
- a. Orlando Cancer Center, Inc. Members' Agreement,
  - b. Agreement for Personnel to be Provided by M. D. Anderson Cancer Center Outreach Corporation to Orlando Cancer Center, Inc., and
  - c. Education Affiliation Agreement between The University of Texas M. D. Anderson Cancer Center and Orlando Cancer Center, Inc.
- 3.5 QUALITY means an acceptable level of quality to LICENSOR.

4. LICENSE GRANT

Subject to the terms and conditions of this Agreement, LICENSOR grants to LICENSEE the nonexclusive right and license to utilize the LICENSED MARKS during the TERM hereof: (a) solely in connection with the LICENSED SERVICES of QUALITY to be rendered through the Orlando Cancer Center in Orlando, Florida; and (b) with advertising and promotional material elsewhere to the extent appropriate to the provision of services in Orlando, Florida.

5. DEFAULT TERMINATION

- 5.1 Upon expiration or termination of this Agreement, all rights granted to LICENSEE hereunder shall cease, and LICENSEE will refrain from further use of the LICENSED MARKS, or any mark or name reasonably deemed by LICENSOR to be similar to the LICENSED MARKS, in connection with the provision of or promotion of services. LICENSEE acknowledges that failure to comply with this provision will result in immediate and irreparable harm affording injunctive and any and all other appropriate relief to the owner of the LICENSED MARKS.
- 5.2 Upon expiration or termination of this Agreement, LICENSEE shall not operate its business in any manner which would falsely suggest to the public that this Agreement is still in force or that any relationship exists between LICENSEE and LICENSOR or the owner of the LICENSED MARKS.

6. GOODWILL IN LICENSED MARKS

LICENSEE agrees that the essence of this Agreement is founded on the goodwill associated with the LICENSED MARKS and the value of that goodwill in the minds of the consuming public. LICENSEE agrees that it is critical that such goodwill be protected and enhanced and, toward this end, LICENSEE shall not during the TERM or thereafter:

- (a) attack the title or any rights in or to the LICENSED MARKS;
- (b) apply to register or maintain any application or registration of the LICENSED MARKS or any other mark confusing similar thereto in any jurisdiction, domestic or foreign;
- (c) use any colorable imitation of any of the LICENSED MARKS, or any variant form (including variant design forms, logos, colors, or typestyles) of the LICENSED MARKS not specifically approved by LICENSOR;
- (d) misuse the LICENSED MARKS;
- (e) take any action that would bring the LICENSED MARKS into public disrepute;
- (f) use the LICENSED MARKS, or any mark or name confusingly similar thereto, in its corporate or trade name without approval of LICENSOR; or
- (f) take any action that would tend to destroy or diminish the goodwill in the LICENSED MARKS.

7. QUALITY CONTROL: ADVERTISING APPROVAL

- 7.1 All LICENSED SERVICES shall be QUALITY services. LICENSEE acknowledges that if LICENSED SERVICES were of inferior quality, the substantial goodwill in LICENSED MARKS would be impaired. Accordingly, LICENSEE agrees that all LICENSED SERVICES shall be of high quality.
- 7.2 All advertising and promotional material bearing the LICENSED MARKS shall be subject to the approval of LICENSOR. LICENSEE shall furnish advertising and promotional materials to LICENSOR, and to The University of Texas System Office of General Counsel, Intellectual Property Division, at 201 W. 7th St., Austin, Texas 78701. In addition, LICENSEE shall furnish to LICENSOR one (1) copy of any advertisement of LICENSED SERVICES used by LICENSEE. LICENSOR shall have one (1) month from receipt thereof in which to reject in writing the materials. In the absence of rejection, or upon earlier written acceptance, the materials will be deemed as accepted. LICENSEE shall furnish to LICENSOR a further sample of advertising if it desires to change the advertising. LICENSOR will have one (1) month to reject advertising. Failure to reject will be deemed acceptable.

8. MARKING

LICENSEE agrees that it will designate the LICENSED SERVICES in a manner as specified from time to time in writing by LICENSOR to indicate the rights of LICENSOR in the LICENSED MARKS, including registration status of the LICENSED MARKS and that the services are provided pursuant to license.

9. INDEMNITY/HOLD HARMLESS

LICENSEE agrees that it is wholly responsible for all services provided by it, including all LICENSED SERVICES, and that neither LICENSOR nor the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM (hereinafter "BOARD") shall have any liability for any services, including any LICENSED SERVICE, provided by LICENSEE. LICENSEE indemnifies and holds harmless LICENSOR and BOARD and the officers, employees, and agents thereof, from any claims, demands, causes of action and damages, including reasonable attorney's fees, caused or arising out of LICENSEE'S provision of professional services, including LICENSED SERVICES.

10. NOTICES

All notices or demands required to be made or permitted under this Agreement shall be in writing and shall be deemed served when deposited in the United States mail, first class postage prepaid, certified or registered mail, return receipt requested, addressed as provided in paragraph 1 of this Agreement, or to such other address as either party may from time to time designate in writing.

11. STATUS OF PARTIES

This Agreement is not intended to create, and shall not be interpreted or construed as creating, a partnership, joint venture, agency, employment, master and servant, or similar relationship between BOARD, LICENSOR and LICENSEE and no representation to the contrary shall be binding upon BOARD or LICENSOR.

12. BINDING EFFECT

This Agreement shall be binding upon and inure to the benefit of BOARD, LICENSOR and LICENSEE and their respective successors, assigns, executors, heirs, and personal representatives.

13. LAW GOVERNING

This Agreement shall for all purposes be governed by and interpreted and enforced in accordance with the laws of the State of Texas. LICENSEE hereby agrees that any action arising out of this Agreement shall be litigated under the laws of the State of Texas in a court of competent jurisdiction in Texas, and LICENSEE hereby agrees to submit to the jurisdiction of the courts of the State of Texas, and that service of process by certified mail, return receipt requested, shall be sufficient to confer in personam jurisdiction over LICENSEE.

14. MISCELLANEOUS

14.1 The provisions of this Agreement are severable, and if any provision shall be held illegal, invalid, or unenforceable, such holding shall not

affect the legality, validity, or enforceability of any other provision. Any such illegal, invalid, or unenforceable provision shall be deemed stricken herefrom as if it had never been contained herein, but all other provisions shall continue in full force and effect.

14.2 As used herein, the term LICENSEE shall include the plural as well as the singular, the masculine and feminine genders, and corporations, partnerships, and other business entities as well as individuals.

14.3 This Agreement contains the entire Agreement between the parties with respect to the subject matter hereof and supersedes any prior agreements between the parties, written or oral, with respect to such subject matter.

14.4 This Agreement may not be amended, modified, or rescinded except by a written agreement executed by LICENSOR and LICENSEE.

EXECUTED BY LICENSOR and LICENSEE on the day and year first above written, in duplicate copies, each of which shall be deemed an original.

LICENSOR:

M. D. ANDERSON CANCER  
CENTER OUTREACH CORPORATION

By: \_\_\_\_\_  
(Name of Individual)

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

LICENSEE:

HEMATOLOGY-ONCOLOGY  
ASSOCIATES OF CENTRAL  
FLORIDA

By: \_\_\_\_\_  
(Name of Individual)

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

ATTACHMENT A  
LICENSED MARKS ARE:

M. D. Anderson Cancer Center Outreach Corporation

ATTACHMENT B

LICENSED SERVICES ARE:

In accordance with Licensee's purposes and emphases on the clinical, educational and scientific aspects of cancer care, the following services may be provided by Licensee in connection with the Licensed Marks listed in Attachment A:

1. Cancer Care Services provided in Medicine, Cancer Prevention and Nursing;
2. Cancer Research Services; and
3. Cancer Education Services.

REPORT AND RECOMMENDATIONS OF THE FINANCE AND FACILITIES COMMITTEE (Pages 118 - 125).--Committee Chairman Moncrief reported that the Finance and Facilities Committee had met in open session to consider those items on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, all actions set forth in the Minute Orders which follow were recommended by the Finance and Facilities Committee and approved in open session and without objection by the U. T. Board of Regents:

I. FINANCE MATTERS

1. U. T. System: Approval of Chancellor's Docket No. 50 (Catalog Change).--Upon recommendation of the Finance and Facilities Committee, the Board approved Chancellor's Docket No. 50 in the form distributed by the Executive Secretary. It is attached following Page 158 in the official copies of the Minutes and is made a part of the record of this meeting.

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

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

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

2. U. T. Board of Regents - Regents' Rules and Regulations, Part Two: Approval of Amendments to Chapter III, Section 4 (Local Institutional Funds).--Committee Chairman Moncrief reported that, since the Material Supporting the Agenda was prepared, an additional item related to proposed amendments to the Regents' Rules and Regulations, Part Two, Chapter III had been posted with the Secretary of State and distributed to the Board on yellow paper.

Approval was given to amend the Regents' Rules and Regulations, Part Two, Chapter III, Section 4 (Local Institutional Funds) to read as set forth below:

Sec. 4. Local Institutional Funds.

- 4.1 All local income not required to be deposited in the State Treasury must be deposited in official depository banks for safekeeping or invested as specified by law and by The University of Texas System Institutional Funds Investment Policy.
  - 4.11 Funds held in demand or time deposits shall be deposited in official depository banks

- with which the Board has a depository agreement. Depository agreements may be negotiated and executed by the Executive Vice Chancellor for Asset Management when such agreements are in substantially the same form as a standard depository agreement approved by the Board and are with banks meeting the then current policies of the Board.
- 4.12 Requests for authorized signatures, or changes thereto, for bank accounts maintained in all depository banks, shall be forwarded to the System Comptroller, who, after review and approval, shall refer such requests to the Vice Chancellor for Business Affairs for notification of the banks concerned.
- 4.2 Depository banks selected shall furnish adequate surety bonds or securities to assure safety of these funds. Local Funds shall be deposited in the depository banks as soon as possible. Demand deposits and time deposits will be maintained in accordance with the current policies of the Board.
- 4.3 The Board and the chief administrative officers may not, by law, borrow money from any person, firm, or corporation to be repaid from Local Funds except as specifically authorized by the Legislature.
- 4.4 Interest on Time Deposits.--As permitted by statute, interest received from depository banks for funds on time deposit shall be credited to appropriate accounts in either general funds or trust funds in relationship to the sources of balances on time deposit, provided that disposition of such earning was not specified by the grantor. Interest received from Current Restricted Funds (Trust Funds) time deposits shall be subject to further appropriation or transfer by the Board for any lawful purpose.
- 4.5 The Executive Vice Chancellor for Asset Management shall invest, upon the request of the chief business officer of any component institution, local institutional funds as specified by law and by The University of Texas System Institutional Funds Investment Policy and shall negotiate and execute all agreements and instruments necessary for such investments.

These amendments conform the Regents' Rules and Regulations to the Public Funds Investment Act and specify the responsibilities of the Executive Vice Chancellor for Asset Management with regard to the investment of local funds within that policy and also delegate to the Executive Vice Chancellor for Asset Management authority to execute depository agreements which are in consonance with the model previously approved by the Board.

II. FACILITIES MATTERS

1. U. T. Austin - Balcones Research Center - West Tract: Authorization to Grant a .573 Acre Public Utility and Right-of-Way Easement to the City of Austin, Texas.--Upon recommendation of the Finance and Facilities Committee, the Board granted a .573 acre public utility and right-of-way easement from The University of Texas at Austin Balcones Research Center - West Tract to the City of Austin, Texas.

The consideration for granting this easement will be obtained from Trammell Crow Company, Austin, Texas, on behalf of Stonebridge Development, Inc., Austin, Texas, acting on behalf of the majority of landowners in the Golden Triangle District and shall consist of certain utilities located within and across Stonelake Boulevard, Capital of Texas Highway North, and York Boulevard in Austin, Travis County, Texas, and the placement and use of excess soil and rock materials on the center tract of Balcones Research Center - East Tract.

This easement is located along the southern property line of an 8.3 acre tract owned by U. T. Austin and located west of MoPac (Loop 1) and due south of the Microelectronics and Computer Technology Corporation, Inc.

Granting of the easement will enhance the future development potential of the tract by providing for better access and the immediate availability of utilities. In addition, fill material will be placed on a tract of land low in elevation located between Balcones Research Center and MoPac and owned by U. T. Austin.

2. U. T. Dallas: Report for the Record on Facilities Site Study for the Cecil and Ida Green Center for the Study of Science and Society.--It was reported that in accordance with authorization given by the U. T. Board of Regents at the October 1989 meeting, The University of Texas at Dallas had contracted for architectural consultation services related to a facility to house the Cecil and Ida Green Center for the Study of Science and Society.

The Dallas firm of F&S Partners Incorporated was employed to recommend locations and design concepts and to provide cost estimates for consideration at a future meeting of the Board. The consultant has provided those services and recommended a two-story, 14,600 square foot building to be centrally located on the U. T. Dallas campus. Estimated project cost for the building is \$2,433,000.

The design concept and the site selection will allow the Center to be effectively used as a place for informal gatherings of faculty as well as a repository for the Cecil Green papers, books and memorabilia, and as an office building for Center functions. The location and design concept also make the building an architectural focal point in the center of the campus.

The Chancellor, Executive Vice Chancellor for Academic Affairs, and President Rutherford concur in the recommendations of the consultant firm.

It is anticipated that recommendations for the appointment of a project architect will be on the agenda for the April meeting of the U. T. Board of Regents and that a representative of F&S Partners Incorporated will be present at that meeting to respond to questions from the Board.

3. U. T. El Paso: Approval to Name the Physical Plant Facility the Carl Hertzog Building (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.1, Naming of Buildings).--In accordance with the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.1, relating to the naming of buildings, the Board, upon recommendation of the Academic Affairs and Finance and Facilities Committees, named the Physical Plant facility at The University of Texas at El Paso the Carl Hertzog Building.

The naming of this building is in recognition of the late Mr. J. Carl Hertzog, who served as a faculty member at U. T. El Paso and founded and directed the University's Texas Western Press.

4. U. T. Pan American - Academic Services Building and Allied Health Annex: Authorization for Projects; Appointment of Graeber, Simmons & Cowan, Inc., Austin, Texas, as Project Architect to Prepare Preliminary Plans; and Appropriation Therefor.--Upon recommendation of the Academic Affairs and Finance and Facilities Committees, the Board:

- a. Authorized projects for the construction of an Academic Services Building and an Allied Health Annex at The University of Texas - Pan American at an estimated total project cost of \$9,950,000
- b. Appointed the firm of Graeber, Simmons & Cowan, Inc., Austin, Texas, as Project Architect to prepare preliminary plans and a detailed cost estimate to be submitted to the U. T. Board of Regents for consideration at a future meeting
- c. Appropriated \$200,000 from ad valorem taxes as a temporary source of funding for fees and administrative expenses through completion of preliminary plans to be repaid from Higher Education Assistance Fund (HEAF) bond proceeds.

In August 1989, the Board of Regents of Pan American University authorized the preparation of a project analysis for the construction of an Academic Services Building and an Allied Health Annex on the campus of Pan American University (now U. T. Pan American). The firm of Graeber, Simmons & Cowan, Inc., Austin, Texas, was appointed by the Pan American University Board of Regents to prepare the analysis which was completed in consultation with the U. T. System Office of Facilities Planning and Construction in October 1989.

The Academic Services Building will be a two-level facility of approximately 61,075 gross square feet. The building will house two primary areas: (a) computer instruction and laboratory space and (b) space for academic support components including audio/visual (a/v) production, academic support administration, a/v and computer repair, a major teaching theater, and faculty offices.

The Allied Health Annex will be constructed as a two-level, 24,000 gross square foot addition to the existing Nursing Education Building. The Annex will contain additional space for the existing programs of Nursing, Physical Therapy and Rehabilitative Services, teaching and research laboratories, and faculty offices.

These projects will be added to the current Capital Improvement Program and the FY 1990 Capital Budget.

5. U. T. San Antonio: Authorization to Sell 209 Sir Arthur Court, Castle Hills, Bexar County, Texas, and Approval for the Vice President for Business Affairs to Execute Contracts and Closing Documents Related Thereto.--The Board, upon recommendation of the Finance and Facilities Committee, authorized the sale at fair market value of the residence located at 209 Sir Arthur Court in Castle Hills, Bexar County, Texas, for the benefit of The University of Texas at San Antonio.

Further, the Board authorized the Vice President for Business Affairs at U. T. San Antonio or his delegate to execute contracts and closing documents required for the sale following approval by the Executive Vice Chancellor for Academic Affairs, the Executive Director for Lands and Endowment Real Estate, and the Office of General Counsel. Proceeds from the sale will be returned to the source for the original purchase which was General Tuition Revenue Bonds and related interest.

It was noted that President Kirkpatrick is being provided a housing allowance as part of his compensation package. Thus, the house which has been owned and maintained by U. T. San Antonio since 1973 for previous presidents is no longer needed. The property will be marketed by Kuper Realty of San Antonio, Texas, who will receive a standard six percent commission upon closing.

6. U. T. San Antonio: Approval to Grant a 2.282 Acre Right-of-Way Easement to the State Department of Highways and Public Transportation.--Approval was given to grant a 2.282 acre right-of-way easement to the State Department of Highways and Public Transportation on the north and west sides of The University of Texas at San Antonio campus for completion of frontage roads for Loop 1604, enlargement of two campus entrances, and widening of Babcock Road.

Those portions of the easement which will improve the entrances to the campus and internal circulation will be granted at no cost while the acreage to be used for through traffic will be sold at its appraised value.

In 1972, the U. T. Board of Regents granted a right-of-way easement for Loop 1604 from campus property. Now that final design of the new Loop 1604 is complete, this additional acreage is required for completion of the roadway to meet existing and projected future traffic needs for northern Bexar County. This expansion will also enhance access to the campus and traffic safety at its perimeter.

7. U. T. Southwestern Medical Center - Dallas - Research Building - Phase I North Campus Expansion (Project No. 303-702): Approval of Preliminary Plans; Authorization to Prepare Final Plans for Staged Construction; and Authorization to Advertise for Bids and for the Executive Committee to Award Contracts for First Stages.--Following a brief overview by President Wildenthal, Mr. Pat Spillman and Mr. Allen Atkinson, representing the Project Architect, F&S Partners Incorporated, Dallas, Texas, presented the preliminary plans for the first phase of development on the North Campus of The University of Texas Southwestern Medical Center at Dallas to consist of a Research Building and a Thermal Energy Building to the Finance and Facilities Committee.

Based upon this presentation and the recommendation of the Finance and Facilities Committee, the Board:

- a. Approved preliminary plans for the construction of the first phase of development on the North Campus of U. T. Southwestern Medical Center - Dallas to consist of a Research Building with support facilities and a Thermal Energy Building and utility/site infrastructure at an estimated total project cost of \$52,500,000, exclusive of institutional equipment
- b. Authorized the Project Architect to prepare final plans and specifications in such a manner that contracts can be awarded in the following stages:
  - (1) Prepurchase of energy plant equipment
  - (2) Construction of roads, utility distribution, and site infrastructure
  - (3) General construction of the Research Building and Thermal Energy Plant
- c. Upon completion of final review, authorized the Office of Facilities Planning and Construction to advertise for bids and the Executive Committee to award contracts for the first two stages. Final plans for the third stage will be presented to the U. T. Board of Regents for consideration at a future meeting.

The Research Building will be a thirteen-level facility containing approximately 419,250 gross square feet for research laboratories and direct research support areas (8 levels), animal resources support (1 level), indirect laboratory support (1 level), and entry/service and parking (3 levels). Approximately three research levels will be shelled space.

The estimated construction cost of the Research Building is \$34,600,000. Additional construction for the Thermal Energy Plant and related infrastructure is \$9,665,000.

This project is included in the Capital Improvement Program approved in June 1989 and the FY 1990 Capital Budget approved in August 1989 by the U. T. Board of Regents.

The Research Building was approved by the Texas Higher Education Coordinating Board in October 1989.

8. U. T. Health Science Center - San Antonio - Basic Science Building Fifth Level Completion (Project No. 402-608): Acceptance of Findings and Recommendations of Hearing Officer Related to Claims by Peco, Inc. d/b/a/ Peco Construction Company, San Antonio, Texas.--At the August 1989 meeting, the Board appointed Mr. George W. Overshiner as a Hearing Officer to hear the disputed claims by Peco, Inc. d/b/a Peco Construction Company, San Antonio, Texas, which had exercised the right to appeal to the U. T. Board of Regents for additional compensation associated with the construction of the fifth level of the Basic Science Building at The University of Texas Health Science Center at San Antonio.

Upon recommendation of the Finance and Facilities Committee, the Board accepted the Findings and Recommendations of the Hearing Officer with regard to the claims by Peco, Inc. In summary, Mr. Overshiner concluded that the claims were untimely and that they should be denied.

Mr. Overshiner's report, which was submitted on January 12, 1990, is on file in the Office of the Board of Regents.

9. U. T. M.D. Anderson Cancer Center: Authorization to Prepare a Functional Programming and Space Planning Study for Future Expansion; Authorization for the President to Appoint a Project Consultant to Prepare Study; and Appropriation Therefor.--The Board, upon recommendation of the Health Affairs and Finance and Facilities Committees:

- a. Authorized preparation of a functional programming and space planning study for future expansion at The University of Texas M.D. Anderson Cancer Center specifically relating to facilities to be placed in a new research and clinical facility currently referred to as the Bertner Street Building, while recognizing its relationship to overall campus requirements and plans
- b. Authorized the President of the U. T. M.D. Anderson Cancer Center, with the approval of the Executive Vice Chancellor for Health Affairs and the Office of Facilities Planning and Construction, to appoint a Project Consultant to prepare a study for consideration at a future meeting of the U. T. Board of Regents

- c. Appropriated \$300,000 from U. T. M.D. Anderson Cancer Center Unappropriated Plant Fund Balances for fees and administrative expenses through completion of the functional programming and space planning study.

The Campus Master Plan for U. T. M.D. Anderson Cancer Center identified several potential sites for future buildings. The next step in the planning process, and preliminary to presenting a specific request for a building project to the U. T. Board of Regents for approval, is a study of comprehensive functional and space needs. Functional programming will determine the requirements of each service (function) in terms of staffing, equipment, and circulation while space planning would translate the functional program requirements into area requirements to determine a building site and the amount of space and spatial characteristics required for each room and/or service.

Preliminary planning for projected growth in patient care and research needs indicated that a new facility is required. This facility, currently referred to as the Bertner Street Building, was included in the six-year Capital Improvement Program approved by the U. T. Board of Regents in June 1989.

REPORT AND RECOMMENDATIONS OF THE LAND AND INVESTMENT COMMITTEE (Pages 126 - 153).--Committee Chairman Ratliff reported that the Land and Investment Committee had met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, all actions set forth in the Minute Orders which follow were recommended by the Land and Investment Committee and approved in open session and without objection by the U. T. Board of Regents.

The execution of documents authorized in this report will be in accordance with the Regents' Rules and Regulations, Part Two, Chapter IX, Section 1.3 as set forth below:

- 1.3 Authority to Execute Instruments Relating to Land and Mineral Interests.--The Chairman of the Board, the Vice-Chairmen, the Chancellor, or his or her delegate, and the Executive Vice Chancellor for Asset Management are each authorized to execute conveyances, deeds, surface and/or mineral leases, easements, rights-of-way, oil and gas division orders, and transfer orders, geophysical and material source permits, water contracts, pooling and unitization agreements, and any other instruments as may be necessary or appropriate from time to time, relating to the handling, management, control, and disposition of any real estate or mineral interest held or controlled by the Board as a part of the PUF or as a part of any trust or special fund.

I. PERMANENT UNIVERSITY FUND

INVESTMENT MATTERS

Report on Clearance of Monies to the Permanent University Fund for November and December 1989 and Report on Oil and Gas Development as of December 31, 1989.--The following reports with respect to (a) certain monies cleared to the Permanent University Fund for November and December 1989 and (b) Oil and Gas Development as of December 31, 1989, were submitted by the Executive Vice Chancellor for Asset Management:

	<u>November 1989</u>	<u>December 1989</u>	<u>Cumulative Through December of this Fiscal Year (1989-1990)</u>	<u>Cumulative Through December of Preceding Fiscal Year (1988-1989)</u>	<u>Per Cent Change</u>
Permanent University Fund					
Royalty					
Oil	\$ 3,991,715.81	\$ 4,525,711.53	\$16,853,124.65	\$13,780,738.50	22.29%
Gas	1,411,098.74	1,490,243.53	6,089,076.55	6,389,050.16	-4.70%
Sulphur	125,481.00	622.00	163,919.75	86,926.50	--
Water	49,789.97	51,609.79	294,230.89	254,578.30	15.58%
Brine	4,491.03	5,680.40	21,547.33	9,712.54	121.85%
Trace Minerals	0.00	0.00	0.00	0.00	--
Rental					
Oil and Gas Leases	61,656.89	57,546.61	579,600.26	609,402.35	-4.89%
Other	100.00	500.00	2,390.70	2,120.00	--
Sale of Sand, Gravel, Etc.	0.00	1,151.10	1,151.10	34,887.45	--
Total University Lands Receipts Before Bonuses	5,644,333.44	6,133,064.96	24,005,041.23	21,167,415.80	13.41%
Bonuses					
Oil and Gas Lease Sales	0.00	2,160,415.16	2,160,415.16	2,554,807.73	--
Amendments and Extensions to Mineral Leases	0.00	160.00	160.00	641.11	--
Total University Lands Receipts	5,644,333.44	8,293,640.12	26,165,616.39	23,722,864.64	10.30%
Gain or (Loss) on Sale of Securities	7,087,997.83	7,081,194.20	26,749,721.59	64,488,103.16	-58.52%
<b>TOTAL CLEARANCES</b>	<u>\$12,732,331.27</u>	<u>\$15,374,834.32</u>	<u>\$52,915,337.98</u>	<u>\$88,210,967.80</u>	<u>-40.01%</u>

Oil and Gas Development - December 31, 1989  
Acreage Under Lease - 694,921

Number of Producing Acres - 542,169

Number of Producing Leases - 2,166

II. COMMON TRUST FUND

1. U. T. System: Approval to Amend Article VI, Paragraph 2 of The Charter of the Common Trust Fund Effective September 1, 1990.--In accordance with changes proposed under the uniform statewide accounting project, and upon recommendation of the Land and Investment Committee, the Board amended Article VI, Paragraph 2 of The Charter of The University of Texas System Common Trust Fund effective September 1, 1990, to read as shown below:
  2. Book value of the Fund shall be maintained on an accrual basis in compliance with Financial Accounting Standards Board or Government Accounting Standards Board Statements, whichever is applicable. Asset write-offs or write-downs shall be determined by the Executive Vice Chancellor for Asset Management.
  
2. U. T. System: Authorization to Increase the Annual Guideline Distribution Amount Per Unit of the Common Trust Fund Effective September 1, 1990.--The Charter of The University of Texas System Common Trust Fund states that the per unit distribution amount of the Common Trust Fund shall be the lesser of (a) the per unit cash income received plus the per unit amount available in an income reserve or (b) the annual guideline amount per unit established by the U. T. Board of Regents. At the October 1987 meeting, the U. T. Board of Regents established the annual guideline distribution amount per unit at 16.5¢ per unit.

Following a brief discussion, the annual guideline distribution amount per unit for the Common Trust Fund was increased from 16.5¢ per unit to 17¢ per unit as of September 1, 1990.

Based on financial reviews of the Common Trust Fund, the increased distribution level should continue to allow the Common Trust Fund to grow at least with the rate of inflation while helping to address the compelling need for revenue to support endowments at the U. T. System components.

III. TRUST AND SPECIAL FUNDS

Gifts, Bequests and Estates

1. U. T. Austin: Acceptance of Gift from Austin Industries, Inc., Dallas, Texas; Establishment of the Austin Industries Endowed Faculty Fellowship in Civil Engineering in the College of Engineering; and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.-- Upon recommendation of the Land and Investment Committee, the Board accepted a \$33,000 gift from Austin Industries, Inc., Dallas, Texas, and a \$34,000 transfer of previously reported gifts from current restricted funds for a total of \$67,000 and established the Austin Industries

Endowed Faculty Fellowship in Civil Engineering in the Department of Civil Engineering, College of Engineering, at The University of Texas at Austin.

Additionally, \$33,000 in matching funds will be allocated under The Regents' Endowed Teachers and Scholars Program and will be used to increase the endowment to a total of \$100,000.

Income earned from the endowment will be used to support a professor who works in the area of construction materials and with students who are preparing to work directly in the construction industry.

2. U. T. Austin: Acceptance of Gift and Pledge from the BFGoodrich Company, Brecksville, Ohio; Establishment of The BFGoodrich Endowed Professorship in Materials Engineering in the College of Engineering; Allocation of Funds from the College of Engineering Challenge Grant; and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--The Board accepted a \$24,225 gift and a \$48,450 pledge, payable by December 31, 1991, from the BFGoodrich Company, Brecksville, Ohio, for a total of \$72,675 and established The BFGoodrich Endowed Professorship in Materials Engineering in the College of Engineering at The University of Texas at Austin.

Further, \$104,650 will be allocated from the College of Engineering Challenge Grant and will be used to increase the endowment to a total of \$177,325.

Additionally, \$72,675 in matching funds will be allocated under The Regents' Endowed Teachers and Scholars Program and will be used to increase the endowment to a total of \$250,000.

3. U. T. Austin: Acceptance of Gifts and Pledges from Various Donors and Establishment of the Judge Jerry Buchmeyer Endowed Presidential Scholarship in Law in the School of Law.--The Land and Investment Committee recommended and the Board accepted \$6,275 in gifts and \$3,925 in pledges, payable by August 31, 1993, from various donors and a \$14,800 transfer of previously reported gifts from current restricted funds for a total of \$25,000 and established the Judge Jerry Buchmeyer Endowed Presidential Scholarship in Law in the School of Law at The University of Texas at Austin. Funds in the amount of \$10,200 will be held and administered by The University of Texas Law School Foundation (an external foundation) in accordance with the Regents' Rules and Regulations, and \$14,800 will be held and administered by the U. T. Board of Regents.

Income earned from the endowment will be used to award scholarships to students based on need or merit at the discretion of the Dean of the Law School or his designated representative.

4. U. T. Austin: Approval to Accept Gift from Dr. and Mrs. Ernest C. Butler, Austin, Texas; Establishment of the Dr. and Mrs. Ernest C. Butler Endowed Presidential Scholarship in Opera in the College of Fine Arts; and Allocation of Pledged Funds and Matching Funds from the Graduate Fellowships in the Fine and Performing Arts and The Regents' Endowed Student Fellowship and Scholarship Program.--Approval was given to accept a \$10,000 gift from Dr. and Mrs. Ernest C. Butler, Austin, Texas, and to establish the Dr. and Mrs. Ernest C. Butler Endowed Presidential Scholarship in Opera in the College of Fine Arts at The University of Texas at Austin.

Income earned from the endowment will be used to award scholarships based upon merit to incoming and continuing graduate students who are United States citizens.

Further, \$30,000 will be allocated from the Graduate Fellowships in the Fine and Performing Arts previously approved challenge matching program for addition to the scholarship for a total endowment of \$40,000. This \$30,000 represents a \$20,000 pledge and \$10,000 in previously allocated matching funds under The Regents' Endowed Student Fellowship and Scholarship Program.

5. U. T. Austin: Acceptance of Gifts and Pledges from Various Donors and Establishment of the Chemistry Faculty-Regents Scholarship and Fellowship Fund in the College of Natural Sciences.--The Board, upon recommendation of the Land and Investment Committee, accepted \$30,075 in gifts and \$35,500 in pledges, payable by August 31, 1993, from various donors for a total of \$65,575 and established the Chemistry Faculty-Regents Scholarship and Fellowship Fund in the Department of Chemistry, College of Natural Sciences, at The University of Texas at Austin.

Income earned from the endowment will be used to award scholarships based on merit to undergraduate and graduate students who are majoring in Chemistry.

6. U. T. Austin: Designation of Funds from the Estate of Billy Bob Draeger, Houston, Texas, and Establishment of the Billy Bob Draeger Friend of Alec Research Fund in the College of Engineering.--Upon recommendation of the Land and Investment Committee, a previously approved bequest of approximately \$12,440 from the Estate of Billy Bob Draeger, Houston, Texas, was designated to establish the Billy Bob Draeger Friend of Alec Research Fund in the College of Engineering at The University of Texas at Austin.

Income earned from the endowment will be used to support research within the College of Engineering.

7. U. T. Austin: Authorization to Redesignate Previously Accepted Funds from the T. L. L. Temple Foundation, Lufkin, Texas, College of Engineering Challenge Grant, and The Regents' Endowed Teachers and Scholars Program; Acceptance of Gifts from Various Donors; Establishment of the Engineering Foundation Endowed Faculty Fellowship No. 1 in the College of Engineering; Allocation of Funds from the College of Engineering Challenge Grant; and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--Authorization was granted to redesignate \$14,660 in previously accepted gifts from the T. L. L. Temple Foundation, Lufkin, Texas, \$20,928 previously allocated from the College of Engineering Challenge Grant, and \$14,536 in previously approved Regents' Endowed Teachers and Scholars Program matching funds for a total of \$50,124 and to accept \$14,412 in gifts from various donors for a total of \$64,536 to establish the Engineering Foundation Endowed Faculty Fellowship No. 1 in the College of Engineering at The University of Texas at Austin.

Further, \$20,928 will be allocated from the College of Engineering Challenge Grant to increase the endowment to a total of \$85,464.

Additionally, \$14,536 in matching funds will be allocated under The Regents' Endowed Teachers and Scholars Program and will be used to increase the endowment to a total of \$100,000.

8. U. T. Austin: Acceptance of Gifts from Mrs. Evelyn Selby, Austin, Texas, and Various Donors and Establishment of the Constance Forsyth Scholarship in Printmaking in the College of Fine Arts.--The Land and Investment Committee recommended and the Board accepted a \$3,000 gift from Mrs. Evelyn Selby, Austin, Texas, and \$9,500 in gifts from various donors for a total of \$12,500 and established the Constance Forsyth Scholarship in Printmaking in the Department of Art, College of Fine Arts, at The University of Texas at Austin.

Income earned from this endowment will be used to award scholarships to meritorious undergraduate or graduate students in printmaking. These will be competitive scholarships, with recipients selected by a faculty committee on the basis of art works submitted for evaluation.

9. U. T. Austin: Approval to Accept Gifts and Pledges from Various Donors and to Establish the Friends of Chemistry-Regents Scholarship and Fellowship Fund in the College of Natural Sciences.--Approval was given to accept \$11,400 in gifts and \$13,600 in pledges, payable by August 31, 1993, from various donors for a total of \$25,000 and to establish the Friends of Chemistry-Regents Scholarship and Fellowship Fund in the Department of Chemistry, College of Natural Sciences, at The University of Texas at Austin.

Income earned from the endowment will be used to award scholarships and fellowships based on merit to Chemistry students. This endowment will support excellence in the pursuit of scientific knowledge.

10. U. T. Austin: Acceptance of Gift of Securities and Pledge from Mr. and Mrs. M. E. "Gene" Gillis, Houston, Texas, and Corporate Matching Funds from Exxon Education Foundation, Florham Park, New Jersey; Establishment of the June and Gene Gillis Endowed Faculty Fellowship in Manufacturing Systems Engineering in the College of Engineering; Allocation of Funds from the College of Engineering Challenge Grant; and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--The Board accepted a gift of Exxon Corporation common stock which realized proceeds of \$4,108 and a \$3,160 pledge, payable by December 31, 1991, from Mr. and Mrs. M. E. "Gene" Gillis, Houston, Texas, and \$21,804 in requested corporate matching funds from the Exxon Education Foundation, Florham Park, New Jersey, for a total of \$29,072 and established the June and Gene Gillis Endowed Faculty Fellowship in Manufacturing Systems Engineering in the College of Engineering at The University of Texas at Austin.

Further, \$41,860 will be allocated from the College of Engineering Challenge Grant received from an anonymous donor and will be used to increase the endowment to a total of \$70,932.

Additionally, \$29,068 in matching funds will be allocated under The Regents' Endowed Teachers and Scholars Program and will be used to increase the endowment to a total of \$100,000.

11. U. T. Austin: Acceptance of Gifts and Pledges from Various Donors and Establishment of the Chief Justice Joe R. Greenhill Endowed Presidential Scholarship in Law in the School of Law.--Upon recommendation of the Land and Investment Committee, the Board accepted \$26,863.33 in gifts and \$4,366.67 in pledges, payable by August 31, 1991, from various donors and a \$12,500 transfer of previously reported gifts from current restricted funds for a total of \$43,730 and established the Chief Justice Joe R. Greenhill Endowed Presidential Scholarship in Law in the School of Law at The University of Texas at Austin. Funds in the amount of \$31,230 will be held and administered by The University of Texas Law School Foundation (an external foundation) in accordance with the Regents' Rules and Regulations, and \$12,500 will be held and administered by the U. T. Board of Regents.

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

Income earned from the endowment will be used to award scholarships to students based on need or merit at the discretion of the Dean of the Law School or his designated representative.

12. U. T. Austin: Acceptance of Gift and Pledge from the Hughes Aircraft Company, Los Angeles, California; Establishment of the Hughes Aircraft Company Faculty Fellowship in Engineering in the College of Engineering; Allocation of Funds from the College of Engineering Challenge Grant; and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--The Land and Investment Committee recommended and the Board accepted a \$9,690 gift and a \$19,380 pledge, payable by December 31, 1991, from the Hughes Aircraft Company, Los Angeles, California, for a total of \$29,070 and established the Hughes Aircraft Company Faculty Fellowship in Engineering in the College of Engineering at The University of Texas at Austin.

Further, \$41,860 will be allocated from the College of Engineering Challenge Grant, which was received from an anonymous donor, and will be used to increase the endowment to a total of \$70,930.

Additionally, \$29,070 in matching funds will be allocated under The Regents' Endowed Teachers and Scholars Program and will be used to increase the endowment to a total of \$100,000.

13. U. T. Austin: Authorization to Accept Pledge from Houston Endowment Inc., Houston, Texas; Establishment of the Ben F. Love Chair in Bank Management in the College of Business Administration and the Graduate School of Business; and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--Authorization was granted to accept a \$1,000,000 pledge, payable by May 31, 1990, from Houston Endowment Inc., Houston, Texas, and to establish the Ben F. Love Chair in Bank Management in the College of Business Administration and the Graduate School of Business at The University of Texas at Austin.

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

Further, \$500,000 in matching funds under The Regents' Endowed Teachers and Scholars Program will be reserved. The use of the matching funds will be designated at a later date.

14. U. T. Austin: Acceptance of Gifts from Various Donors and Pledge from The Honorable William C. McCulloch, Houston, Texas, and Establishment of the Arch H. McCulloch Endowed Presidential Scholarship in Law in the School of Law.--The Board, upon recommendation of the Land and Investment Committee, accepted gifts of \$7,853 from various donors, a \$4,647 pledge, payable by August 31, 1991, from The Honorable William C. McCulloch, Houston, Texas, and a \$12,500 transfer of previously reported gifts from current restricted funds for a total of \$25,000 and established the Arch H. McCulloch Endowed Presidential Scholarship in Law in the School of Law at The University of Texas at Austin. Funds in the amount of \$12,500 will be held and administered by The University of Texas Law School Foundation (an external foundation) in accordance with the Regents' Rules and Regulations, and \$12,500 will be held and administered by the U. T. Board of Regents.

Income earned from the endowment will be used to award scholarships to students based on need or merit at the discretion of the Dean of the Law School or his designated representative.

15. U. T. Austin: Approval to Accept Gift and Pledge from Mr. and Mrs. Robert L. Mitchell, Weston, Connecticut, and Corporate Matching Funds from Hoechst-Celanese Corporation, Somerville, New Jersey; Establishment of the Robert and Jane Mitchell Endowed Faculty Fellowship in Engineering in the College of Engineering; Allocation of Funds from the College of Engineering Challenge Grant; and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--Approval was given to accept a \$2,500 gift and a \$7,191 pledge, payable by August 31, 1991, from Mr. and Mrs. Robert L. Mitchell, Weston, Connecticut, and \$19,382 in requested corporate matching funds from the Hoechst-Celanese Corporation, Somerville, New Jersey, for a total of \$29,073 and to establish the Robert and Jane Mitchell Endowed Faculty Fellowship in Engineering in the College of Engineering at The University of Texas at Austin.

Further, \$41,854 will be allocated from the College of Engineering Challenge Grant received from an anonymous donor and will be used to increase the endowment to a total of \$70,927.

Additionally, \$29,073 in matching funds will be allocated under The Regents' Endowed Teachers and Scholars Program and will be used to increase the endowment to a total of \$100,000.

16. U. T. Austin: Acceptance of Additional Pledge from the KPMG Peat Marwick Foundation, New York, New York; Redesignation of the Peat, Marwick, Mitchell & Co. Centennial Professorship in Accounting as the KPMG Peat Marwick Centennial Professorship and the Peat, Marwick, Mitchell & Co. Faculty Fellowship in Accounting as the KPMG Peat Marwick Faculty Fellowship in Accounting Education in the College of Business Administration and the Graduate School of Business; and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--The Board accepted a \$225,000 pledge, payable by August 31, 1993, from the KPMG Peat Marwick Foundation, New York, New York, for a \$125,000 addition to the Peat, Marwick, Mitchell & Co. Centennial Professorship in Accounting and a \$100,000 addition to the Peat, Marwick, Mitchell & Co. Faculty Fellowship in Accounting in the College of Business Administration and the Graduate School of Business at The University of Texas at Austin.

In accordance with the donor's request, the Professorship was redesignated as the KPMG Peat Marwick Centennial Professorship and the Fellowship as the KPMG Peat Marwick Faculty Fellowship in Accounting Education.

Further, \$112,500 in matching funds will be allocated under The Regents' Endowed Teachers and Scholars Program and \$62,500 will be used to increase the KPMG Peat Marwick Centennial Professorship to a total of \$502,500 and \$50,000 will be used to increase the KPMG Peat Marwick Faculty Fellowship in Accounting Education to a total of \$250,000.

17. U. T. Austin: Approval to Accept Gifts from Mr. and Mrs. Victor W. Ravel, Austin, Texas, and to Establish the Victor and Myra Ravel Endowed Scholarship Fund in Children's Rights in the Schools of Law and Social Work.--Upon recommendation of the Land and Investment Committee, the Board accepted gifts totalling \$25,000 from Mr. and Mrs. Victor W. Ravel, Austin, Texas, and established the Victor and Myra Ravel Endowed Scholarship Fund in Children's Rights in the Schools of Law and Social Work at The University of Texas at Austin.

Income earned from the endowment will be divided equally between the Schools of Law and Social Work and used to award scholarships to students in the respective schools.

18. U. T. Austin: Acceptance of Gift from Mr. and Mrs. Terrence L. Rock, Plano, Texas, and Establishment of the Debbie Ann Rock Scholarship in Interior Design in the College of Natural Sciences.--The Board accepted a \$30,000 gift from Mr. and Mrs. Terrence L. Rock, Plano, Texas, and established the Debbie Ann Rock Scholarship in Interior Design in the Department of Home Economics, College of Natural Sciences, at The University of Texas at Austin.

Income earned from the endowment will be used to award scholarships to students who are entering their junior year and are majoring in the Interior Design Sequence. Recipients shall be chosen on the basis of proven artistic and scholastic ability, positive attitude, promise of continued superior performance and demonstrated talent, with financial need a consideration when there are equally qualified applicants. Recipients may reapply for their senior year and shall be given preferential consideration.

19. U. T. Austin: Acceptance of Gifts and Pledges from Various Donors and Establishment of the Michael P. Rosenthal Endowed Presidential Scholarship in Law in the School of Law.--The Land and Investment Committee recommended and the Board accepted \$14,260 in gifts and \$3,400 in pledges, payable by August 31, 1993, from various donors and a \$12,500 transfer of previously reported gifts from current restricted funds for a total of \$30,160 and established the Michael P. Rosenthal Endowed Presidential Scholarship in Law in the School of Law at The University of Texas at Austin. Funds in the amount of \$17,660 will be held and administered by The University of Texas Law School Foundation (an external foundation) in accordance with the Regents' Rules and Regulations, and \$12,500 will be held and administered by the U. T. Board of Regents.

Income earned from the endowment will be used to award scholarships to students based on need or merit at the discretion of the Dean of the Law School or his designated representative.

20. U. T. Austin: Authorization to Accept Gift and Pledge from Small, Craig & Werkenthin, Austin, Texas, and to Establish the Clint C. Small, Jr. Endowed Presidential Scholarship in Law in the School of Law (No Publicity).-- Authorization was granted to accept a \$20,000 gift and a \$7,500 pledge, payable by August 31, 1991, from the law firm of Small, Craig & Werkenthin, Austin, Texas, and a \$12,500 transfer of previously reported gifts from current restricted funds for a total of \$40,000 and to establish the Clint C. Small, Jr. Endowed Presidential Scholarship in Law in the School of Law at The University of Texas at Austin. Funds in the amount of \$27,500 will be held and administered by The University of Texas Law School Foundation (an external foundation) in accordance with the Regents' Rules and Regulations, and \$12,500 will be held and administered by the U. T. Board of Regents.

Income earned from the endowment will be used to award scholarships to students based on need or merit at the discretion of the Dean of the Law School or his designated representative.

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

21. U. T. Austin: Acceptance of Gift and Pledge from Mr. and Mrs. William B. White, Houston, Texas, and Establishment of the William Byron and Frances Combs White Endowed Presidential Scholarship in Law in the School of Law.--The Board, upon recommendation of the Land and Investment Committee, accepted a \$10,000 gift and a \$2,500 pledge, payable by December 31, 1991, from Mr. and Mrs. William B. White, Houston, Texas, and a \$12,500 transfer of previously reported gifts from current restricted funds for a total of \$25,000 and established the William Byron and Frances Combs White Endowed Presidential Scholarship in Law in the School of Law at The University of Texas at Austin. Funds in the amount of \$12,500 will be held and administered by The University of Texas Law School Foundation (an external foundation) in accordance with the Regents' Rules and Regulations, and \$12,500 will be held and administered by the U. T. Board of Regents.

Income earned from the endowment will be used to award scholarships at the discretion of the Dean of the Law School or his designated representative. The donors request that the scholarships be awarded on merit to students who excel in their first year Property course.

22. U. T. El Paso: Acceptance of Gifts from Mr. Charles W. Santaguída, Phoenix, Arizona, and Mr. Robert J. Malone, Houston, Texas, and Establishment of the Billie W. Etheridge Debate Scholarship Endowment.--Approval was given to accept gifts totalling \$10,000 from Mr. Charles W. Santaguída, Phoenix, Arizona, and Mr. Robert J. Malone, Houston, Texas, and to establish the Billie W. Etheridge Debate Scholarship Endowment at The University of Texas at El Paso.

Income earned from the endowment will be used to award annual scholarships to students participating in the Debate Program at U. T. El Paso. Scholarship recipients are to be recommended by the debate coach or program director with the selection to be determined by the Scholarship Office in conformity with University procedures and scholarship requirements.

23. U. T. El Paso: Acceptance of Gifts from Dr. and Mrs. J. Edward Stern, El Paso, Texas, and Various Donors and Establishment of the J. Edward and Helen M. C. Stern Fund.--The Land and Investment Committee recommended and the Board accepted gifts of securities which realized proceeds of \$103,788.77 from Dr. and Mrs. J. Edward Stern, El Paso, Texas, \$2,300.61 in gifts from various donors, and \$18,226.33 in reinvested income for a total of \$124,315.71 and established the J. Edward and Helen M. C. Stern Fund at The University of Texas at El Paso.

Income earned from the endowment will be reinvested in the corpus until a specific use for the Fund is established by Dr. and Mrs. Stern. A final report will be made at a later date.

24. U. T. Southwestern Medical Center - Dallas: Acceptance of Gifts from Mr. and Mrs. Louis A. Beecherl, Jr., an Anonymous Donor, Mr. Cecil Green, and the Southwestern Medical Foundation, All of Dallas, Texas, for Addition to the Distinguished Chair in Biomedical Science and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--Upon recommendation of the Land and Investment Committee, the Board accepted gifts totaling \$1,000,000 from the following donors for addition to the Distinguished Chair in Biomedical Science, which is currently held by Joseph L. Goldstein, M.D., at The University of Texas Southwestern Medical Center at Dallas:

<u>Donor</u>	<u>Gift</u>
Mr. and Mrs. Louis A. Beecherl, Jr., Dallas	\$500,000
Anonymous Donor	400,000
Mr. Cecil Green, Dallas	50,000
Southwestern Medical Foundation, Dallas (to be held in trust by the Foundation)	50,000

Further, the actual income which will be earned on the \$950,000 in gifts held by the Board will be certified for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code.

On behalf of the Board, Committee Chairman Ratliff expressed appreciation to Regent Beecherl for this very significant gift and for his most generous and continuing support of the component institutions of The University of Texas System.

25. U. T. Southwestern Medical Center - Dallas: Redesignation of The Eugene McDermott Chair for the Study of Human Growth and Development as the Eugene McDermott Distinguished Chair for the Study of Human Growth and Development.--To more accurately reflect the value of this endowment, the Board redesignated The Eugene McDermott Chair for the Study of Human Growth and Development at The University of Texas Southwestern Medical Center at Dallas as the Eugene McDermott Distinguished Chair for the Study of Human Growth and Development.

26. U. T. Southwestern Medical Center - Dallas: Acceptance of Gifts from the William A. and Elizabeth B. Moncrief Foundation, Fort Worth, Texas, an Anonymous Donor, Mr. Cecil Green, Dallas, Texas, and the Southwestern Medical Foundation, Dallas, Texas, for Addition to the Distinguished Chair in Biomedical Science; Redesignation of this Chair as The W. A. (Monty) Moncrief Distinguished Chair in Cholesterol and Arteriosclerosis Research; and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--The Board, upon recommendation of the Land and Investment Committee, accepted gifts totalling \$1,000,000 from the following donors for addition to the Distinguished Chair in Biomedical Science, which is currently held by Michael S. Brown, M.D., and redesignated the Chair as The W. A. (Monty) Moncrief Distinguished Chair in Cholesterol and Arteriosclerosis Research at The University of Texas Southwestern Medical Center at Dallas:

<u>Donor</u>	<u>Gift</u>
William A. and Elizabeth B. Moncrief Foundation, Fort Worth	\$500,000
Anonymous Donor	400,000
Mr. Cecil Green, Dallas	50,000
Southwestern Medical Foundation, Dallas (to be held in trust by the Foun- dation)	50,000

Further, the actual income which will be earned on the \$950,000 in gifts held by the Board will be certified for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code.

Committee Chairman Ratliff expressed the Board's deep gratitude to Regent Moncrief for this very significant gift and for his continued support of the component institutions of The University of Texas System.

27. U. T. Southwestern Medical Center - Dallas: Approval to Accept Gifts and Pledge from the Biological Humanics Foundation, an Anonymous Donor, the Southwestern Medical Foundation, and Mr. Cecil Green, All of Dallas, Texas; Establishment of the Philip O'Bryan Montgomery, Jr., M.D. Distinguished Chair in Developmental Biology; and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--Approval was given to accept gifts totalling \$285,000 from the following donors and a \$15,000 pledge, payable by June 30, 1990, from Mr. Cecil Green, Dallas, Texas, for a total of \$300,000 to establish the Philip O'Bryan Montgomery, Jr., M.D. Distinguished Chair in Developmental Biology at The University of Texas Southwestern Medical Center at Dallas:

<u>Donor</u>	<u>Gift</u>
Biological Humanics Foundation, Dallas	\$150,000
Anonymous Donor	120,000
Southwestern Medical Foundation, Dallas (to be held in trust by the Foundation)	15,000

Further, a \$700,000 transfer from the Eugene McDermott Distinguished Chair for the Study of Human Growth and Development was accepted to increase the above endowment to a total of \$1,000,000 as authorized by the gift instrument establishing the McDermott Distinguished Chair.

Additionally, the actual income which will be earned on the \$285,000 in gifts held by the Board will be certified for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code.

28. U. T. Southwestern Medical Center - Dallas: Acceptance of Gifts from the Ralph B. Rogers Foundation, Mr. and Mrs. Robert D. Rogers, an Anonymous Donor, Mr. Cecil Green, and the Southwestern Medical Foundation, All of Dallas, Texas; Redesignation of the Mary Nell and Ralph B. Rogers Chair in Cardiovascular Diseases as the James T. Willerson, M.D. Distinguished Chair in Cardiovascular Diseases; and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--Upon recommendation of the Land and Investment Committee, the Board accepted a \$125,000 gift from the Ralph B. Rogers Foundation, Dallas, Texas, a \$125,000 gift consisting of Texas Industries, Inc. common stock and oil and gas properties located in Kay County, Oklahoma; Sabine Parish, Louisiana; and Freestone, Panola, Upshur and Harrison Counties, Texas, from Mr. and Mrs. Robert D. Rogers, Dallas, Texas, a \$200,000 gift from an anonymous donor, a \$25,000 gift from Mr. Cecil Green, Dallas, Texas, and a \$25,000 gift from the Southwestern Medical Foundation, Dallas, Texas (to be held in trust by the Foundation), for a total of \$500,000 for addition to the Mary Nell and Ralph B. Rogers Chair in Cardiovascular Diseases. The Chair was redesignated as the James T. Willerson, M.D. Distinguished Chair in Cardiovascular Diseases at The University of Texas Southwestern Medical Center at Dallas.

Further, the actual income which will be earned on the \$475,000 in gifts held by the Board will be certified for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code.

29. U. T. Southwestern Medical Center - Dallas: Acceptance of Gifts from Mr. and Mrs. Raymond Willie, Mrs. Laverne Willie, an Anonymous Donor, Mr. Cecil Green, and the Southwestern Medical Foundation, All of Dallas, Texas; Establishment of the Raymond and Ellen Willie Distinguished Chair in Cancer Research, in Honor of Laverne and Raymond Willie, Sr.; and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--The Land and Investment Committee recommended and the Board accepted gifts totalling \$1,000,000 from the following donors to establish the Raymond and Ellen Willie Distinguished Chair in Cancer Research, in Honor of Laverne and Raymond Willie, Sr. at The University of Texas Southwestern Medical Center at Dallas:

<u>Donor</u>	<u>Gift</u>
Mr. and Mrs. Raymond Willie, Dallas	\$250,000
Mrs. Laverne Willie, Dallas	250,000
Anonymous Donor	400,000
Mr. Cecil Green, Dallas	50,000
Southwestern Medical Founda- tion, Dallas (to be held in trust by the Foundation)	50,000

Further, the actual income which will be earned on the \$950,000 in gifts to be held by the Board will be certified for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code.

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

See Page 47 related to an appointment to this Distinguished Chair.

30. U. T. Southwestern Medical Center - Dallas: Authorization to Accept Gift from The Zale Foundation, Dallas, Texas; Establishment of The Abe (Brunky), Morris, and William Zale Distinguished Professorship in Neurology; and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--Authorization was granted to accept a \$250,000 gift from The Zale Foundation, Dallas, Texas, and to establish The Abe (Brunky), Morris, and William Zale Distinguished Professorship in Neurology at The University of Texas Southwestern Medical Center at Dallas.

Further, the actual income which will be earned on the \$250,000 gift will be certified for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code.

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

See Page 47 related to an appointment to this Distinguished Professorship.

31. U. T. Southwestern Medical Center - Dallas: Acceptance of 2.629 Acre Tract of Land Identified as Lot 7 and the East 10 Feet of Lot 6, Block One of Center Place and a Parcel of Land Out of Lot 46 of Alta Vista Acres, Section One, Both in Pasadena, Harris County, Texas, from Dr. and Mrs. Eldridge F. Avery, Friendswood, Texas; Authorization for the Office of Lands and Endowment Real Estate to Negotiate the Sale; and Authorization for the Executive Vice Chancellor for Asset Management to Execute All Documents Pertaining to the Sale.--The Board accepted a gift of real property identified as Lot 7 and the East 10 feet of Lot 6, Block One of Center Place, and a parcel of land out of Lot 46 of Alta Vista Acres, Section One, both in Pasadena, Harris County, Texas, from Dr. and Mrs. Eldridge F. Avery, Friendswood, Texas, for the benefit of The University of Texas Southwestern Medical Center at Dallas. The 2.629 acre tract of land has an appraised value of \$281,000. In accordance with the donor's request, sale proceeds or income received from the property will be used to establish an endowment to fund programs bringing students and alumni closer together. The exact nature of these programs will be specified at a later date. The U. T. Southwestern Medical Center - Dallas has agreed to pay existing maintenance liens and taxes on the property in the amount of \$851.54. Dr. and Mrs. Avery will pay the 1989 property taxes.

Further, the Office of Lands and Endowment Real Estate was authorized to negotiate the sale of the property at fair market value, and the Executive Vice Chancellor for Asset Management was authorized to execute all documents pertaining to the sale.

32. U. T. Medical Branch - Galveston: Acceptance of Gift from Mrs. Waneta B. Bruce, Fort Worth, Texas, and Establishment of the Ivan Bruce Memorial Award.--Upon recommendation of the Land and Investment Committee, the Board accepted a \$10,000 gift from Mrs. Waneta B. Bruce, Fort Worth, Texas, and established the Ivan Bruce Memorial Award at The University of Texas Medical Branch at Galveston.

Income earned from the endowment will be used to award annually a \$500 cash prize and certificate to a senior student submitting the best paper relating to the history of psychiatry.

33. U. T. Medical Branch - Galveston: Approval to Accept Gift from Walter E. Herbst, M.D., Victoria, Texas, and to Establish the Frances Rugeley Herbst, M.D. Fellowship in Oncology.--Approval was given to accept a \$70,000 gift from Walter E. Herbst, M.D., Victoria, Texas, and to establish the Frances Rugeley Herbst, M.D. Fellowship in Oncology at The University of Texas Medical Branch at Galveston.

Income earned from the endowment will be used to support oncology research and to enhance the teaching of residents.

34. U. T. Medical Branch - Galveston: Acceptance of Gift from Houston Endowment Inc., Houston, Texas, and Establishment of the Jesse H. Jones Distinguished Chair in Burn Surgery.--The Land and Investment Committee recommended and the Board accepted a \$1,000,000 gift from Houston Endowment Inc., Houston, Texas, and established the Jesse H. Jones Distinguished Chair in Burn Surgery at The University of Texas Medical Branch at Galveston.

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

35. U. T. Medical Branch - Galveston: Acceptance of Transfer of Funds and Establishment of the UTMB School of Medicine Alumni Life Members' Fund.--The Board, upon recommendation of the Land and Investment Committee, accepted a \$106,500 transfer of funds from the Board of Trustees of the School of Medicine Alumni Association of The University of Texas Medical Branch at Galveston and established the UTMB School of Medicine Alumni Life Members' Fund at the U. T. Medical Branch - Galveston.

Income earned from the endowment will be used to support the general purposes of operating the Association and providing services to members in accordance with the Bylaws of the Association.

36. U. T. Medical Branch - Galveston: Approval to Accept Gifts from Dr. and Mrs. William M. Midgett, Denton, Texas, and Various Donors and to Establish the William Todd Midgett Award for Superior Clinical Practice.--Authorization was granted to accept a \$25,000 gift from Dr. and Mrs. William M. Midgett, Denton, Texas, and \$690 in gifts from various donors for a total of \$25,690 and to establish the William Todd Midgett Award for Superior Clinical Practice at The University of Texas Medical Branch at Galveston.

Income earned from the endowment will be used to present an annual award at the honors convocation to a junior medical student in recognition of academic achievement, exceptional professional qualities, and potential for superior clinical practice.

37. U. T. Health Science Center - San Antonio: Acceptance of Gifts from Various Donors and Establishment of the Arthur E. Grant, M.D., Lectureship Series.--Upon recommendation of the Land and Investment Committee, the Board accepted gifts totalling \$15,790 from various donors and established the Arthur E. Grant, M.D., Lectureship Series at The University of Texas Health Science Center at San Antonio.

Income earned from the endowment will be used to support a lectureship series in the Department of Physical Medicine and Rehabilitation and to enhance generally educational efforts at the U. T. Health Science Center - San Antonio.

38. U. T. Health Science Center - San Antonio: Acceptance of Gifts from Various Donors and Establishment of the Medical School 20th Anniversary Scholarship Endowment Fund.--The Board accepted gifts totalling \$75,000 from various donors and established the Medical School 20th Anniversary Scholarship Endowment Fund at The University of Texas Health Science Center at San Antonio.

Income earned from the endowment will be used to award scholarships to deserving medical students at the discretion of the Medical School Scholarship Committee. Recipients of these annual awards will be designated as "20th Anniversary Scholars" for that year.

39. U. T. M.D. Anderson Cancer Center: Approval to Accept Remainder Interest in the Wilfred George Barnts Charitable Remainder Unitrust Funded by Mr. Wilfred George Barnts, Stafford, Texas.--Approval was given to accept the remainder interest in the Wilfred George Barnts Charitable Remainder Unitrust, funded by Mr. Wilfred George Barnts, Stafford, Texas, with an initial gift of \$500,000 (to be held in trust by First Interstate Bank of Texas, N.A., Houston, Texas) and to establish an endowment at The University of Texas M.D. Anderson Cancer Center upon termination of the Trust. A final report will be made at a later date.

40. U. T. M.D. Anderson Cancer Center: Acceptance of Gift and Pledge from H. E. Butt Grocery Company, San Antonio, Texas, and Establishment of the H. E. B. Professorship in Laser Biology.--The Land and Investment Committee recommended and the Board accepted a \$50,000 gift and a \$150,000 pledge, payable by December 31, 1992, from the H. E. Butt Grocery Company, San Antonio, Texas, for a total of \$200,000 and established the H. E. B. Professorship in Laser Biology at The University of Texas M.D. Anderson Cancer Center.

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

41. U. T. M.D. Anderson Cancer Center: Acceptance of Remainder Interest in the Fay Etta Robinson Marital Trust, Houston, Texas, and Reinvested Accrued Interest and Establishment of The P. H. and Fay Etta Robinson Professorship in Cancer Research.--Upon recommendation of the Land and Investment Committee, the Board accepted a thirty percent remainder interest in the Fay Etta Robinson Marital Trust, Houston, Texas, comprised of cash totalling \$286,425 and a mineral interest in Woods County, Oklahoma, and \$13,575 in reinvested accrued interest for a total of \$300,000 and established The P. H. and Fay Etta Robinson Professorship in Cancer Research at The University of Texas M.D. Anderson Cancer Center.

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

42. U. T. M.D. Anderson Cancer Center: Authorization to Accept Transfer of Funds from the Hubert L. and Olive Stringer Chair in Basic Science in Honor of Sally Stringer and to Establish The Hubert L. and Olive Stringer Professorship in Cancer Research.--Authorization was granted to accept a \$375,000 transfer of accumulated earnings from the Hubert L. and Olive Stringer Chair in Basic Science in Honor of Sally Stringer and to establish The Hubert L. and Olive Stringer Professorship in Cancer Research at The University of Texas M.D. Anderson Cancer Center.

Further, the Professorship shall be funded at a level of \$300,000 with the remaining \$75,000 made available for current use when a holder is appointed to the Professorship.

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

IV. INTELLECTUAL PROPERTY MATTER

U. T. System: Approval of Research Affiliation Agreement with Clayton Foundation for Research (Foundation), Houston, Texas.--The Board, upon recommendation of the Land and Investment Committee, approved the Research Affiliation Agreement set out on Pages 145 - 153 between the Board of Regents of The University of Texas System and the Clayton Foundation for Research (Foundation), a Texas nonprofit corporation, Houston, Texas, for medical and scientific research to be conducted by the Foundation at certain health-related component institutions of the U. T. System.

This Research Affiliation Agreement is similar to existing and approved research affiliation agreements with certain U. T. System components and will supplant those agreements, thereby eliminating the necessity of having future agreements separately approved. Specific program agreements will be subject to prior administrative review and approval by the U. T. Board of Regents as appropriate.

Under this agreement, the Foundation will own any inventions or other technologies developed during the course of its research using its own personnel and facilities which are leased from the component institutions. Royalties received from licensing inventions and technologies will be apportioned between the Foundation and the relevant U. T. System health-related component institutions according to the respective contributions of the parties. Royalty income apportioned to the Foundation will be shared with the investigator in the same percentage that he/she would have received under the U. T. System Intellectual Property Policy. The balance of such royalty will be dedicated, at the Foundation's discretion, to funding further research at the health-related component institution.

RESEARCH AFFILIATION AGREEMENT

This Agreement effective the \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, between Clayton Foundation for Research, a Texas nonprofit corporation (the "Foundation"), and The Board of Regents of The University of Texas System (the "System"), acting for and on behalf of certain of its component institutions (such component institutions being referred to herein as "Hospitals" or in the singular as a "Hospital"), is made with reference to the following facts:

A. The Hospitals are nonprofit institutions with the principal purpose of providing medical education and also providing medical care to patients as an integral part of their medical education function and, therefore, qualify as "hospitals" under section 170(b)(1)(A)(iii) of the Internal Revenue Code of 1986 and are not grant-making institutions. In order to qualify as a medical research organization, the Foundation must be affiliated with a hospital(s) in the continuous active conduct of medical research, and it must employ professional personnel and own or lease its own physical facilities and equipment appropriate for such research. It is not sufficient to merely use its funds to support research conducted by another institution, as distinguished from research conducted by its own personnel.

B. The Foundation and certain of the Hospitals are currently affiliated in the active conduct of medical research, by virtue of the Foundation conducting some of its research in facilities of such Hospitals, such Hospitals making their facilities available to the Foundation, and the personnel of the Foundation and such Hospitals participating in such medical research. Such affiliations are pursuant to written Research Affiliation Agreements entered into by and between the Foundation and the particular Hospital, each such Agreement having been separately approved by the Board of Regents.

C. It is now the desire of the parties to affiliate under a single Research Affiliation Agreement which will govern the conduct of research by the Foundation at each Hospital where such research is being, or will be conducted, and further, to have this Agreement replace and supersede the several existing Research Affiliation Agreements with individual Hospitals.

D. The objectives of the Foundation are to employ the most talented and productive investigators available to engage in research of their own choosing, to provide its investigators with maximum autonomy and freedom consistent with a cooperative research effort by the Foundation and the Hospitals, and to maintain the identity of the Foundation in conducting joint research projects.

NOW, THEREFORE, it is mutually agreed as follows:

1. Purpose: The purpose of this Agreement is to provide for the continuous active conduct of medical research by the Foundation in conjunction with the Hospitals and to expressly set forth the agreement between the parties hereto as to the respective rights to any proprietary property or assets of any kind or nature resulting from, or arising out of, the research conducted hereunder.

2. Location: The medical research to be conducted hereunder shall be conducted in facilities of the Hospitals, and in other appropriate locations as may be required so as to reasonably facilitate such medical research.

3. Supervision of Medical Research: The continuous active conduct of medical research in conjunction with the Hospitals shall be under the supervision of a senior investigator(s) who will be selected by the Foundation with the advice of the particular Hospital. The research will be conducted by the Foundation through such senior investigator(s), and the cost of conducting the medical research will be paid by the Foundation.

4. Research Program Agreements: The specific research projects, including personnel and budgets, will be agreed upon by the Foundation, the System and the various Hospitals in specific

Research Program Agreements. Such projects will be subject to all of the terms and conditions of such specific Research Program Agreements as well as all terms and conditions hereof. In the event of any conflict or discrepancy between the terms and conditions of any Research Program Agreement and the terms and conditions hereof, the terms and conditions hereof shall control.

5. Conduct of Medical Research: The medical research in conjunction with a Hospital shall be conducted by the investigator(s) and other employees of the Foundation either alone or in conjunction with others working at the Hospital. The Foundation and the Hospital shall freely exchange information, ideas and research results of joint projects. All activities conducted at the Hospital pursuant to this Agreement shall conform to the applicable policies of the Hospital, and the personnel of the Hospital assisting and collaborating in such medical research shall be responsible for obtaining appropriate approval for such activities. The Hospital shall permit its personnel to assist in collaborating in medical research with the personnel of the Foundation, and the Foundation shall permit its personnel to assist in collaborating in medical research with the personnel of the Hospital.

6. Agreement as to Proprietary Rights: Any inventions or discoveries made, and any technology or know-how developed, during the course of research under this Agreement, which may, or may not be patentable, or copyrightable, shall be treated in the manner prescribed in Appendix A attached hereto.

7. Period of Agreement: This Agreement is for a period of five years from the effective date hereof and shall be automatically extended for additional five-year periods from and after the expiration of the first and each succeeding five-year period, unless six months or more prior to expiration of any five-year period either party shall give written notice to the other party that it has elected not to extend the term of this Agreement; provided, however, that either party may terminate this Agreement at any time by giving the other party six months'

written notice of intention to terminate. Amendment of this Agreement shall be only in writing, signed and approved by each of the parties.

8. Prior Agreements Superseded: This Agreement, as of the effective date stated above, supersedes and replaces in their entirety each existing Research Affiliation Agreement between the Foundation and Hospitals that are component institutions of the System, including without limitation those Research Affiliation Agreements between (i) the Foundation and the System for and on behalf of The University of Texas at Austin dated April 8, 1971, (ii) the Foundation, the System for and on behalf of The University of Texas at Austin, and The Student Health Center of The University of Texas at Austin dated April 14, 1971, (iii) the Foundation and The University of Texas M. D. Anderson Hospital and Tumor Institute dated February 13, 1981, and (iv) the Foundation and The University of Texas Medical School at Houston dated February 13, 1981, as amended December 13, 1984.

This Agreement is effective as of the day and year first above written.

CLAYTON FOUNDATION FOR RESEARCH

By: \_\_\_\_\_  
C. W. Wellen  
President

ATTEST:

By

Arthur H. Dilly  
Arthur H. Dilly  
Executive Secretary

BOARD OF REGENTS OF THE UNIVERSITY  
OF TEXAS SYSTEM

By:

Howe Heath  
Title: Chancellor

## APPENDIX A

### PROPRIETARY PROPERTY

#### 1. Policy

The inventions and discoveries made and the know-how and technology developed by Clayton investigators during the course of research under this Agreement, either solely or jointly with the Hospital investigators, are valuable assets arising out of such research. These assets include inventions, discoveries, technology, know-how, and programs subject, or not subject, to being patented, or copyrighted, all of which are hereinafter referred to as "Proprietary Property." The Foundation and the System recognize that rights to this Proprietary Property, either limited or exclusive, can be a strong incentive for a private company to risk the money and effort needed to change research and Proprietary Property into a commercial product, or procedure, which is widely available to the public. Accordingly, the Foundation desires to obtain title to such Proprietary Property and, when feasible, to seek patent or copyright protection on such Proprietary Property resulting from research projects under this Agreement. The System is prepared to assist the Foundation in its desire to seek patent, or copyright, protection for certain of such Proprietary Property, and its desire to use such Proprietary Property in hastening the public enjoyment of the benefits of its research. In this regard, disclosures by an investigator of a Hospital shall be made to the Hospital in accordance with the Hospital's regular procedures; provided, however, that copies of any and all such disclosures shall be furnished to the Foundation by the Hospital immediately upon the Hospital's receipt of such disclosure. Notwithstanding anything to the contrary herein, authors of scientific papers shall be entitled to retain the copyright to the extent provided by the policies and procedures of the Hospital.

#### 2. Proprietary Property

Proprietary Property developed solely by the Foundation, or solely by the Hospital, shall belong to such party. Due to the

close cooperation between personnel of the Foundation and the Hospital in the research projects under this Agreement, it is contemplated that some Proprietary Property may be produced jointly by Foundation and Hospital investigators. In this regard, where at the time the investigator is acting solely in the capacity as an employee of one party, such Proprietary Property shall nevertheless be deemed to have been made "jointly" if the other party has made some substantial contribution to the research project out of which such joint Proprietary Property arose, such as funds, equipment, space, overhead, staff, etc. In the case of Proprietary Property produced or made jointly by the Foundation and a Hospital, either party may request that a patent or copyright application be filed therefor. The Foundation shall have the right to file patent applications, including utility models, and copyrights and to secure ownership to the same in the name of the Foundation in every country in the world and shall have the right to make the final decision with respect to the subject matter thereof, reserving the right to abandon or cease maintaining the same. In the event that the Foundation elects not to file such a patent application, or copyright, or to abandon any such patent application, or ceases maintaining such a patent, the Foundation shall give thirty (30) days notice prior to such election, and the System shall have the right to file for, assume the prosecution of, or maintain the same, and the Foundation agrees to assign title thereto to the System. The party filing the patent application or copyright, prosecuting the application, or maintaining the application shall have the full control over the same; however, such party shall provide the other party with copies of all documents with respect thereto and will consider any comments or suggestions made by the other party prior to filing or responding to office actions. The parties further agree that all expenses thereof shall be apportioned according to the respective contributions of the parties to the funding of the research project out of which the Proprietary Property arose.

3. Royalties
- (a) Royalties received from Proprietary Property shall be apportioned according to the respective contributions of the parties to the funding of the research project out of which the Proprietary Property arose.
- (b) The patent policy of the Foundation for the use of any royalty income apportioned to the Foundation from a patent or copyright arising out of a research project conducted under this Agreement is as follows:
- (1) The investigator shall receive the same percentage of the royalty that he would have received as an investigator under the then-existing patent policy of the Hospital; and
- (2) The balance of such royalty will normally be dedicated to further research at the Hospital on the same or a related project out of which the Proprietary Property arose; provided, however, that the Foundation, in the sole discretion of its trustees, reserves the right to utilize part or all of such balance of the royalty on other research projects at the Hospital or at any other institution or for any other purpose.
- (c) The Foundation (or the System if it is assigned title to the Proprietary Property under Paragraph 2 above) shall receive and disburse royalty income pursuant to subparagraph (a) above with respect to joint Proprietary Property of the Foundation and the System and shall keep accurate records detailing the basis for such disbursements. The party receiving and disbursing royalty income under the preceding sentence shall, before the end of the calendar quarter next succeeding the close of each calendar year, provide a written report to the other party detailing royalty receipts and disbursements for the immediately preceding

calendar year and shall thereupon make the payments declared therein to be due.

4. Litigation

It may become necessary to enforce one or more of the patents, or copyrights, contained in the Proprietary Property obtained under Paragraph 2 above against infringers. All costs of litigation, including attorneys' fees, shall be deducted from any royalties, judgments or other amounts received on the Proprietary Property in suit before distribution in accordance with the provisions of Paragraph 3, subparagraph (a) above. If such costs exceed royalties, judgments or other amounts received on the Proprietary Property in suit, the excess shall be borne by the parties in proportion to their respective interests in the patent or copyright; provided, however, that either party may elect to decline to bear its share of such costs, but in such event the other party shall be entitled to recover an amount equal to twice its excess costs prior to the declining party being entitled to receive any distribution under this Agreement.

5. General Provisions

- (a) The term "royalty" (which includes any consideration received from the licensing, use, sale or other disposition of Proprietary Property) as used in this Agreement refers to a net royalty, and the Foundation and/or the System shall first recoup all costs and expenses (including attorneys' fees) incurred in applying for, obtaining, maintaining, protecting and licensing any particular Proprietary Property before any royalty income received from such Proprietary Property is disbursed under this Agreement.
- (b) In the event that the Foundation is making the patent application with respect to a particular Proprietary Property, the System will use reasonable efforts to either require the employee (or employees) of the Hospital with rights in such particular Proprietary Property to assign such rights to the System, and the

System will in turn assign such rights to the Foundation, or to cause such employee (or employees) to assign such rights directly to the Foundation as a matter of convenience.

- (c) Where two or more persons are jointly responsible for the invention of a particular Proprietary Property, only one royalty will be paid, and the parties agree that the royalty the Foundation is to pay under clause (1) of subsection (b) of paragraph 3 hereof shall be divided among the co-inventors in proportion to their relative contribution to its invention. In the event of a dispute as to the existence of co-inventors, their identity or their relative contributions to a particular Proprietary Property, the Hospital shall be responsible for settling such dispute in accordance with its usual policies and procedures, and its determination shall be final.

RECONVENE.--At 10:40 a.m., the Board reconvened as a committee of the whole to consider those items remaining on the agenda.

RECESS TO EXECUTIVE SESSION.--Chairman Beecherl announced that the Board would recess to convene in Executive Session pursuant to Vernon's Texas Civil Statutes, Article 6252-17, Sections 2(e), (f) and (g) to consider those matters set out in the Material Supporting the Agenda.

RECONVENE.--At 11:30 a.m., the Board reconvened in open session.

#### EXECUTIVE SESSION OF THE BOARD OF REGENTS

Chairman Beecherl reported that the Board had met in Executive Session in Conference Room 303 of the Administration Building to discuss matters in accordance with Article 6252-17, Sections 2(e), (f) and (g) of Vernon's Texas Civil Statutes. In response to Chairman Beecherl's inquiry regarding the wishes of the Board, the following action was taken:

U. T. Austin: Authorization for Vice President for Business Affairs to Acquire Lot 10 and North 24.25 Feet of Lot 11, Outlot 49, Division D, Austin, Travis County, Texas, as Part of Site for Parking Garage Number 2 and to Execute All Documents Related Thereto.--Vice-Chairman Barshop moved that the Vice President for Business Affairs of The University of Texas at Austin be authorized to purchase Lot 10 and the North 24.25 feet of Lot 11, Outlot 49, Division D, in Austin, Travis County, Texas, at its fair market value for use as part of the site for Parking Garage Number 2, following approval by the Executive Vice Chancellor for Academic Affairs and the Texas Higher Education Coordinating Board. In addition, the Vice President or his delegate was authorized to execute all documents required to purchase the property after approval of such documents by the Office of General Counsel.

Vice-Chairman Barshop further moved that in the event the property cannot be purchased under a negotiated contract the Office of General Counsel be authorized to take all steps necessary to acquire the property using the power of eminent domain as provided in Section 65.33 of the Texas Education Code.

Regent Ramirez seconded the motions which carried without objection.

ITEMS FOR THE RECORD

1. U. T. Permian Basin: Acceptance of Membership to the Development Board.--At the October 1989 U. T. Board of Regents' meeting, the following individuals were approved for membership on The University of Texas Permian Basin Development Board and their acceptances of membership are herewith reported for the record:

	<u>Term Expires</u>
Mr. Steve Late, Odessa	1992
Mr. Ted Roden, Odessa	1992
Mr. Ray Stoker, Odessa	1990
Mr. Carroll Thomas, Midland	1990

2. U. T. San Antonio - College of Science and Engineering Advisory Council: Acceptance of Membership.--At the October 1989 meeting, the U. T. Board of Regents approved Mr. Robert J. Beal, San Antonio, Texas, for membership on The University of Texas at San Antonio College of Science and Engineering Advisory Council for a one-year term to expire August 31, 1990. Mr. Beal's acceptance of membership is herewith reported for the record.

3. U. T. Health Science Center - San Antonio: Acceptance of Membership to the Development Board.--At the October 1989 U. T. Board of Regents' meeting, Mrs. Dardi Cardenas and Rafael Garza, M.D., both of McAllen, Texas, were approved for membership on The University of Texas Health Science Center at San Antonio Development Board for three-year terms to expire August 31, 1992. Their acceptances of membership are herewith reported for the record.

4. U. T. Health Science Center - San Antonio - Institute of Biotechnology: Report on Transfer of Title to the Hayden Head Building.--It was reported for the record that:

- a. On January 18, 1990, escrow documents were executed evidencing the gift of the Hayden Head Building, the initial facility of the U. T. Institute of Biotechnology, by the Texas Research and Technology Foundation to the U. T. Board of Regents for and on behalf of The University of Texas Health Science Center at San Antonio.
- b. On January 24, 1990, the Texas Research and Technology Foundation and the U. T. Health Science Center - San Antonio sponsored public ceremonies to evidence the acceptance of the gift and the naming and dedication of the Hayden Head Building.

This gift by the Foundation is in conformity with the documents executed on April 22, 1988, as a part of the San Antonio Biosciences Initiative.

REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS

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

Report

The Board for Lease of University Lands met in Midland, Texas, on December 13, 1989, and offered for sale by sealed bid oil and gas leases on 44,490 acres.

The results of the sales were as follows:

Total bonuses	\$2,160,415
Acreage sold	21,892
Acres passed	22,598
Average bonus per acre	\$98.00

The Board tentatively approved an oil and gas lease sale for July 1990, if there is a sufficient demand. The Board requested that all nominations for such sale be submitted to the Midland office on or before March 7, 1990.

OTHER MATTERS

1. U. T. System: Report by Chancellor Mark on Student and Faculty Advisory Groups.--Chairman Beecherl stated that the Board had recognized in the past that the meeting agenda, focused as it is on matters which need action and decision, does not provide a very satisfactory avenue for the discussion of student and faculty issues. He noted that the Board had agreed on the need to have some formal process by which the legitimate concerns of both students and faculty from all of the components could be brought to its attention. Chairman Beecherl pointed out that several months ago the Board instructed Chancellor Mark, with the assistance of Executive Vice Chancellors Duncan and Mullins, to develop and implement such a process.

Chairman Beecherl then called on Chancellor Mark for a progress report related to the establishment of the Student and Faculty Advisory Groups. Chancellor Mark distributed a list of the members of the Student Advisory Group (copy on file in the Office of the Board of Regents) and reported that this group would hold its first meeting on February 16, 1990, in Ashbel Smith Hall in Austin. He noted that U. T. System Administration will set aside a time at an early meeting of the Board for the students to discuss their concerns with the Board.

Chancellor Mark reported that approximately one-half of the members of the Faculty Advisory Group had been selected and once membership is completed that group will set a date for its first meeting.

Chairman Beecherl commented that he envisioned the Student Advisory Group would get together, decide upon the major issues, and then select spokespersons to make presentations to the Board. He noted that time would not permit each member of the Student Advisory Group to come before the Board with all of their concerns.

Regent Blanton stated that he was a bit curious about the advisory process and how it would separate those concerns the Board had generally delegated to System officials and/or the chief administrative officers.

Chancellor Mark assured the Board that the U. T. System Administration would meet with both advisory groups and filter the items for discussion. He noted that most of the student concerns will be related to campus issues such as housing, fees, tuition, cost of education, etc.

2. U. T. System: Report by Chancellor Mark on Coordinating Board Formula Funding for 1992-93 Biennium.--At the request of Chairman Beecherl, Chancellor Mark reported that the Texas Higher Education Coordinating Board held a special meeting on February 1, 1990, to discuss the recommendations for formula funding for the 1992-93 biennium. Dr. Mark noted that the first page of his handout (copy on file in the Office of the Board of Regents) set the stage for the Coordinating Board to develop some statements of need for higher education.

Dr. Mark stated that the Legislative Budget Board is required by law to use the Coordinating Board figures as a starting point for the development of budget instructions to the institutions. He emphasized that the Coordinating Board requested faculty salaries be set so that they are comparable to faculty salaries in the ten most populous states in the United States. Recognizing that formula funding also applies to support functions, Dr. Mark pointed out that in the past five years the support functions that are necessary to perform teaching and research in The University of Texas System components have been reduced.

3. U. T. System: Report by Vice Chancellor for Governmental Relations Hill and Dr. Frank I. Moore on South Texas Initiatives.--Chairman Beecherl reminded the Board that several of The University of Texas System components have been coordinating their efforts to expand and enhance the academic and health-related programs which serve the South Texas area. He introduced Vice Chancellor for Governmental Relations Gerald Hill and Dr. Frank I. Moore, Director of the Center for Health Policy Studies at the U. T. Public Health School - Houston, and called on them for an update on these South Texas Initiatives.

Vice Chancellor Hill reported that the 71st Legislature directed substantial attention to South Texas and in particular to developing the scope and quality of higher education in the Lower Rio Grande Valley. The University of Texas System, with the merger of Pan American University, became an integral part of what is collectively referred to as the South Texas Initiative. Mr. Hill distributed a report entitled "South Texas Initiatives" which provided an overview of progress to date on programs involving the U. T. System. A copy of that report is on file in the Office of the Board of Regents.

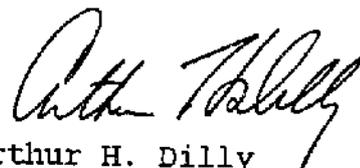
Vice Chancellor Hill recognized Dr. Frank I. Moore, a member of the U. T. School of Public Health faculty headquartered in San Antonio, who presented a comprehensive report on The University of Texas System Valley/Border Health Services Task Force. Dr. Moore noted that the Task Force was formed in August 1988 with a mission to act as an advisory body to the U. T. System Chancellor's Office, provide information and recommendations to the Chancellor's Office, develop an inventory, and coordinate, cooperate, and integrate U. T. System health-related education activities and technical assistance focused in the Valley/Border area. Recognizing the limited knowledge of border activities, the U. T. System Administration has taken the opportunity, fostered by studies ongoing in the Texas Legislature involving this issue, to initiate a coordinated effort involving U. T. System institutions and their health-related activities along the Texas/Mexico border.

Dr. Moore reported that the Task Force is involved with programs to implement the following goals:

- a. Establish and maintain some central focus of U. T. System health professional education programs, health delivery services, and research activities within the Valley/Border area
- b. Improve the supply, distribution, quality, and efficiency of personnel providing health services in the Valley/Border area
- c. Participate with the local Valley/Border health-related resources in determining and developing community health priorities, plans, programming, and effectiveness
- d. Participate with local communities in defining, analyzing, and implementing their health service programs for their population
- e. Encourage health promotion and disease prevention activities in the Valley/Border area.

SCHEDULED MEETING.--Chairman Beecherl announced that the next meeting of the U. T. Board of Regents would be held on April 12, 1990, at The University of Texas Health Center at Tyler.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 12:00 p.m.



Arthur H. Dilly  
Executive Secretary

February 15, 1990