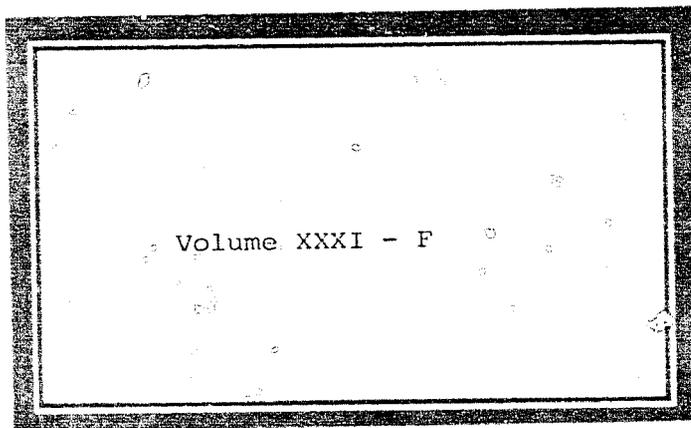


Meeting No. 804

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



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August 9-10, 1984

Austin, Texas

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MEETING NO. 804

THURSDAY, AUGUST 9, 1984.--The members of the Board of Regents of The University of Texas System convened in regular session at 1:40 p.m. on Thursday, August 9, 1984, in the Regents' Meeting Room on the ninth floor of Ashbel Smith Hall in Austin, Texas, with the following in attendance:

ATTENDANCE.--

<u>Present</u>	<u>Absent</u>
Chairman Newton, presiding	
Vice-Chairman Baldwin	
Vice-Chairman (Mrs.) Briscoe	
Regent Hay	
Regent (Mrs.) Milburn	
Regent Powell	
Regent Rhodes	
Regent Richards	
Regent Yzaguirre	

Executive Secretary Dilly

Chancellor Walker  
Executive Vice Chancellor Duncan  
Executive Vice Chancellor Mullins

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

STATEMENT BY CHAIRMAN NEWTON REGARDING DIVESTITURE OF UNIVERSITY INVESTMENTS IN CORPORATIONS DOING BUSINESS IN OR WITH SOUTH AFRICA.--Chairman Newton presented the following statement related to the divestiture of University investments in corporations doing business in or with South Africa:

I have been advised that representatives of several U. T. Austin groups are attending today's meeting of the Board of Regents to indicate their support for the divestiture of all University investments in corporations which do business in or with South Africa.

Currently, the Office of the Chancellor has this matter under study and is not yet prepared to bring forward recommendations for consideration by the full Board.

The need for extensive study of this matter should be readily understood. Currently, our investment portfolio approximates \$2.2 billion, and about \$600 million or 27% is related to companies doing business in South Africa. Changes in investment policy of this magnitude should not, and will not, be considered without full staff and Regental study. This Board has a recognized fiduciary responsibility to the citizens and taxpayers of this State to maximize the returns from its investment policies.

On July 26, 1984, a representative of these interested groups was advised that this issue would

not be on the August agenda but that his request to appear before the Board would be honored when the divestiture matter was considered.

The Board has a long-standing policy of hearing presentations only as they relate to matters that are on the agenda. I want to reassure those persons interested in this matter that their views will be appropriately heard when the matter of divestiture is before the Board for consideration.

U. T. BOARD OF REGENTS: APPROVAL OF MINUTES OF REGULAR MEETING HELD ON JUNE 14-15, 1984.--Upon motion of Regent Powell, seconded by Vice-Chairman Baldwin, the Minutes of the regular meeting of the Board of Regents of The University of Texas System held on June 14-15, 1984, in Port Aransas, Texas, were approved as distributed by the Executive Secretary. The official copy of these Minutes is recorded in the Permanent Minutes, Volume XXXI, Pages 2937 - 3648.

INTRODUCTION OF FACULTY AND STUDENT REPRESENTATIVES.--Chairman Newton called on the chief administrative officers of the component institutions to introduce their respective faculty and student representatives:

U. T. Arlington

President Nedderman introduced:

Faculty Representative:	Dr. Pedro Lecca, Incoming President, Faculty Senate
Student Representatives:	Ms. Mamie Bush, President Student Congress Mr. Walter Price, Vice President Student Congress Ms. Connie Hickman, Staff Writer, <u>The Shorthorn</u>

U. T. Austin

President Flawn introduced:

Faculty Representative:	Dr. Waneen Spirduso, Chairman Faculty Senate
Student Representatives:	Mr. Rodney Schlosser, President Students' Association Ms. Lisa Baker, General Reporter <u>The Daily Texan</u>

U. T. Dallas

President Rutford introduced:

Faculty Representative:	Dr. Thomas Tighe, Dean, School of Human Development and Professor of Psychology
Student Representatives:	Mr. Joseph Gibson, President Student Government Ms. Irene Dahlberg, Editor <u>The Mercury</u>

U. T. Permian Basin

President Leach introduced:

Faculty Representative:

Dr. Robert F. Ihinger, Vice  
President, Faculty Senate

Student Representative:

Mr. Jim Gaddy, President  
Student Senate

U. T. San Antonio

President Wagener introduced:

Faculty Representative:

Dr. Eileen T. Lundy, Associate  
Professor, Division of  
English, Classics and  
Philosophy

Student Representative:

Mr. Ricardo A. Montemayor  
President of the Student  
Representative Assembly

U. T. Tyler

President Hamm introduced:

Faculty Representative:

Dr. Gary Wright, President  
Faculty Senate

Student Representative:

Mr. Marc Wall, President  
Student Association

U. T. Medical Branch - Galveston

President Levin introduced:

Faculty Representative:

Dr. John Bunker, Faculty Mem-  
ber, Department of Health  
Related Studies, U. T.  
Allied Health Sciences  
School - Galveston

Student Representative:

Ms. Frances Gonzales, Health  
Related Studies Student,  
U. T. Allied Health  
Sciences School -  
Galveston

U. T. Cancer Center

President LeMaistre introduced:

Faculty Representative:

Dr. Isaiah J. Fidler, Chairman  
Department of Cell Biology

Student Representative:

Mr. John W. Madsen, Pre-doctoral  
Candidate, Department of  
Cell Biology

U. T. Health Center - Tyler

Director Hurst introduced:

Faculty Representative:

Dr. Mike Green, Clinical  
Instructor of Pulmonary  
Pediatrics

U. T. BOARD OF REGENTS: DECLINATION TO SELL BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON PARKING FACILITIES REVENUE BONDS, SERIES 1984, IN THE AMOUNT OF \$3,500,000; APPROVAL OF ALTERNATE SOURCE OF FUNDING; AND AUTHORIZATION FOR REPAYMENT OF FUNDS ON A PRO RATA BASIS.--With regard to the issuance and sale of The University of Texas Medical Branch at Galveston Parking Facilities Revenue Bonds, Series 1984, Chairman Newton reported that an alternate source of funding would be suggested by System Administration because of the bond rating and the resultant increase in interest costs.

Following a brief discussion, Regent Rhodes moved that, due to anticipated high interest costs on the sale of bonds, the Board accept the alternate recommendations of President Levin and the Office of the Chancellor as set forth below:

- a. Decline to sell Board of Regents of The University of Texas System, The University of Texas Medical Branch at Galveston Parking Facilities Revenue Bonds, Series 1984, in the amount of \$3,500,000
- b. Appropriate funds from the following sources to replace the funds anticipated from the sale of bonds:  
  
\$2,400,000 from Various Auxiliary Fund Balances  
\$1,100,000 from Unexpended Plant Fund Balances
- c. Authorize the repayment of funds advanced from the Various Auxiliary Fund Balances on a pro rata basis based on excess income from parking fees

Regent Yzaguirre seconded the motion which carried by unanimous vote.

RECESS FOR COMMITTEE MEETINGS AND COMMITTEE REPORTS TO THE BOARD.--At 1:55 p.m., the Board recessed for the meetings of the Standing Committees and Chairman Newton announced that at the conclusion of each committee meeting, the Board would reconvene to approve the report and recommendations of that committee.

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

REPORT AND RECOMMENDATIONS OF STANDING COMMITTEES

REPORT OF EXECUTIVE COMMITTEE (Pages 5 - 13 ).--In compliance with Section 7.14 of Chapter I of Part One of the Regents' Rules and Regulations, Chairman Newton 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: W. C. Hogg Memorial Fund (Thomas E. Hogg Fund) - Authorization for Sale of 75.5232 Acres of Land (Surface Only) in the J. H. Bell 1½ League, Abstract 40, Brazoria County, Texas, to Tenneco Realty, Co., Houston, Texas (Exec. Com. Letter 84-28).--The Executive Committee recommended and the Board authorized the sale of 75.5232 acres of land, being the surface only, in the J. H. Bell 1½ League, Abstract 40, Brazoria County, Texas (W. C. Hogg Memorial Fund - Thomas E. Hogg Fund - The University of Texas System), to Tenneco Realty, Co., Houston, Texas, for \$1,250 per acre cash, for a total sale price of \$94,404. It was reported that the purchaser deposited \$10,000 as earnest money with the balance due at closing. No commissions will be paid and the purchaser may assign this contract to Tenneco Inc., its parent company, or to a subsidiary or division thereof.

2. U. T. Austin - Balcones Research Center - Bureau of Economic Geology - Research and Administration Building (Project No. 102-525A): Award of Contracts for Furniture and Furnishings to Southwest Business Interiors, Houston, Texas; Smith Office Furniture, San Antonio, Texas; Clegg Austin, Austin, Texas; Wilson Business Products, Systems and Services, Inc., Houston, Texas; Business and Institutional Interiors, Inc., Houston, Texas, and Keuffel and Esser Company, Houston, Texas (Exec. Com. Letter 84-28).--Upon recommendation of the Executive Committee, the Board awarded contracts for furniture and furnishings for the Bureau of Economic Geology Research and Administration Building at the Balcones Research Center of The University of Texas at Austin to the lowest responsible bidders as follows:

Southwest Business Interiors Houston, Texas	
Base Proposal "A" (Steel Desks and Office Landscape Furnishings)	\$111,884.05
Base Proposal "D" (Office Seating)	115,530.95
Base Proposal "G" (Administrative Furnishings)	<u>200,287.85</u>
Total Contract Award to Southwest Business Interiors	\$427,702.85

Smith Office Furniture  
San Antonio, Texas

Base Proposal "B"  
(Office Files) 101,930.19

Clegg Austin  
Austin, Texas

Base Proposal "C"  
(Office and Research Tables) 170,033.44

Wilson Business Products, Systems  
and Services, Inc.  
Houston, Texas

Base Proposal "E"  
(Wood Office and Lounge Furniture) 74,178.13

Business and Institutional  
Interiors, Inc.  
Houston, Texas

Base Proposal "F"  
(Bookcases and Library Furnishings) 119,617.58

Keuffel and Esser Company  
Houston, Texas

Base Proposal "H"  
(Drafting Equipment) 97,932.35

GRAND TOTAL CONTRACT AWARDS \$991,394.54

3. U. T. Austin - Balcones Research Center: Award of Contract for Window Blinds for Five Buildings (Center for Electromechanics/Center for Energy Studies, Bureau of Economic Geology - Research and Administration Building, Bureau of Economic Geology - Repository and Minerals Studies Laboratory, Commons, and Services Center) to Contract Drapery Company, Houston, Texas (Exec. Com. Letter 84-28). --The Executive Committee recommended and the Board awarded a contract for window blinds for five buildings at the Balcones Research Center of The University of Texas at Austin to the lowest responsible bidder, Contract Drapery Company, Houston, Texas, in the amount of \$29,014.98.

The window blind requirements for five projects were consolidated in one invitation for bids. The cost to be allocated to each of the five projects is set forth below:

Center for Electromechanics/  
Center for Energy Studies  
(Project No. 102-524) \$ 6,350.00

Bureau of Economic Geology - Research  
and Administration Building  
(Project No. 102-525A) 13,210.00

Bureau of Economic Geology - Repository  
and Minerals Studies Laboratory  
(Project No. 102-525B) 4,000.00

3654

The Commons  
(Project No. 102-526) 4,574.98

Services Center  
(Project No. 102-527) 880.00

4. U. T. Austin - George Kozmetsky Center for Business Education - Phase II (Project No. 102-481): Award of Contracts for Furniture and Furnishings to Paul Anderson Company, San Antonio, Texas; Smith Office Furniture, San Antonio, Texas; Clegg Austin, Austin, Texas; Santa Fe Contract/Design, Odessa, Texas; Abel Contract Furniture & Equipment Co., Inc., Austin, Texas; Southwest Business Interiors, Houston, Texas; Rockford Business Interiors, Austin, Texas; Carpet Services, Inc., Austin, Texas; and E. G. Jenkins Company, Dallas, Texas (Exec. Com. Letter 84-27).--  
The Board, upon recommendation of the Executive Committee, awarded contracts for furniture and furnishings for the George Kozmetsky Center for Business Education - Phase II at The University of Texas at Austin to the following lowest responsible bidders:

Paul Anderson Company  
San Antonio, Texas

Base Proposal "A"  
(Modular Wood Office  
Furniture) \$308,811.00

Add Alternate Proposal "1"  
(Modular Wood Desks) 34,746.00

Add Alternate Proposal "2"  
(Modular Wood Desks) 8,233.00

Add Alternate Proposal "3"  
(CRT Credenzas) 34,940.00

Add Alternate Proposal "4"  
(Modular Cabinets) 25,610.00

Add Alternate Proposal "5"  
(Modular Bookcases) 17,783.00

Add Alternate Proposal "6"  
(Third Floor Modular Wood  
Office Furniture) 94,134.00

Total Contract Award to  
Paul Anderson Company \$524,257.00

Smith Office Furniture,  
San Antonio, Texas

Base Proposal "D"  
(Conference Chairs) \$34,446.62

Add Alternate "7" to  
Base Proposal "D"  
(Conference Chairs) 15,813.42

Base Proposal "E"  
(Executive Chairs) 36,578.86

3655

Add Alternate "8" to Base Proposal "E" (Executive Chairs)	<u>8,550.62</u>	
Total Contract Award to Smith Office Furniture		\$ 95,389.52
Clegg Austin Austin, Texas		
Base Proposal "F" (Office Seating)	\$99,156.48	
Add Alternate "9" (Additional Office Seating)	9,715.32	
Add Alternate "12" (Extra Conference Chairs)	<u>1,881.60</u>	
Total Contract Award to Clegg Austin		\$110,753.40
Santa Fe Contract/Design Odessa, Texas		
Base Proposal "G" (Office Landscape System)	\$92,164.25	
Add Alternate "10" to Base Proposal "G" (Conference Tables)	<u>1,596.00</u>	
Total Contract Award to Santa Fe Contract/Design		\$ 93,760.25
Abel Contract Furniture & Equipment Co., Inc., Austin, Texas		
Base Proposal "H" (Miscellaneous Furnishings)		\$ 26,795.70
Southwest Business Interiors, Houston, Texas		
Base Proposal "I" (File Cabinets)	\$101,929.43	
Add Alternate "11" to Base Proposal "I" (Additional File Cabinets)	<u>9,742.88</u>	
Total Contract Award to Southwest Business Interiors		\$111,672.31
Rockford Business Interiors Austin, Texas		
Base Proposal "J" (Workroom Furniture)		\$ 17,698.73
Carpet Services, Inc. Austin, Texas		
Base Proposal "K" (Carpet)		\$ 40,395.00

3656

E. G. Jenkins Company  
Dallas, Texas

Base Proposal "L" (Draperies)	\$ 5,100.00
GRAND TOTAL CONTRACT AWARDS	<u>\$1,025,821.81</u>

5. U. T. Austin - Little Campus Buildings - Site Development (Project No. 102-395): Award of Construction Contract to Maufrais Brothers, Inc., Austin, Texas (Exec. Com. Letter 84-28).--Upon recommendation of the Executive Committee, the Board awarded a construction contract for Little Campus Buildings - Site Development at The University of Texas at Austin to Maufrais Brothers, Inc., Austin, Texas, the lowest responsible bidder, as follows:

Base Bid	\$772,000
Alternate Bid No. 3 (Benches and Urns)	7,000
Alternate Bid No. 4 (Additional Light Fixtures)	<u>12,000</u>
Total Contract Award	<u>\$791,000</u>

6. U. T. Austin - Power Plant Expansion (Project No. 102-554): Phase II - Harris Substation Expansion and Electrical Distribution System - Award of Construction Contract to Delta Electric Construction Co., Inc., San Antonio, Texas; and Approval of Revised Project Cost (Exec. Com. Letter 84-26).--The Executive Committee recommended and the Board:

- a. Awarded a construction contract for the Power Plant Expansion - Phase II - Harris Substation Expansion and Electrical Distribution System at The University of Texas at Austin to the lowest responsible bidder, Delta Electric Construction Co., Inc., San Antonio, Texas, in the amount of \$1,683,000

Regent Milburn abstained from voting on this matter due to a possible conflict of interest.

- b. Approved a revised project cost for Phase II of \$1,955,340

The previous appropriation (\$2,814,000) from Building Revenue Bonds will be reduced to \$1,955,340 for total project funding for Phase II.

7. U. T. Austin - Taylor Hall - Phase I Renovation (Project No. 102-537): Award of Construction Contract to J. A. Jones Construction Co., Dallas, Texas; Approval of Revised Total Project Cost; and Plaque Inscription (Exec. Com. Letter 84-26).--The Board, upon recommendation of the Executive Committee:

- a. Awarded a construction contract for Taylor Hall - Phase I Renovation at The University of Texas at

Austin to J. A. Jones Construction Co., Dallas, Texas, the lowest responsible bidder, as follows:

Base Bid	\$ 4,434,700
Alternate Bid No. 1 (Window Blinds)	7,050
Alternate Bid No. 2 (Lecture Room Seating)	27,300
Alternate Bid No. 3 (Primary Power Cable)	32,550
Alternate Bid No. 5 (Access Flooring)	28,647
Alternate Bid No. 6 (Demountable Partitions)	11,161
Alternate Bid No. 7 (Halon Fire Suppression System)	33,600
Alternate Bid No. 9 (Variable Frequency Fans)	<u>47,250</u>
Total Contract Award	<u>\$ 4,622,258</u>

Regent Milburn abstained from voting on this matter due to a possible conflict of interest.

- b. Approved a revised total project cost of \$6,060,000 to cover the contract award, fees, and related project expenses

The previous appropriation (\$6,750,000) from Permanent University Fund Bond proceeds will be reduced to \$5,950,000 and combined with the other previous appropriations (\$40,000 from the Available University Fund and \$70,000 from Pooled Interest on Bond Proceeds and other Construction Funds) for total project funding.

- c. Approved the inscription set forth below for a plaque to be placed on the building. The inscription follows the standard pattern approved by the U. T. Board of Regents on June 1, 1979.

RENOVATION AND EXPANSION OF  
TAYLOR HALL  
PHASE ONE  
1984

BOARD OF REGENTS

Jon P. Newton, Chairman  
Robert B. Baldwin III, Vice-Chairman  
Janey Slaughter Briscoe, Vice-Chairman  
(Mrs. Dolph)  
Jess Hay  
Beryl Buckley Milburn  
James L. Powell  
Tom B. Rhodes  
Howard N. Richards  
Mario Yzaguirre

E. D. Walker  
Chancellor, The University  
of Texas System  
Peter T. Flawn  
President, The University  
of Texas at Austin

Jessen Associates  
Project Architect  
J. A. Jones Construction Co.  
Contractor

3658

8. U. T. Austin - C. B. Smith, Sr. Centennial Chair in United States - Mexico Relations: Approval of Renegotiated Terms for Sale of 19.9357 Acres of Land Out of the Santiago del Valle Grant, Austin, Travis County, Texas, to Nash Phillips/Copus Inc., Austin, Texas (Exec. Com. Letter 84-28).--Upon recommendation of the Executive Committee, the Board approved the renegotiated terms for the sale of 19.9357 acres of land out of the Santiago del Valle Grant, Austin, Travis County, Texas (C. B. Smith, Sr. Centennial Chair in United States - Mexico Relations - The University of Texas at Austin), to Nash Phillips/Copus Inc., Austin, Texas, at a sale price of \$2.75 per square foot (total sale price of \$2,388,097.25). The previously approved sale price was \$2.50 per square foot. Additional terms for the sale are as follows:

- a. 15% of the purchase price in cash at closing and the execution of a note for the balance
- b. The note will bear interest at the prime rate as it varies from time to time at the Chase Manhattan Bank, New York, New York, and will be amortized on a twenty-year basis for the first four years with the entire outstanding principal balance due at the end of the fifth year
- c. The purchaser will make quarterly payments to seller rather than semiannual payments
- d. Nash Phillips/Copus Inc. will be the purchaser rather than Nash Phillips/Copus Company
- e. Nash Phillips/Copus Company, as real estate broker, will be paid from seller at closing a real estate commission in the amount of 6% of the purchase price
- f. Nash Phillips/Copus Company has agreed to donate an amount equal to such commission to the seller for purposes to be separately designated
- g. The purchaser, in addition to regular payments required under the note, shall pay seller an additional amount equal to \$3.00 times the number of square feet in each parcel for which a release is desired rather than \$2.75

9. U. T. Medical Branch - Galveston: Salary Increase Requiring Advance Regental Approval Under Budget Rules and Procedures No. 2 (Exec. Com. Letter 84-27).--The Executive Committee recommended and the Board approved the following salary increase at The University of Texas Medical Branch at Galveston:

Internal Medicine

Increase the annual compensation rate of Professor John J. Costanzi (Tenure) from \$110,000 to \$147,000 effective May 1, 1984.

3659

Source of Funds:		
State:	\$ 24,290	Internal Medicine Faculty Salaries
	24,530	Interferon Research Center
Other:	37,000	MSRDP (PRS) Grant
	16,800	DHHS Grant
	<u>\$102,620</u>	Total Salary
Augmentation:	32,380	MSRDP (PRS)
	12,000	Emergency Medical Group
	<u>\$147,000</u>	Total Compensation

10. U. T. Health Science Center - San Antonio - Original Library Building - Renovation (Project No. 402-508): Award of Contracts for Furniture and Furnishings to Smith Office Furniture, San Antonio, Texas; Southwest Business Interiors, Houston, Texas; Abel Contract Furniture & Equipment Co., Inc., Austin, Texas; Marshall Clegg Associates, San Antonio, Texas; Carpet Services, Inc., San Antonio, Texas; and Educational & Institutional Services, Inc., Dallas, Texas (Exec. Com. Letter 84-27).--The Board, upon recommendation of the Executive Committee, awarded contracts for furniture and furnishings for the Original Library Building - Renovation at The University of Texas Health Science Center at San Antonio to the following responsible bidders:

Smith Office Furniture  
San Antonio, Texas

Base Proposal "A"  
(Steel Office Furniture) \$ 32,811.62

Base Proposal "C"  
(Steel File Cabinets) 12,544.48

Total Contract Award to  
Smith Office Furniture \$ 45,356.10

Southwest Business Interiors  
Houston, Texas

Base Proposal "B"  
(Wood Bookcases and  
Terminal Tables) \$ 19,609.50

Abel Contract Furniture &  
Equipment Co., Inc.  
Austin, Texas

Base Proposal "D"  
(Wood Office Furniture) \$19,983.57

Base Proposal "F"  
(Office Seating) 7,231.90

Total Contract Award to  
Abel Contract Furniture &  
Equipment Co., Inc. \$ 27,215.47

Marshall Clegg Associates  
San Antonio, Texas

Base Proposal "E"  
(Office Landscape) \$ 68,213.29

Carpet Services, Inc.  
San Antonio, Texas

Base Proposal "G"  
(Carpet)

\$ 42,392.00

Educational & Institutional  
Services, Inc.  
Dallas, Texas

Alternate Proposal "H-1"  
in Lieu of Base Proposal "H"  
(Draperies)

\$ 13,816.15

GRAND TOTAL CONTRACT AWARDS

\$216,602.51

With regard to Base Proposal "C" (Steel Files), this proposal included steel files to match existing steel files which were being reused by the institution. Only one bidder in the trade area could provide the files in this proposal to match the existing ones. The bid cost of \$12,544.48 was less than the estimated cost of \$13,361.00. It was believed that rebidding would not provide improved results.

With reference to Base Proposal "D" (Wood Office Furniture), this package included wood office furniture which would match and be intermingled with existing wood office furniture. One of two bidders in this trade area who could have bid, failed to complete the bid because of other commitments. One other bidder was able to submit a bid, which, at a cost of \$19,983.57, was less than the estimated cost of \$26,485.00. It was believed that rebidding would not provide improved results.

With respect to Base Proposal "G" (Carpet), only one bid was received. A telephone canvass of the prospective bidders revealed that one firm did not receive quotations from the manufacturer in sufficient time to submit a bid on the carpet. Another firm did not choose to submit a bid for this project. The one bid received was based on a unit cost of \$10.65 per square yard. At a total installed cost of \$42,392.00, this bid was less than the estimated cost of \$43,400.00. It was believed that rebidding would not provide improved results.

With regard to Alternate Proposal "H-1" in lieu of Base Proposal "H" (Draperies), this package included thermal linings for the drapes, whereas Base Proposal "H" did not. Although the cost of the thermally lined draperies at a total installed cost of \$13,816.15 was greater than the draperies without thermal lining at a cost of \$8,733.10, the users recommended the thermally lined draperies which will result in a savings in the heating and air conditioning operating cost. A telephone canvass of the bidders indicated that one firm submitted a bid through the mails which did not arrive, and it was presumed to be lost. Another firm did not choose to bid this project. The bid received for Proposal "H-1" was less than the estimated cost of \$15,000.00. It was believed that rebidding would not provide improved results.

REPORT AND RECOMMENDATIONS OF THE FINANCE AND AUDIT COMMITTEE (Pages 14 - 16 ).--Committee Chairman Rhodes reported that the Finance 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, all actions set forth in the Minute Orders which follow were recommended by the Finance and Audit Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. System: Docket No. 17 of the Office of the Chancellor (Catalog Change).--Upon the recommendation of the Finance and Audit Committee, the Board approved Docket No. 17 of the Office of the Chancellor in the form distributed by the Executive Secretary. It is attached following Page 120 in the official copies of the Minutes and is made a part of the record of this meeting.

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

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

2. U. T. Board of Regents: Authorization to (a) Sell Board of Regents of The University of Texas System, The University of Texas Health Science Center at San Antonio Nuclear Magnetic Resonance Center Revenue Bonds, Series 1984, in the Approximate Amount of \$1,300,000, (b) Place the Bonds with Institutions in Texas, (c) Appoint Fulbright & Jaworski, Houston and San Antonio, Texas, Bond Counsel, and Rotan Mosle, Inc., San Antonio, Texas, Bond Consultant, and (d) Establish Account for Payment of Miscellaneous Expenses.--In order to finance the construction of a Nuclear Magnetic Resonance Center at The University of Texas Health Science Center at San Antonio, the Board:

- a. Authorized the sale of Board of Regents of The University of Texas System, The University of Texas Health Science Center at San Antonio Nuclear Magnetic Resonance Center Revenue Bonds, Series 1984, in the approximate amount of \$1,300,000
- b. Authorized private placement of the bonds with institutions in Texas
- c. Appointed Fulbright & Jaworski, Houston and San Antonio, Texas, Bond Counsel, and Rotan Mosle, Inc., San Antonio, Texas, Bond Consultant
- d. Established an account from proceeds of the bond sale to provide for miscellaneous expenses and fees

It was noted that patient fees for diagnostic procedures, along with funds from MSRDP in an amount to be determined by the Bond Consultant, will be pledged to pay the bonded indebtedness.

See Page 80, Item 6 related to the project authorization for construction of a Nuclear Magnetic Resonance Center at the U. T. Health Science Center - San Antonio.

3. U. T. System: Approval of Aetna Life and Casualty Insurance Company, Hartford, Connecticut, Renewal Rates for Employee Group Medical, Dental, and Term Life Insurance Contract for 1984-85 Effective September 1, 1984.--Upon the recommendation of the Finance and Audit Committee, the Board approved the Aetna Life and Casualty Insurance Company, Hartford, Connecticut, renewal rates for The University of Texas System employee group medical, dental, and term life insurance contract for 1984-85 effective September 1, 1984, as set forth below:

a. Group Medical Insurance

	<u>Plan I-UT</u>	<u>Plan II-UT</u>	<u>Plan III-UT</u>
Employee	\$ 93.70	\$ 54.25	\$ 29.82
Employee/Spouse	217.32	130.84	93.35
Employee/Children	177.70	98.31	70.34
Employee/Family	259.95	162.59	99.01

It was reported that the employer contribution will increase to \$85.00 per month and that the automatic coverage providing basic benefits for each employee from the date of initial employment will continue to be paid entirely by the employer with no out-of-pocket expense to the employee.

b. Group Dental Insurance

Monthly Dental (Aetna) Rates

Employee	\$ 9.28
Employee/Spouse	16.98
Employee/Children	22.70
Employee/Family	28.36

- c. Group Term Life Insurance - Rates for employees, retirees, and their dependents with a 13% reduction over rates for 1983-84.

4. U. T. System: Acceptance of Health Maintenance Organization (HMO) Contracts with CIGNA Health Plan of Texas, Inc. (Dallas), CIGNA Health Plan of Texas, Inc. (Houston), and PruCare (Austin); and Approval of Renewal Rates for Good Health Plus, Inc. (San Antonio), and Kaiser Foundation Health Plan of Texas (Dallas) for 1984-85.--Based upon the Procedures for Inclusion of Health Maintenance Organizations approved by the U. T. Board of Regents on February 11, 1983, the Board accepted the Health Maintenance Organization (HMO) contracts between The University of Texas System and CIGNA Health Plan of Texas, Inc. (Dallas), CIGNA Health Plan of Texas, Inc. (Houston), and PruCare (Austin), and approved renewal rates for Good Health Plus, Inc. (San Antonio), and Kaiser Foundation Health Plan of Texas (Dallas) for 1984-85.

Monthly rates for 1984-85 are as follows:

	<u>Monthly Rates</u>				
	<u>CIGNA Dallas</u>	<u>CIGNA Houston</u>	<u>PruCare Austin</u>	<u>Kaiser Fdn. Dallas</u>	<u>Good Health Plus San Antonio</u>
Employee	\$69.57	\$73.51	\$84.92	\$77.14	\$83.58
Employee/Spouse	173.92	163.51	186.82	192.85	198.08
Employee/Children	139.14	149.61	165.60	154.28	148.77
Employee/Family	208.70	238.65	254.76	231.42	215.64

5. U. T. System: Authorization to Continue The University of Texas System-wide Automobile Liability Insurance Policy for Officers and Employees Arising from Use and Operation of University-Owned and Operated Motor Vehicles with the Granite State Insurance Company, Manchester, New Hampshire, for the Period September 1, 1984 Through August 31, 1985. Authorization was given to continue The University of Texas System-wide Automobile Liability Insurance Policy for officers and employees arising from use and operation of university-owned and operated motor vehicles with the Granite State Insurance Company, Manchester, New Hampshire, for an additional one-year period beginning September 1, 1984 through August 31, 1985.

This policy is a continuation of the one originally approved by the U. T. Board of Regents on July 29, 1977, and is subject to the rates and premium discount prescribed by the State Board of Insurance, the loss experience modifier as published by the State Insurance Service Office, and the dividend rate as filed with the State Board of Insurance.

It was noted that premiums for this policy will be applied to each institution in accordance with their vehicle inventory, and dividends received will be apportioned to each institution according to the premium paid.

Coverages provided by this policy are:

\$300,000/300,000 for bodily injury  
\$150,000 for property damage

6. U. T. System: Approval to Continue The University of Texas System-wide Comprehensive Boiler and Machinery Insurance Policy with the Arkwright-Boston Manufacturers Mutual Insurance Company, Waltham, Massachusetts, for the Period October 1, 1984 Through October 1, 1987. Approval was given to continue The University of Texas System-wide Comprehensive Boiler and Machinery Insurance Policy with the Arkwright-Boston Manufacturers Mutual Insurance Company, Waltham, Massachusetts, for an additional three-year period beginning October 1, 1984 through October 1, 1987, with a premium not to exceed \$132,000. This policy is a continuation of the one previously approved by the U. T. Board of Regents on October 8-9, 1981.

It was pointed out that premiums for this policy will be applied to each institution according to their equipment inventory, and dividends received will be apportioned to each institution according to the premium paid.

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE  
(Pages 17 - 35 ).--Committee Chairman Baldwin reported that the Academic 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, all 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. System and U. T. Austin: Permission for Dr. Hans Mark, Dr. Gerhard J. Fonken, and Dr. Jurgen Schmandt to Serve as Members of the Texas Science and Technology Council Effective Immediately [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--Permission was granted for the following individuals of The University of Texas System and The University of Texas at Austin to serve as members of the Texas Science and Technology Council for two-year terms effective immediately:
  - a. Dr. Hans Mark, Chancellor-Elect  
The University of Texas System
  - b. Dr. Gerhard J. Fonken, Vice President  
for Academic Affairs and Research  
The University of Texas at Austin
  - c. Dr. Jurgen Schmandt, Professor, Lyndon B.  
Johnson School of Public Affairs  
The University of Texas at Austin

The appointment of Drs. Mark, Fonken, and Schmandt is of benefit to the State of Texas, creates no conflict with their regular duties, and is in accordance with approval requirements for positions of honor, trust, or profit provided in Article 6252-9a of Vernon's Texas Civil Statutes, and Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11) of the Regents' Rules and Regulations.

It was noted that these individuals are not entitled to compensation for their service on this Council, but will be reimbursed for reasonable and necessary expenses incurred in the performance of their duties.

2. U. T. Austin: Appointments to Endowed Academic Positions in the (a) School of Architecture, (b) College of Business Administration and Graduate School of Business, (c) College of Engineering, (d) College of Fine Arts, (e) Lyndon B. Johnson School of Public Affairs, (f) School of Law, (g) College of Liberal Arts, (h) College of Natural Sciences, (i) School of Nursing, and (j) Institute of Latin American Studies.--The Board approved the following appointments to endowed academic positions at The University of Texas at Austin with the understanding that the professors would vacate any currently held endowed positions on the effective date of the new appointments unless otherwise indicated.

(a) School of Architecture effective September 1, 1984

- (1) Mr. Drury B. Alexander, Professor,  
School of Architecture, initial  
holder of the Meadows Foundation  
Centennial Professorship in Archi-  
tecture

(2) Mr. Lawrence W. Speck, Professor,  
School of Architecture, initial  
holder of the Roland Gommel Roessner  
Centennial Professorship in Archi-  
tecture

(b) College of Business Administration and Graduate School  
of Business effective September 1, 1984

Dr. Abraham Charnes, currently the  
John P. Harbin Centennial Professor  
in Business, Department of General  
Business, to the John P. Harbin  
Centennial Chair in Business

See Page 93 , Item 25 for the  
redesignation of this Chair.

(c) College of Engineering effective September 1, 1984

(1) Dr. Harold S. Stone, Professor,  
Department of Electrical and  
Computer Engineering at the  
University of Massachusetts, ini-  
tial holder of the Schlumberger  
Centennial Chair in Electrical  
Engineering

It was noted that Dr. Stone will  
teach in the U. T. Austin Depart-  
ment of Electrical Engineering.

(2) Dr. Byron D. Tapley, currently the  
W. R. Woolrich Professor in Engi-  
neering, Department of Aerospace  
Engineering and Engineering Mechan-  
ics, initial holder of the Clare  
Cockrell Williams Centennial Chair  
in Engineering

(3) Dr. Clyde E. Lee, Nasser I.  
Al-Rashid Centennial Professor  
in Transportation Engineering,  
Department of Civil Engineering,  
initial holder of the Hussein M.  
Alharthy Centennial Professor-  
ship in Civil Engineering for  
the 1984-85 academic year only

It was pointed out that Dr. Lee  
will continue to hold the Nasser I.  
Al-Rashid Centennial Professor-  
ship during his one-year appoint-  
ment to the Hussein M. Alharthy  
Centennial Professorship.

(d) College of Fine Arts effective September 1, 1984

Mr. Cornelius Eberhardt, Music  
Director of the Corpus Christi  
Symphony Orchestra, to the  
Frank C. Erwin, Jr. Centennial  
Professorship in Opera

It was reported that Mr. Eberhardt  
will join the U. T. Austin faculty  
as a Professor in the Department of  
Music.

- (e) Lyndon B. Johnson School of Public Affairs effective September 1, 1984

Mr. G. William Miller, former Secretary of the Treasury, Federal Reserve Chairman, and head of Textron Inc., initial holder of the Lloyd M. Bentsen, Jr. Chair in Government/Business Relations for the Fall Semester 1984

It was noted that on April 8, 1982, the Board appointed Dr. Paul W. MacAvoy to this Chair for the 1983-84 and 1984-85 academic years; however, he was unable to accept the appointment.

- (f) School of Law effective September 1, 1984

Mr. William C. Powers, Jr., Professor, School of Law, to the James R. Dougherty Chair for Faculty Excellence in the Law School

- (g) College of Liberal Arts effective September 1, 1984

(1) Dr. William H. Goetzmann, currently the Stiles Professor in American Studies, Department of History, to The Raymond Dickson, Alton C. Allen and Dillon Anderson Centennial Professorship

(2) Dr. G. Karl Galinsky, Professor, Department of Classics, to the James R. Dougherty, Jr. Centennial Professorship in Classics for the 1984-85 and 1985-86 academic years only

(3) Dr. Melvin J. Hinich, Professor, Department of Government, initial holder of the Frank C. Erwin, Jr. Centennial Professorship in Government

(4) Dr. Norman D. Brown, Professor, Department of History, initial holder of the Barbara White Stuart Centennial Professorship in Texas History

(5) Dr. William W. Kibler, Professor, Department of French and Italian, initial holder of The Superior Oil Company - Linward Shivers Centennial Professorship in Medieval Studies

- (h) College of Natural Sciences effective September 1, 1984

(1) Dr. William R. Muehlberger, currently the John E. "Brick" Elliot Centennial Professor in Geological Sciences, to the William Stamps Farish Chair in Geology

- (2) Dr. Ted L. Huston, currently Professor, Department of Individual and Family Studies and Department of Psychology at Pennsylvania State University, initial holder of the Amy Johnson McLaughlin Centennial Professorship in Home Economics

It was pointed out that Dr. Huston will join U. T. Austin's faculty in the Fall.

- (3) Dr. Wann Langston, Jr., Professor, Department of Geological Sciences, to The First Mr. and Mrs. Charles E. Yager Professorship

- (i) School of Nursing effective September 1, 1984

Dr. Beverly A. Hall, Associate Professor and Chairperson, Department of Mental Health and Community Nursing, University of California School of Nursing, and Assistant Director of Nursing Service, University of California Hospitals, initial holder of the Denton and Louise Cooley and Family Centennial Professorship in Nursing

It was noted that Dr. Hall will join U. T. Austin's School of Nursing as a Professor.

- (j) Institute of Latin American Studies

Mr. Enrique Lihn, currently a Professor at the University of Chile, to the Edward Larocque Tinker Chair in Latin American Studies for the Spring Semester 1985

Mr. Lihn will teach as a Visiting Professor in the Department of Spanish and Portuguese at U. T. Austin. It was reported that Mr. Lihn was unable to accept this appointment for the Fall Semester 1984, as previously approved.

3. U. T. Austin: Proposed Appointment to the Jesse H. Jones Centennial Chair in Communication, College of Communication, Effective September 1, 1985 (Withdrawn).--The item regarding the proposed appointment to the Jesse H. Jones Centennial Chair in Communication, College of Communication, at The University of Texas at Austin to be effective September 1, 1985, was withdrawn.
4. U. T. Austin: Ratification of Letter of Intent with the College Football Association, Boulder, Colorado, Authorizing the Television Broadcast of Intercollegiate Football Games; and Authorization for Executive Committee to Approve and Chairman of the Board to Execute Appropriate Contracts.--Following a detailed presentation of the 1984 football television package by Mr. DeLoss Dodds, Athletics

Director at U. T. Austin, and upon recommendation of the Academic Affairs Committee, the Board ratified the Letter of Intent set out on Pages 22 - 23 by and between The University of Texas at Austin and the College Football Association, Boulder, Colorado, authorizing the television broadcast of intercollegiate football games.

Further, the Board authorized the Executive Committee to approve and the Chairman of the U. T. Board of Regents to execute appropriate contracts generally within the provisions of the plan as set out below:

1. OPEN PERIOD 11:15 A.M. - 2:30 P.M. CST

Institutions or conferences may use this period as they wish. The Southwest Conference television package to be aired in this period has the following features:

- a. Conference games only
- b. Eight Saturdays, eight games
- c. Appearance rules:
  1. An institution may be on television a maximum of two times per season
  2. An institution will be on television at least once per season
  3. An institution may be on television for only one home game per season
- d. Game selection will be made in August but may be changed twelve days prior to the game if either ABC or ESPN chooses the same game
- e. Each SWC institution will receive \$125,000 - \$150,000 at the end of the season
- f. An institution may be on television opposite the conference package only on pay television

2. NETWORK PERIOD 2:30 P.M. - 6:00 P.M. CST

The proposed one-year CFA contract restricts to ABC Television the televising of members' football games during this period. The contract has the following features:

- a. Thirteen Saturdays, \$13,000,000 total contract payment
- b. Twenty games:
  1. Eight nationals, eight games, estimated \$500,000 per game
  2. Three split nationals, six games, estimated \$400,000 per game
  3. Two regional dates, six games, estimated \$400,000 per game

- c. Maximum of three appearances for each institution, with provision for a fourth under certain circumstances
- d. No institution may televise its game opposite the network package, i.e., no exception telecasts
- e. September games to be chosen in August, all others twelve to thirteen days prior to the game

3. CABLE PERIOD 7:00 P.M. - 11:00 P.M. CST

The proposed one-year CFA contract restricts to the ESPN Cable Network the televising of members' football games during this period. The contract has the following features:

- a. Fifteen Saturdays, \$9,300,000 total contract payment
- b. Fifteen or more games estimated \$400,000 per game
- c. Each institution may appear one time in this package unless ESPN chooses to broadcast a second game involving an institution which has not been on ABC three times. In no case may an institution be on ABC and ESPN more than four times per season
- d. Some exception telecasts for pay cable may be allowed
- e. Games to be telecast will be selected ten to twelve days prior to the game



OFFICE OF THE PRESIDENT  
THE UNIVERSITY OF TEXAS AT AUSTIN

P. O. Box T • Austin, Texas 78711-7389

July 11, 1984

The College Football Association  
1911 11th Street  
Suite 207  
Boulder, CO 80302

Gentlemen:

The purpose of this letter is to indicate the intent of The University of Texas at Austin to participate in the football television marketing concept as developed by the Television Committee of the College Football Association (CFA) and approved in principle by the CFA membership on June 3, 1984.

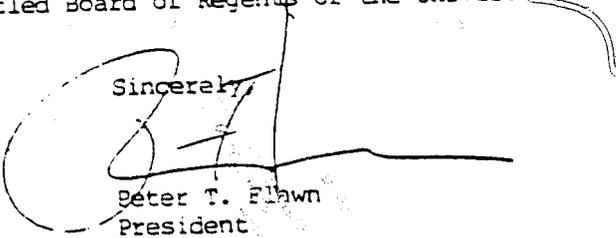
It is our understanding that it is the intent of the CFA to reach an agreement or agreements with a television carrier or carriers for the 1984 college football season only. Rights for any additional college football season(s) could be awarded only after a separate majority vote of the institutions participating in the CFA marketing concept. We recognize that until agreements are reached with an appropriate television carrier or carriers, the CFA will not know the particular terms and conditions which will be contained in any final binding agreement(s) entered into with such carrier(s). We also understand the CFA plan provides the right to institutions participating in the CFA marketing concept to present live telecasts of games not selected by the carrier(s) for the CFA series on a local or regional basis. We also are aware that the CFA needs an authorization from The University of Texas at Austin to negotiate on its behalf for live television broadcast rights to the football games which will be covered by any final binding agreement(s) with such television carrier(s).

Please be advised that the undersigned is in agreement with the purpose and intent of the CFA's proposed plan and that the undersigned hereby authorizes the CFA to act as its agent to negotiate a contract or contracts for the live televising of football games participated in by The University of Texas at Austin, subject to final approval by The Board of Regents of The University of Texas System.

This authorization given to the CFA above is made expressly contingent upon:

- (a) Execution of similar agreements between the CFA and a number of its eligible member institutions which, in the judgment of the CFA, will provide a sufficient inventory of games to make the CFA plan viable, and
- (b) Any enforceable obligations upon the member institutions of the CFA under any applicable NCAA legislation or agreement, if any, remaining after a final decision in the litigation entitled Board of Regents of the University of Oklahoma, et al. vs NCAA.

Sincerely,

  
Peter T. Flawn  
President

PTF/da

EXC: W. O. Shultz  
DeLoss Dodds  
W. O. Morgan

5. U. T. Austin: Permission for Dr. Charles Warlick to Serve on the Texas Automated Information Systems Advisory Council [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--Permission was granted for Dr. Charles Warlick, Director of the Computation Center at The University of Texas at Austin, to continue to serve on the Texas Automated Information Systems Advisory Council until February 1, 1986.

Dr. Warlick will not receive compensation for serving on this Council, but will be entitled to reimbursement for actual and necessary expenses incurred in the performance of his duties as a member of this Council.

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

6. U. T. Austin - College of Engineering: Approval to Name Four Rooms in the New Chemical and Petroleum Engineering Building for Specified Donors (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, approval was given to name the following rooms in the new Chemical and Petroleum Engineering Building of the College of Engineering at The University of Texas at Austin in recognition of contributions from various donors:

- a. Room 2.206 - The Sohio Petroleum Company Classroom
- b. Room 2.802G - ChE Alumni Memorial Conference Room
- c. Room 4.138 - Sun Exploration and Production Company Advanced Petrophysics Laboratory
- d. Room 4.460 - C. Shults Faulkner Catalyst Research and Development Laboratory

The naming of Room 2.206 is to recognize a \$10,000 gift from the Sohio Petroleum Company toward the College of Engineering's endowment program for the new Chemical and Petroleum Engineering Building. See Page 110, Item 66 for the acceptance of this gift and establishment of a permanent endowment account.

The naming of Room 2.802G is to recognize gifts and pledges totaling \$18,500 from alumni of U. T. Austin's College of Engineering and the Department of Chemical Engineering to be used to establish an endowment fund to support the academic purposes of this conference room. See Page 108, Item 59 for the establishment of the endowment fund.

The naming of Room 4.138 is to recognize a \$25,000 gift from the Sun Exploration and Production Company to support the advanced petrophysics laboratory in the new Chemical and Petroleum Engineering Building. See Page 110, Item 67 for the acceptance of this gift and establishment of a permanent endowment account.

The naming of Room 4.460 is to recognize a \$51,000 pledge from Mr. C. Shults Faulkner to support a research laboratory in the new Chemical and Petroleum Engineering Building. See Page 108, Item 62 for the acceptance of this pledge and establishment of a permanent endowment account.

7. U. T. Austin - School of Law: Approval to Name Room 4.109 in Townes Hall the Gardere & Wynne Room (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings).--Approval was given to name Room 4.109 in Townes Hall in the School of Law at The University of Texas at Austin the Gardere & Wynne Room, 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 naming of this room is to recognize a \$12,500 gift and \$37,500 pledge from the Dallas law firm of Gardere & Wynne to the Law School Foundation general endowment fund to be used for the benefit of the School of Law.

8. U. T. Austin - Students' Association Constitution: Approval of Amendments to Section 4.2 of Article IV (The Executive Branch), Addition of Section 9.8 to Article IX (General Provisions), and Disapproval of Amendment to Section 3.31 of Article III (The Legislative Branch).--  
Mr. Rodney Schlosser, President of the U. T. Austin Students' Association, and Mr. William E. Leissner, a second term member of the Judicial Commission of the U. T. Austin Students' Association, appeared before the Board to discuss the proposed amendments to the Students' Association Constitution of The University of Texas at Austin.

Following a detailed discussion and upon the recommendation of the Academic Affairs Committee, the Board adopted the following amendments to the Students' Association Constitution for U. T. Austin:

- a. Amended Section 4.2, Article IV (The Executive Branch) requiring the Students' Association President to carry a full academic course load preceding the election but permitting a lesser course load during the term of office
- b. Added Section 9.8 to Article IX (General Provisions) setting out a no minimum voter participation rule to validate student elections

Further, the Board disapproved a proposed amendment to Section 3.31 of Article III (The Legislative Branch) designed to require a 20% participation by enrolled students for an election to be valid.

The Students' Association Constitution, as amended, is set out in its entirety on Pages 26 - 33.

STUDENTS' ASSOCIATION CONSTITUTION  
THE UNIVERSITY OF TEXAS AT AUSTIN

PREAMBLE

We, the students of The University of Texas at Austin, in order to provide an official and representative student organization to receive student questions and suggestions; investigate student problems and take appropriate action; provide the official voice through which student opinion may be expressed; encourage the development of responsible student participation in the overall policy and decision making processes of the University community; foster an awareness of the student's role in the academic community; enhance the quality and scope of education at The University of Texas at Austin; provide means for responsible and effective participation in the organization of student affairs; do establish this Constitution for the Students' Association of The University of Texas at Austin.

ARTICLE I: MEMBERSHIP

- 1.1 This organization of students of The University of Texas at Austin shall be known as the Students' Association of The University of Texas at Austin, which shall be herein referred to as the Students' Association.
- 1.2 Membership in the Students' Association shall consist of all students of The University of Texas at Austin, so defined by the Office of the Registrar of The University of Texas at Austin.

ARTICLE II: ORGANIZATION & FUNDING

- 2.1 The governing structure of the Students' Association shall consist of three branches: the Legislative Branch, the Executive Branch, and the Judicial Branch.
- 2.2 No person shall be a member of the Judicial Branch while serving in the Legislative Branch or Executive Branch.
- 2.3 The Students' Association shall receive funding from the mandatory Student Services Fees. Funding may also be generated through optional student fees in accordance with approval procedures for optional Student Services Fees. Additional Revenue may be generated as the Students' Association deems appropriate or necessary in accordance with established University policy.

ARTICLE III: THE LEGISLATIVE BRANCH

- 3.1 The Legislative Branch of the Students' Association shall be composed of the Student Senate.
- 3.2 Membership of the Student Senate:
  - 3.21 Undergraduate student candidates for the Student Senate must have completed twelve (12) semester hours in residence at The University of Texas at Austin at the time of assuming office. At the time of filing and while holding office, these candidates shall be registered for at least twelve (12) semester hours, except for graduating students who shall be required to take only those courses needed for graduation, shall maintain at least a 2.5 overall grade point average, and shall not be on disciplinary probation.

- 3.22 Graduate student candidates for the Student Senate must have completed nine (9) semester hours in residence at The University of Texas at Austin at the time of assuming office. At the time of filing and while holding office, these candidates shall be registered for at least nine (9) hours in the Law or the graduate schools, except for graduating students who shall be required to take only those courses needed for graduation, and shall not be on disciplinary or scholastic probation.
- 3.3 The membership of the Student Senate shall be composed of the following:
- 3.31 One undergraduate student elected for each two thousand (2000) undergraduate students, or major fraction thereof, with a minimum of one student elected from each school or college, enrolled in the School of Architecture, College of Business Administration, College of Communication, College of Education, College of Engineering, College of Fine Arts, College of Liberal Arts, College of Natural Sciences, School of Nursing, College of Pharmacy, School of Social Work, and any subsequent undergraduate school or college, and one graduate student elected for each two thousand (2000) graduate students, or major fraction thereof, enrolled in the Graduate School and School of Law, with a minimum of one student elected from each of the following: Graduate School of Business, School of Library and Information Science, Lyndon B. Johnson School of Public Affairs, and any subsequent graduate school or college. These students shall be elected by the members of the Students' Association who are enrolled in the respective school or college which they represent, and shall serve for a term of one year. Students pursuing joint degrees may vote and run for the Student Senate under either school in which they seek to receive a degree, providing that such students may vote and run in only one school during a single academic year. Each student may cast one vote per candidate for up to the number of Senate seats available for the respective school or college. The candidate(s) receiving the highest number of votes for the seat(s) available shall be certified as Student Senators. The general election shall be held on the first Wednesday in March.\*
- 3.32 Twelve students elected at large by the members of the Students' Association. Eight students shall be elected for two-year terms, with four students elected each year. Four students shall be elected for one-year terms. Each student may cast one vote per candidate for up to four candidates in each type of term. The four candidates receiving the highest number of votes in each type of term shall be certified as Student Senators.\*\*
- 3.33 The President of the Students' Association.
- 3.34 The Vice-President of the Students' Association.
- 3.35 Each Student Senator shall have one vote, and no proxy or absentee votes shall be allowed.
- 3.36 Student Senators who are absent from three (3) scheduled meetings of the Student Senate shall be automatically removed from office. Vacancies shall be filled under the terms of 3.4.
- 3.37 Removal from office may be reversed by a 2/3 vote of the Student Senators present at an official Student Senate meeting.

\*The initial election shall be held as soon as is feasible upon approval by the Board of Regents.

\*\*In the initial election, four students shall be elected for a two-year term and eight students shall be elected for a one-term. Each student may cast one vote per candidate for up to the number of seats available in each type of term. The candidates receiving the highest number of votes for the seats available shall be certified as Student Senators.

3.4 Vacancy

3.41 When a position provided for under 3.31, 3.32, or 3.34 becomes vacant during the regular term of office, a special election shall be called by the Students' Association President to fill that position unless the vacancy occurs within four weeks prior to the next general election.

3.5 Meetings

3.51 The Student Senate shall meet at least once every three weeks during a long session.

3.52 Meetings of the Student Senate shall be called by the Students' Association or by written request of 1/3 of the voting membership of the Student Senate.

3.53 All members of the Student Senate shall have the privilege of the floor upon consent of a majority of the Student Senators present.

3.54 A quorum shall consist of 2/3 of the Senators currently in office, and no formal action may be taken without a quorum present.

3.55 The President of the Students' Association shall preside over all meetings of the Student Senate.

3.56 The secretary of the Students' Association shall record the minutes of each meeting of the Student Senate and deliver promptly to the Dean of Students a copy of all such minutes, which shall be filed and available for public review.

3.6 Responsibilities:

The Student Senate shall be responsible for the free and independent expression of student opinion to the faculty, administration, Board of Regents, Legislature, and public of the State of Texas; for the coordination of student goals through the Texas Union Board of Directors, University Council, Student Services Fees Advisory Committee, Standing Committees of the General Faculty and Presidential Committees, Athletics Councils, and other University-wide committees, boards, and legislative bodies on which students are or become members; and for the prudent expenditure of Students' Association monies through the sponsorship of programs which meet student needs and promote student interests.

3.7 Duties and Obligations:

3.71 To enact all measures necessary and proper for the general welfare of the student body and the purposes of this Constitution.

3.72 To appropriate all monies of the Students' Association provided that at no time shall a deficit exist in the Students' Association account.

3.73 To create any appointive office or committee deemed necessary. All Student Senators shall sit on at least one Student Senate committee.

3.74 To approve all appointments of the President of the Students' Association by a majority vote of the Student Senators present. If such approval is not made, the Senate shall continue to vote on new names submitted to it by the President until a majority vote of approval is made.

3.75 To elect seven Judicial commissioners as specified in 5.3.

3.76 To establish its own rules of procedures. In the absence of such rules, the latest edition of Robert's Rules of Order shall prevail.

3.77 To enact rules and regulations for the orderly conduct of elections, except that no election law may be enacted within twenty (20) days prior to an election. A special election shall be held within two weeks of the occurrence of a vacancy or the call of a special election by the President or Senate.

3.78 To approve the allocation of all Students' Association monies by majority vote of the Student Senators present.

3.79 To enact bylaws of this Constitution by a 2/3 vote of the total voting membership of the Student Senate.

- 3.8 Any student elected by the Student Senate or whose appointment is approved by the Student Senate shall be subject to recall by a 2/3 vote of the Student Senators present. Replacement shall be made in the same manner as the original selection.
- 3.9 Any Student Senator may be appointed to any position referred to in 4.3(13), 4.3(14), 4.3(15), 4.3(16), or 4.3(17).
- 3.10 The Student Senate may submit to the Student Services Fees Advisory Committee recommendations for the allocation of proceeds and amounts to be charged for all mandatory student services fees and all optional fees, which recommendations shall be duly considered by the Student Services Fees Advisory Committee.

#### ARTICLE IV: THE EXECUTIVE BRANCH

- 4.1 The Executive Officers of the Students' Association shall consist of a President and Vice-President who shall both be elected at large by the members of the Students' Association, and a Financial Director appointed by the President.
- 4.2 A candidate for President shall be a student of The University of Texas at Austin and shall have completed at least thirty-six (36) semester hours in residence at The University of Texas at Austin at the time of assuming office. In the semester preceding filing and during the semester of filing, a candidate shall be enrolled as a full-time student (12 credit hours for undergraduate candidates and 9 credit hours for graduate and law candidates), shall maintain at least a 2.5 overall grade point average and must not be on disciplinary or scholastic probation. While holding office, the President shall maintain at least a 2.5 overall grade point average, must not be on disciplinary or scholastic probation, and shall be enrolled for at least 6 credit hours.
- 4.3 The President shall:
  - 4.31 Serve for a period of one year.
  - 4.32 Faithfully execute all acts of the Student Senate.
  - 4.33 Perform any and all duties properly incumbent on the chief executive of the Students' Association.
  - 4.34 Make all appointments necessary and proper to the fulfillment of the responsibilities of the executive branch.
  - 4.35 Serve on, or send his or her representative to, such committees, boards, and legislative bodies of which he or she is a member.
  - 4.36 Have the power to call a special meeting of the Student Senate.
  - 4.37 Serve as presiding officer of the Student Senate.
  - 4.38 Serve as a member of the Texas Union Board of Directors.
  - 4.39 Serve as a member of the University Council.
  - 4.3(10) Serve as a member of the Student Services Fees Advisory Committee.
  - 4.3(11) Serve as an ex-officio member without vote of the Texas Student Publications Board of Operating Trustees.
  - 4.3(12) Represent the Students' Association at the Board of Regents' meetings.
  - 4.3(13) Appoint four members of the Texas Union Board of Directors for a term of two years each, subject to approval by a majority of the Student Senators present. Terms shall be staggered on a two-year basis, with two students appointed each year. In the instance of a vacancy, the President shall appoint a successor for the unexpired term.
  - 4.3(14) Appoint three students to the Student Services Fees Advisory Committee for a term of one year each, subject to approval by a majority of the Student Senators present. In the instance of a vacancy, the President shall appoint a successor for the unexpired term.

- 4.3(15) Appoint two students to the University Council for a term of one year each, subject to approval by a majority of the Student Senators present. In the instance of a vacancy, the President shall appoint a successor for the unexpired term.
- 4.3(16) Name student members of the Standing Committees of the General Faculty and the Presidential Committees as provided in established University policy, subject to approval by a majority of the Student Senators present, for appointment by the University President.
- 4.3(17) Appoint a special Adviser for Black Affairs, who shall be chosen by the registered black student organizations, and a Special Adviser for Hispanic Affairs, who shall be chosen by the registered Hispanic student organizations. The President shall establish other advisory positions as he or she sees fit. The Special Adviser for Black Affairs and the Special Adviser for Hispanic Affairs shall be able to propose special legislation directly to the floor of the Senate.
- 4.4 The Vice-President shall:
  - 4.41 Have the same qualifications for office as the President.
  - 4.42 Serve for a period of one year.
  - 4.43 Succeed to the Presidency in case of death, resignation, or removal of the President.
  - 4.44 Serve as a member of the University Council.
  - 4.45 Serve as a member of the Student Services Fees Advisory Committee.
  - 4.46 Assist the President with assigned responsibilities.
- 4.5 The Financial Director shall:
  - 4.51 Demonstrate fiscal responsibility in his or her duties.
  - 4.52 Assist the President in developing the annual budget for approval by a majority of the Student Senators present at least two weeks prior to the conclusion of the spring semester.
  - 4.53 Assist the President in preparing a detailed fiscal report to present to the Students' Association at the first meeting of each long semester.
  - 4.54 Institute a double-entry bookkeeping and accounting system that conforms to the approved rulings and procedures of the American Accounting Association and the American Institute of Certified Public Accountants.
  - 4.55 Investigate and suggest methods of acquiring additional sources of funding.
- 4.6 The President, Vice-President, and Financial Director may receive remuneration determined by the Student Senate, which amount shall not be altered after their election or during their term of office.

#### ARTICLE V: THE JUDICIAL BRANCH

- 5.1 The Judicial Branch of the Students' Association shall consist of a seven-member Judicial Commission and a three-member Appellate Court.
- 5.2 Membership: Candidates for the Judicial Commission shall apply to the Judicial Selection Committee. Undergraduate applicants must have completed twelve (12) semester hours in residence at The University of Texas at Austin at the time of assuming office. At the time of applying and while holding office, these applicants shall be registered for at least twelve (12) semester hours, shall maintain at least a 2.5 overall grade point average and shall not be on disciplinary probation. Graduate and law applicants must have completed nine (9) semester hours in residence at The University of Texas at Austin at the time of assuming office. At the time of applying and while holding office,

- these applicants shall be registered for at least nine (9) semester hours and shall not be on disciplinary or scholastic probation. For graduating students, hour registration requirements while holding office shall be only those courses needed for graduation. The membership of the Appellate Court shall consist of one faculty member of the School of Law and two students of the School of Law, all appointed by the Dean of the School of Law for a term of one year.
- 5.3 The Judicial Selection Committee shall be composed of the following: (a) University Ombudsman, (b) Students' Attorney or his or her representative, (c) Dean of Students or his or her representative, (d) Vice-President, Students' Association, (e) President, Student Bar Association, and (f) Chairman, Judicial Commission, ex-officio without vote. The Judicial Selection Committee shall submit ten names to the Student Senate for election of seven Judicial Commissioners at the second meeting following the general election. Each Student Senator may cast one vote per candidate for up to seven candidates. The seven candidates receiving the highest number of votes shall be certified as Judicial Commissioners.
- 5.4 Duties: The Judicial Commission shall:
- 5.41 Serve for a period of one year.
  - 5.42 Elect a Chairman by majority vote by the third week in April.
  - 5.43 Have sole original jurisdiction in all cases arising under this Constitution.
  - 5.44 Have jurisdiction over election disputes arising under Article III.
  - 5.45 Create and amend an Election Code to be submitted to the Student Senate for approval by a majority of the Student Senators present.
  - 5.46 Conduct all general elections arising under this Constitution or referred to it by other University policy-making boards or administrative bodies.
  - 5.47 Interpret the Election Code.
  - 5.48 Adopt bylaws by majority vote.
  - 5.49 Investigate grievances filed for malfeasance, neglect of duty, or improper conduct against any office of the Students' Association or any member of the Student Senate.
- 5.5 The Chairman of the Judicial Commission shall:
- 5.51 Administer the oath of office to all new officers of the Students' Association.
  - 5.52 Perform any and all duties properly incumbent on the chief judicial officer of the Students' Association.
  - 5.53 Chair the Judicial Commission.
  - 5.54 Preside over removal proceedings referred to in 6.3.
  - 5.55 Determine the validity of petitions referred to in 7.2.
- 5.6 A quorum shall consist of five Commissioners, and no formal action shall be taken without a quorum present.
- 5.7 Commissioners who are absent from three (3) scheduled meetings of the Judicial Commission shall be automatically removed from office. When a vacancy occurs, the Students' Association President shall accept applications from any student to fill that position unless the vacancy occurs within four weeks prior to the convening of the Judicial Selection Committee. Appointment shall be made by the President subject to approval by a majority of the Student Senators present.
- 5.8 Removal from office may be reversed by a vote of five Commissioners.
- 5.9 The Appellate Court shall have jurisdiction as to matters of law in all cases from the Judicial Commission. The Appellate Court shall have discretionary review jurisdiction. The Appellate Court shall prescribe all rules of procedure, practice, and evidence of that court.
- 5.10 The members of the Appellate Court shall choose a Chairman and all three justices shall constitute a quorum.

#### ARTICLE VI: REFERENDUM AND RECALL

- 6.1 The rights of statutory initiative and referendum may be exercised by the members of the Students' Association upon petition of a number of students equal to fifteen percent (15%) of the total number of ballots cast in the last general election.
- 6.2 The Student Senate may refer, by majority vote, any past or pending action to the members of the Students' Association for a vote.
- 6.3 Any officer of the Students' Association or any member of the Student Senate may be removed from office for due cause by a 3/4 vote of the total voting membership of the Student Senate. The Chair of the Judicial Commission shall preside at such proceedings and all proceedings shall be open to the public.

#### ARTICLE VII: AMENDMENTS

- 7.1 Any proposed amendment to this Constitution, passed by a 2/3 vote of the total voting membership of the Student Senate shall become binding and a part of this Constitution upon receiving a majority of the ballots cast on the amendment in an election by the members of the Students' Association.
- 7.2 Constitutional initiative may be exercised by the Students' Association upon petition of a number of students equal to thirty percent (30%) of the total number of ballots cast in the last general election. Upon presentation of such petition to the President, the Judicial Commission shall determine the validity to the petition. If the petition be held valid, the Student Senate shall order an election, and upon receiving a majority of the ballots cast in an election by the members of the Students' Association, the proposed amendment shall become binding and a part of this Constitution.
- 7.3 Any proposed amendment, together with the parts of the Constitution affected, shall be published in The University of Texas at Austin student newspaper at least one week prior to the election.

#### ARTICLE VIII: NEW CONSTITUTION

- 8.1 A proposed new Constitution must originate in the Student Senate and be recommended by 2/3 of its voting membership and published at least three weeks before it shall be submitted to the members of the Students' Association, except that a proposed new Constitution may also originate with a constitutional commission, consisting of no less than twelve (12) members. Such commission must be established by the Student Senate on petition of a number of students equal to thirty percent (30%) of the total number of ballots cast in the last general election.
- 8.2 A proposed new Constitution initiated by either of the above procedures will be ratified upon receiving a majority of the ballots cast at the next general election or at a special election called by the Student Senate.

#### ARTICLE IX: GENERAL PROVISIONS

- 9.1 This Constitution and Laws of the Students' Association, and amendments thereto, are subject to provisions of the Rules and Regulations of the Board of Regents of The University of Texas System.

- 9.2 This Constitution and Laws supersedes all previous Constitution and Laws. All laws heretofore now in effect and not in conflict with any provision of this Constitution and Laws are hereby declared to be binding and valid as statutory enactments.
- 9.3 Two elective offices shall not be held simultaneously by the same person, nor shall two persons simultaneously hold the same elective office.
- 9.4 Every elected official of the Students' Association, before entering upon the execution of his duties of office shall take the following oath or affirmation: "I do solemnly swear (or affirm) that I will faithfully execute the duties of my office, and will to the best of my ability uphold the Constitution and Laws of the Students' Association." All elected officials shall be sworn in on the first Monday in April.
- 9.5 The summer session of The University of Texas at Austin shall be considered a regular session only for those officers, representatives, and members of the Students' Association enrolled in summer school. All action taken by the legislative body during the summer session shall be approved by the legislative body at its first meeting of the fall semester.
- 9.6 This Constitution and Laws shall take immediate effect and be in force when it shall have been ratified by a majority of ballots cast in an election by the members of the Students' Association and approved by the appropriate University authorities.
- 9.7 All officials elected under the requirements of the previous constitution which this constitution supersedes, shall remain in their corresponding offices and exercise their corresponding duties and responsibilities as set forth in this Constitution until their terms of office have expired.
- 9.8 There shall be no constitutional provision requiring a minimum number of voters participating in any general election in order to validate that election. It shall be the responsibility of the Students' Association to encourage and facilitate a maximum voter turnout in all Students' Association elections.

#### ARTICLE X: STUDENT SERVICES FEES ADVISORY COMMITTEE

- 10.1 The student representatives on the Student Services Fees Advisory Committee shall be three students appointed by the Students' Association President and approved by a majority of the Student Senators present, the Students' Association President, and the Students' Association Vice-President.
- 10.2 The Student Services Fees Advisory Committee shall make recommendations regarding the allocation of proceeds and amounts to be charged for mandatory student services fees and optional fees in accordance with University policy regarding the Student Services Fees Advisory Committee. The recommendations of the Student Services Fees Advisory Committee shall be made known to the Student Senate and to the University President.

9. U. T. Dallas: Approval to Name the Center for Product Development and Marketing Science in the School of Management the Morris Hite Center for Product Development and Marketing Science.--Upon the recommendation of the Academic Affairs Committee, the Board approved naming the Center for Product Development and Marketing Science in the School of Management at The University of Texas at Dallas the Morris Hite Center for Product Development and Marketing Science.

The naming of this Center in memory of Mr. Morris L. Hite is to recognize gifts and pledges in the amount of \$612,050 from his many friends and colleagues to support the activities of the Center. See Page 110, Item 69 for acceptance of these gifts and pledges to endow the Center.

10. U. T. Dallas: Nominee to the Advisory Council for the School of Management (Formerly Referred to as Advisory Council for the School of Management and Administration).--A nominee for membership on the Advisory Council for the School of Management (formerly referred to as Advisory Council for the School of Management and Administration) at The University of Texas at Dallas was approved for a three-year term to expire in 1987.

The name of the nominee will be reported for the record after an acceptance is received.

11. U. T. El Paso: Authorization to Establish an Admission Evaluation Fee for International Students From Countries Other Than Mexico Effective Spring Semester 1985 (Catalog Change).--Due to the increasing number of foreign students who apply for admission and the considerably higher cost of evaluating applications for these students at The University of Texas at El Paso, the Board authorized the establishment of a \$50.00 Admission Evaluation Fee for International Students from countries other than Mexico effective with the Spring Semester 1985.

It was noted that students from Mexico will be exempted from this fee since evaluation of their admission applications is simplified by U. T. El Paso's long experience in dealing with educational records from that country.

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

12. U. T. El Paso: Approval to Name Certain Rooms in the New University Library for Specified Individuals, and Room 308 in the University Union Designated the Tomas Rivera Conference Center (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings) (No Publicity).--In accordance with Subsection 1.2, Section 1, Chapter VIII, Part One, of the Regents' Rules and Regulations, approval was given to name the following rooms in the new University Library at The University of Texas at El Paso for specified individuals:

- a. Room 111 - Jane Weinert Blumberg Auditorium
- b. Room 606 - John McNeely Room

Further, the Board approved the designation of Room 308, the Conference Center of the University Union, as the Tomas Rivera Conference Center in memory of Dr. Tomas Rivera. Dr. Rivera was Chancellor of the University of California at Riverside at the time of his death on May 16, 1984, and had held positions as Vice President for Administration at U. T. San Antonio and Executive Vice President at U. T. El Paso.

The naming of Room 111 is in honor of former Regent Jane Weinert Blumberg to recognize her exemplary service while a member of the U. T. Board of Regents, and her special interest and support for U. T. El Paso's new library facility.

Room 606 in the Special Collections Department of the new University Library is being named for Professor John McNeely to recognize his 37 years of distinguished service as Professor of History at U. T. El Paso and his numerous contributions to the library in the form of books and works of art.

It was requested that no publicity be given to these matters.

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE  
(Pages 36 - 72 ).--Committee Chairman Briscoe 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, all 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. Health Science Center - Dallas: Approval of Sponsored Research Agreement with the Coam Company, Dallas, Texas, and Termination of an Existing Agreement with the Simmons Family Foundation, Dallas, Texas, Effective June 1, 1984.--On April 15, 1983, the U. T. Board of Regents approved an agreement with the Simmons Family Foundation, Dallas, Texas, providing for the establishment of the Harold C. Simmons Arthritis Research Center and the payment of arthritis research funds of \$7,500,000 over a ten-year period to the U. T. Health Science Center - Dallas. At the request of the Simmons family, the Board terminated this 1983 agreement and approved the Sponsored Research Agreement set out on Pages 36 - 56 by and between the Coam Company, Dallas, Texas, and The University of Texas Health Science Center at Dallas effective June 1, 1984. It was reported that this agreement will yield approximately \$8,000,000 over a ten-year period for arthritis research.

#### SPONSORED RESEARCH AGREEMENT

This Sponsored Research Agreement (the "Agreement") is made by and between The University of Texas Health Science Center at Dallas, a state agency governed by the Board of Regents of The University of Texas System (hereinafter referred to as "University") and Coam Company, a Texas general partnership (hereinafter referred to as "Sponsor").

WHEREAS, Sponsor desires that University perform certain research work hereinafter defined and is willing to advance funds to sponsor such research;

WHEREAS, Sponsor desires to obtain certain rights to patents and technology developed during the course of such research with a view to profitable commercialization of such patents and technology for the Sponsor's benefit; and

WHEREAS, University is willing to perform such research and to grant rights to such patents and technology;

NOW THEREFORE, in consideration of the mutual covenants and promises herein contained, the University and Sponsor agree as follows:

#### I. EFFECTIVE DATE

This Agreement shall be effective as of June 1, 1984.

## II. RESEARCH PROGRAM

2.1 University will use its best efforts to conduct the Research Program (herein so called) described in the attached Schedule A, "Statement of Research Activities and Objectives," and will furnish the facilities necessary to carry out such Research Program. The Research Program will be under the direction of Morris Ziff, Ph.D., M.D., or his successor as mutually agreed to by the parties hereto (hereinafter referred to as the "Principal Investigator") and will be conducted by the Harold C. Simmons Arthritis Center at The University of Texas Health Science Center at Dallas, Texas.

2.2 The Research Program shall be performed during the period from June 1, 1984, through and including May 31, 1994. Sponsor shall have the option of extending the Research Program under mutually agreeable support terms.

2.3 Sponsor understands that University's primary mission is education and advancement of knowledge, and, consequently, the Research Program will be designed both to carry out that mission and to develop rights to patents and technology for Sponsor with commercially viable possibilities. The manner of performance of the Research Program shall be determined solely by the Principal Investigator, University does not guarantee specific results, and the Research Program will be conducted only on a best efforts basis.

2.4 University will keep accurate financial and scientific records relating to the Research Program and will make such records available to Sponsor or its authorized representative during normal business hours upon reasonable notice.

2.5 Sponsor understands that University may be involved in similar research through other researchers on behalf of itself and others. University shall be free to continue such research provided that it is conducted separately and by different investigators from the Research Program herein-after defined, and Sponsor shall not gain any rights via this Agreement to such other research.

2.6 University does not guarantee that any patent rights will result from the Research Program, that the scope of any patent rights obtained will cover Sponsor's commercial interests, or that any such patent rights will be free of dominance by other patents, including those based upon inventions made by other inventors in The University of Texas System independent of the Research Program.

2.7 An Executive Committee shall be formed which shall consist of the Chief Executive Officer of The University of Texas Health Science Center at Dallas, the Vice-President for Business Affairs, the Dean of the Southwestern Medical School, the Chairman of the Department of Internal Medicine, the Director of the Harold C. Simmons Arthritis Research Center, Harold C. Simmons, a representative designated by the Sponsor, and an at-large representative appointed by the Dean from the faculty of the Southwestern Medical School. The Executive Committee shall be responsible for promulgating policy for the Harold C. Simmons Arthritis Research Center, including the review of business and financial aspects of the Research Program, but subject to the Rules and Regulations of the Board of Regents of The University of Texas System.

2.8 There shall be an external Scientific Advisory Committee consisting of distinguished scholars and others interested in the programs to be operated pursuant to this

Agreement, whose experience and judgment will be helpful in programming, planning, and conducting medical research. The members of this committee shall be appointed by the President of The University of Texas Health Science Center at Dallas in consultation with the Sponsor. The initial members of the Advisory Committee shall be appointed within 90 days of the date of this Agreement. Members of the Scientific Advisory Committee shall serve terms of three years. They may be reappointed upon the expiration of their terms. The Committee shall meet once a year or, if the President of The University of Texas Health Science Center shall deem it appropriate, more often. Costs associated with the functioning of the Scientific Advisory Committee, including the costs of meetings, travel, and honoraria, shall be paid from funds paid to the University by the Sponsor pursuant to Article III hereof.

### III. COMPENSATION

3.1 As consideration for the performance by University of its obligations under this Agreement, Sponsor will pay the University an amount equal to its expenditures and reasonable reserves in conducting the Research Program subject to a maximum expenditure limitation hereinafter described. Principal Investigator shall provide Sponsor's Designee with the Budget for each year sixty (60) days prior to the first day of that year (the "Annual Budget").

Sponsor shall assign to the University on or before June 15, 1984, 312,400 shares of Preferred Stock of Dixie Products, Inc., a Nevada Corporation (the "Stock"). University agrees to use all dividends and proceeds from sale, exchange, or redemption of such Stock for research in the Research Program. Neither the Stock nor the proceeds therefrom shall be returnable to Sponsor, even in the event of termination of this Agreement, but such proceeds shall continue to be used for the research under this Agreement. In addition to amounts received by the University from dividends or proceeds from the sale, exchange or redemption of the Stock, payments will be made by Sponsor to University on a quarterly basis in accordance with the Annual Budget of expenditures and reasonable reserves necessary to conduct the Research Program prepared by the Principal Investigator. Such quarterly payments shall be in the amount of \$200,000 per quarter, provided, however, that Sponsor's obligations to make payments in the aggregate under this Agreement shall not exceed an amount equal to \$8,000,000. Quarterly amounts of \$200,000 shall be reduced by any amount received by University as dividends and proceeds from the sale, exchange, or redemption of the stock in the quarter or quarters following the receipt of such dividends or proceeds. Sponsor's obligations hereunder shall not be affected by any interest earned on reserves; provided, however, that such interest shall be used by University on arthritis research. The initial quarterly payment of \$200,000 shall be made at the time of execution of this Agreement and subsequent payments shall be made every three months thereafter.

3.2 University shall maintain all Research Program funds in a separate account and shall expend such funds for wages, supplies, equipment, travel, and other operation expenses in connection with the Research Program. It is understood that funds for direct costs of the Research Program which are not used in a particular quarter may be used in subsequent quarters, but the budget needs for such subsequent quarters shall reflect the unexpended funds.

3.3 University shall retain title to all equipment purchased and/or fabricated by it with funds provided by Sponsor under this Agreement.

#### IV. CONSULTATION AND REPORTS

4.1 Sponsor's Designated Representative for consultation and communications with the Principal Investigator shall be Mr. Harold C. Simmons, 4835 LBJ Freeway, Suite 600, Dallas, Texas 75234, (214) 233-0760, or such other person as Sponsor may from time to time designate in writing to University and the Principal Investigator.

4.2 During the period of this Agreement, Sponsor's representatives may consult informally with University's representatives regarding the project, both personally and by telephone. Access to work carried on in University laboratories in the course of these investigations shall be entirely under the control of University personnel and available on a reasonable basis.

4.3 The Principal Investigator will make up to four oral reports each year as requested by Sponsor's Designated Representative. At the conclusion of each year, the Principal Investigator shall submit to Sponsor a written report summarizing the work. The Principal Investigator shall also submit a comprehensive final report within 120 days of termination of this Agreement.

4.4 In addition, within the first three months of each fiscal year, or more frequently if reasonably requested by Sponsor, the University shall submit a report to each member of the Executive Committee which shall contain, but which need not be limited to, the following information:

a. A detailed summary of income and expenses of the Research Program for the prior fiscal year.

b. A summary of income and expenses by budget categories, from funds provided pursuant to this Agreement for the Research Program for the prior fiscal year.

c. A budget setting forth anticipated income and expenses for the current fiscal year and for the next two years thereafter.

d. A statement setting forth (i) the activities undertaken by the University under the Research Program during the prior fiscal year, (ii) the nature and extent to which progress has been made in relation to the cause, prevention and treatment of arthritis and associated diseases and the development of viable commercial applications, (iii) any changes in the Research Program that are recommended as a result of the activities undertaken to date, and (iv) a summary of the activities of the Scientific Advisory Board.

#### V. PUBLICITY

Except as required by the Texas Open Records Acts, no press release or other written statements in connection with work performed under this Agreement intended for use in the public media having or containing any reference to Sponsor shall be made by University without approval of Sponsor. University, however, shall have the right to acknowledge Sponsor's support of the investigations under this Agreement in scientific publications and other scientific communications, without Sponsor's prior approval. In any such statements, the parties shall describe the scope and nature of their participation accurately and appropriately.

## VI. PUBLICATION AND ACADEMIC RIGHTS

6.1 University and the Principal Investigator have the right to publish or otherwise publicly disclose information gained in the course of this Agreement. In order to avoid loss of patent rights as a result of premature public disclosure of patentable information, University will submit any prepublication materials to Sponsor for review at least sixty (60) days prior to planned submission for publication. Sponsor shall notify University within thirty (30) days of receipt of such materials: (1) whether it desires University to file patent applications on any inventions contained in the materials and, if University agrees with such desire, University will proceed to file a patent application in due course pursuant to Attachment B, or (2) whether such materials contain information whose premature publication would be commercially prejudicial. Sponsor shall have the right to reasonably request that any commercially prejudicial information be deleted from the materials or that portions thereof be rewritten; University shall consider such request in good faith but shall not be obligated to comply. Notwithstanding any of the foregoing, University shall have the final authority to determine the scope and content of any publications but shall exercise such authority to reasonably protect the Sponsor's beneficial commercial interests.

6.2 It is understood that the University investigators may discuss the research being performed under this Agreement with other investigators but shall not reveal information which Sponsor has held to be confidential under Article VII hereof. In the event any joint inventions result, University shall grant to Sponsor the rights outlined in this Agreement, to the extent these are not in conflict with obligations to another party as a result of the involvement of the other investigator(s). In this latter case, University shall use its best efforts to enable Sponsor to obtain rights to the joint invention.

## VII. CONFIDENTIALITY OF SPONSOR'S INFORMATION

Sponsor may wish, from time to time, in connection with work contemplated under this Agreement, to disclose confidential information to University personnel. University will use reasonable efforts to prevent the disclosure of any of Sponsor's confidential information to third parties for a period of five (5) years from receipt thereof, provided that University's obligation hereunder shall not apply to information that:

- (1) is not disclosed to Principal Investigator in writing or reduced to writing and so marked with an appropriate confidentiality legend within thirty (30) days of disclosure;
- (2) is already in University's possession at the time of disclosure thereof;
- (3) is or later becomes part of the public domain through no fault of University;
- (4) is received from a third party having no obligations of confidentiality to Sponsor;
- (5) is independently developed by University; or
- (6) is required to be disclosed under the laws of the United States of America or the State of Texas.

#### VIII. PATENTS, COPYRIGHTS, AND TECHNOLOGY RIGHTS

As partial consideration for Sponsor's obligations to make the payments described in Article III hereof, University agrees to those certain terms concerning patents, copyrights, and technology rights attached hereto as Attachment B.

#### IX. LIABILITY

It is understood that Sponsor shall not be liable for any claims against University, its employees, or third persons other than Sponsor's employees for damage resulting from or arising out of the activities of University personnel under this Agreement, and University agrees, to the extent permitted by the Constitution and Laws of the State of Texas, to hold Sponsor harmless from any and all such claims. It is also understood that University shall not be held liable for any claims against Sponsor's employees, or third persons other than University employees, of damage resulting from or arising out of the activities of Sponsor, its employees, or third persons other than University employees, and Sponsor agrees to hold University harmless from any and all such claims.

#### X. INDEPENDENT CONTRACTOR

For the purposes of this Agreement and all services to be provided hereunder, the parties shall be, and shall be deemed to be, independent contractors and not agents or employees of the other party. Neither party shall have authority to make any statements, representations or commitments of any kind, or to take any action which shall be binding on the other party, except as may be explicitly provided for herein or authorized in writing.

#### XI. TERM AND TERMINATION

11.1 This Agreement shall commence with the Effective Date hereof and extend until the end of the Research Program as described hereinabove, unless sooner terminated in accordance with the provisions of this Section.

11.2 This Agreement may be terminated by the agreement of both parties.

11.3 In the event that either party shall be in default of any of its material obligations under this Agreement and shall fail to remedy such default within sixty (60) days after receipt of written notice thereof, this Agreement shall thereupon terminate.

11.4 Termination or cancellation of this Agreement shall not affect the rights and obligations of the parties accrued prior to termination. As its sole liability upon termination, Sponsor shall pay University for all reasonable expenses incurred or committed to be expended as of the effective termination date, including salaries for appointees for the remainder of their appointment.

11.5 Any provisions of this Agreement which by their nature extend beyond termination hereof shall survive such termination.

#### XII. ATTACHMENTS

Attachments A and B are incorporated herein and made a part hereof for all purposes.

XIII. LIMITATION OF LIABILITY

Without otherwise impairing the rights, powers, and privileges of University hereunder, University hereby agrees that payment of the amounts described in Article III and Article XI hereof shall be enforced against and collected solely from the assets and properties of Sponsor, and no deficiency or personal judgment of Sponsor shall ever be asserted against the partners of Sponsor for (a) the payment of the amounts described in Article III and Article XI hereof, (b) the payment of any interest thereon, or (c) the payment of the cost of collection of such sums.

XIV. GENERAL

14.1 This Agreement may not be assigned by either party without the prior written consent of the other party; provided, however, that Sponsor may assign this Agreement to any purchaser or transferee of all or substantially all of Sponsor's assets upon prior written notice to University.

14.2 This Agreement constitutes the entire and only agreement between the parties relating to the Research Program, and all prior negotiations, representations, agreements and understandings are superseded hereby. No agreements altering or supplementing the terms hereof may be made except by means of a written document signed by the duly authorized representatives of the parties.

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

Office of General Counsel  
The University of Texas System  
201 West Seventh Street  
Austin, Texas 78701  
Attention: System Patent Officer

with a copy to President, The University of Texas Health Science Center at Dallas;

or in the case of Sponsor to:

Coam Company  
Attention: Mr. Harold C. Simmons  
4835 LBJ Freeway, Suite 600  
Dallas, Texas 75234

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

14.4 This Agreement shall be construed and enforced in accordance with the laws of the State of Texas.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives.

SPONSOR

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

UNIVERSITY

By [Signature]  
President  
The University of Texas  
Health Science Center at Dallas

By [Signature]  
Office of the Chancellor  
The University of Texas System

Approved as to Form:

By [Signature]  
Office of General Counsel

By [Signature]  
Jon P. Newton, Chairman  
The University of Texas System  
Board of Regents

ATTACHMENT A

STATEMENT OF RESEARCH ACTIVITIES AND OBJECTIVES

Dr. Morris Ziff, Ph.D., M.D.  
Principal Investigator

SUMMARY OF RESEARCH PROGRAMS

*Section I. Research Program of the Center Director*

**Project A. Suppression of Chronic Joint Inflammation by Blockade of Emigration of Lymphocytes from the Small Blood Vessels**

The underlying abnormality in ankylosing spondylitis and rheumatoid arthritis is chronic inflammation. In rheumatoid arthritis, it occurs in a joint membrane which grows and spreads and as a result, erodes the cartilage of the joint and the bone. In ankylosing spondylitis, the same type of inflammation occurs in the sacroiliac and spinal joints and in the ligaments of the spine. Here, too, it injures the joints of the spine and in addition, also inflames the spinal ligaments. As a result of the inflammation, the ligaments calcify and the back becomes painful and rigid.

Chronic inflammation is produced by lymphocytes. These cells emigrate from the small blood vessels and collect in the tissue space around them. Here they propagate chronic inflammation. Current methods of treating this chronic inflammation have two aims: (1) to block the harmful effects initiated by the lymphocytes (Indocin, Naprosyn, gold salts) or (2) to destroy the lymphocytes (cytotoxic drugs, irradiation). A third approach is here proposed, i.e. to block the lymphocytes from getting out of the small blood vessels in the first place. How could this be done?

The emigration of the lymphocytes from the small blood vessels is controlled by cells which line the small blood vessels, i.e. the endothelial cells (EC). To emigrate, the lymphocyte synthesizes a substance on the surface of its membrane, the lymphocyte adhering factor (LAF). The LAF enables the lymphocyte to attach itself to the EC. Once attached to the wall of the vessel in this way, it makes its way through the wall. It so happens that the lymphocyte, in synthesizing the LAF also secretes it into the surroundings. The secreted material can also bind to the EC. Once bound, it can actually block lymphocytes from attaching to the EC by occupying the site where the lymphocytes attach. It becomes a lymphocyte-blocking factor.

It is proposed to isolate the LAF. This can be done by culturing the lymphocytes in tissue culture medium. In such medium, the lymphocytes shed LAF, and for this reason, it has been possible to isolate the LAF from the culture medium. By modern techniques, it should be possible to culture rat or human lymphocytes in bulk and isolate the LAF of these species from the supernatant medium. The LAF content of the supernatants would be assayed by measuring their capacity to block adherence of lymphocytes to layers of endothelial cells dispersed on the bottom of plastic wells. Our laboratory, with the help of Dr. Alice Johnson of the Department of Pharmacology, has had experience in the preparation of cultures of endothelial cells which would be used for this purpose. Once prepared and assayed, the ability of LAF to block arthritic inflammation would be tested by injecting it into rats with adjuvant arthritis.

Adjuvant arthritis is a disease induced in rats by injecting them with a mixture of heat-killed tuberculosis bacilli emulsified in mineral oil. The rats develop an arthritic disease which, though it has features of rheumatoid arthritis, more strongly resembles ankylosing spondylitis. It is hoped that it would be possible in these rats to determine whether LAF could be expected to block the inflammation of ankylosing spondylitis or rheumatoid arthritis. For testing in the rat, the LAF would be prepared from rat lymphocytes. Positive evidence for effectiveness of the LAF preparation would be a diminution in the arthritis joint count of arthritic rats following injection of the LAF preparation.

If encouraging results are obtained in the rat, there would be a basis to proceed with tests of an LAF preparation made from human lymphocytes in patients with ankylosing spondylitis and rheumatoid arthritis.

#### Project B. Electron Microscopic Studies of the Rheumatoid Synovial Membrane

Dr. Ziff's laboratory has had a considerable experience in studying the distribution and interrelationships of the chronic inflammatory cells (lymphocytes and macrophages) in the rheumatoid synovial membrane by examining inflamed joint tissue in the electron microscope. The synovial membrane is the principal site of inflammation in the joint. A series of papers have been published on this subject. They have provided a substantial portion of current knowledge of how the lymphocytes and macrophages arrange themselves in the tissue once they have emigrated from the blood vessels.

The lymphocytes themselves are of two general types: lymphocytes which help to propagate the further spread of the inflammation (helper lymphocytes) and lymphocytes which suppress it (suppressor lymphocytes). The interrelationships of helper lymphocytes, suppressor lymphocytes and macrophage-like cells in the synovial membrane are believed to be critical in determining whether the inflammatory reaction in the joint tissue spreads or remains localized. It is our impression that the progression of chronic inflammation of the type seen in the synovial membrane in rheumatoid arthritis, and probably in the joints and ligaments of the spine in ankylosing spondylitis, may result from a failure of control of the relative numbers of macrophages to lymphocytes which emigrate from the small blood vessels. When, as viewed in the electron microscope, the population which comes out of the vessels consists mainly of small lymphocytes, the lesion appears quiescent. However, when the population which emigrates contains large numbers of macrophages (or macrophage-like dendritic cells), the lymphocytes are seen to divide and multiply and the inflammatory process spreads. This stimulation of the lymphocytes may result from the presence of large numbers of macrophages. Such stimulation does occur in the autologous mixed lymphocyte reaction where there is a high ratio of macrophage-like cells to lymphocytes.

It is planned to expand these studies. Using the electron microscope, an effort will be made to learn more about the interaction of lymphocytes with endothelial cells as they pass through the vessel wall. By means of an electron microscopic immunoperoxidase staining technique recently developed in this laboratory, fields in which lymphocytes are observed to be passing through the endothelium will be carefully studied. The lymphocytes and endothelial cells will be stained with antibodies (monoclonal antibodies) for markers on their surface which might elucidate the basis for the interaction of the lymphocyte with the endothelial cell as it passes through the vessel wall. Antibody to the purified lymphocyte adhering factor described in Project A above will be prepared and this will be used to stain lymphocytes as they migrate through the vessel wall to see whether the lymphocytes do, in fact, interact with the endothelial cells by means of the lymphocyte adhering factor.

In addition, areas into which increased numbers of macrophages (or macrophage-like dendritic cells) have emigrated will be carefully examined to obtain information about the passage of the macrophage-like cells through the vessel walls. An effort will be made to relate the character of the inflammatory cell collection to the migration of macrophages through the vessel wall and to determine whether there is visible evidence of macrophage-endothelial cell interaction during this passage. It may be that unlike lymphocytes, macrophages emigrate independently of endothelial cell control. Such information would be of great importance for the understanding of the chronic inflammatory reaction in the joints in rheumatoid arthritis and ankylosing spondylitis.

It should be added that a report in the current issue of the *Annals of the Rheumatic Diseases* emphasizes the similarity of the histopathology of the joint tissue (synovial membrane) in ankylosing spondylitis and rheumatoid arthritis.

## *Section II. Research Programs of Presently Existing Staff*

### **Project A. Mechanisms of Cartilage, Tendon and Ligament Injury in Rheumatoid Arthritis and Ankylosing Spondylitis**

Hugo E. Jasin, M.D.

The ultimate aim of this study is to achieve a better understanding of the mechanisms underlying joint cartilage, tendon, and ligament damage in chronic inflammatory diseases of the joints such as rheumatoid arthritis and ankylosing spondylitis in order to better control this damage. In these diseases, tissue damage is thought to be produced by enzymes that are able to digest the substances that make up the bulk of these tissues, i.e. collagen fibers and the connective tissue matrix (proteoglycan). Several sources of these digesting enzymes are present in the chronically inflamed joint: 1) the inflammatory joint fluid that collects within the joint cavity; 2) the inflammatory tissue (pannus) that invades the joint structures; and 3) the cells that are the normal constituents of the joint tissues (chondrocytes or cartilage cells and fibroblasts or connective tissue cells). The relative importance of these three sources of joint tissue-degrading enzymes is not known. Most investigators believe that the enzymes present in inflammatory joint fluids are usually in an inactive state, thus leaving the invasive pannus and the chondrocytes and fibroblasts as the two most likely sources for the secretion of enzymes responsible for the joint damage.

We propose to study these two processes by the use of a tissue culture method that can reproduce the *in vivo* situation closely, thus allowing us to investigate the relative importance of each of the damaging mechanisms and the effects of drugs that might inhibit tissue degradation.

The destructive role of the inflammatory joint tissue or pannus will be investigated *in vitro* by culturing pieces of healthy cartilage, tendon or ligament overlaid with inflamed joint tissue (synovial tissue). Experience in our laboratory has shown that the chronic inflammatory cells in the joint tissue secrete a factor (the mononuclear cell factor or MNCF) which stimulates cartilage cells and fibroblasts to secrete enzymes which can attack the cartilage and probably also the tendons and ligaments. In the case of cartilage, one can see degradation of this tissue as it is incubated in contact with the chronically inflamed synovial tissue from the rheumatoid arthritic joint. Studies are underway to identify the mononuclear cell factor and to determine exactly how this factor stimulates cartilage cells to secrete the enzymes which destroy the cartilage matrix which surrounds them.

The above method can be used to investigate the effects of drugs presently used to treat patients, or of new drugs, in inhibiting joint tissue damage. How the degrading enzymes produced by stimulated chondrocytes and fibroblasts actually injure cartilage, tendons or ligaments can also be studied in similar fashion, substituting for the inflamed tissue agents, such as endotoxin, that are known to "activate" these cells to secrete enzymes which destroy the surrounding tissue. Since these mechanisms for the degradation of joint tissue are thought to be the final common pathway for joint damage in most forms of chronic arthritis, our studies could lead to the development of therapeutic agents that would slow down or inhibit joint damage in most forms of chronic inflammatory arthritis even in those diseases like rheumatoid arthritis or ankylosing spondylitis where the initiating cause is not known.

Project B. Regulatory Role of Vascular Endothelial Cells in Chronic Inflammation

Peter E. Lipsky, M.D.

Multicellular animals have evolved complex, tightly regulated mechanisms to protect themselves from invasion by potentially harmful foreign agents. In general, these "host defense" mechanisms involve the action of a series of cells and their products, with the capacity to discern the presence of foreign materials and to eliminate them. One aspect of this host defense network involves the immune system which has the capacity (1) to discriminate self from non-self, (2) to acquire enhanced ability to respond to foreign materials, and (3) specifically to destroy or inactivate such materials. Cells of the immune system circulate within the bloodstream and thus are able to monitor the tissues through which they circulate for foreign materials. Interposed between the various tissues of the body and the circulating cells of the immune system are the cells lining the blood vessels. These vascular endothelial cells have not classically been felt to play a major host defense role but their anatomic position suggests that they may have a major impact on the ability of the circulating cells of the immune system to recognize and respond appropriately to foreign materials in the tissues. Because of these considerations, we have begun to study the capacity of isolated and cultured human and guinea pig vascular endothelial cells to initiate and regulate immune and inflammatory responses using in vitro culture techniques.

Initially, highly purified populations of endothelial cells were obtained from various human and guinea pig tissues and grown in tissue culture. The capacity of these cells to cooperate or participate in the immune responses of the cells of the immune system was then studied through the use of a number of models of immune responsiveness. The preliminary results support the conclusion that endothelial cells have the capacity to induce immune responses or modify ongoing immune responses and suggest that they may play a critical role in regulating a variety of immunologically mediated inflammatory responses. A better understanding of the mechanisms by which endothelial cells are able to interface with cells of the immune and inflammatory system may not only provide information about the regulation of these responses by the endothelial cells but also provide insight into ways in which the function of endothelial cells may be altered so as to provide a salutary effect on tissue inflammation.

It is proposed to carry out a detailed study of how endothelial cells regulate lymphocytic infiltration of the connective tissue. Factors produced by the endothelial cells when they come into contact with circulating lymphocytes, which may regulate the amount of lymphocytic infiltration of the connective tissue, will be studied. Three such factors of varying composition have already been demonstrated in Dr. Lipsky's laboratory. These factors will be identified and their specific actions on mononuclear cell function will be delineated. In this way, very critical information about the relationship between the blood vessels and the chronic inflammation around them will be obtained.

It should be emphasized that this line of investigation together with the study of the lymphocyte adhering factor and the electron microscopic investigation of mononuclear cell-endothelial cell interaction proposed by Dr. Ziff in Section I, Projects A and B above, will constitute a powerful and mutually complementary investigation of the role of the endothelial cell in inflammatory arthritis.

Project C. Studies of the Mechanism of Action of Remission-Inducing Drugs in Rheumatoid Arthritis

Peter E. Lipsky, M.D.

Rheumatoid arthritis is a chronic condition which frequently leads to a considerable degree of damage to joint structures with resultant deformity. Since the underlying cause of the disease is unknown, treatment has been entirely empiric. Clinical experience has delineated two distinct modalities of therapy of this disease. The first involves the use of a variety of nonspecific antiinflammatory drugs. While therapy with these compounds results in some symptomatic relief, it is clear that none of these agents has the capacity to alter the course of the disease or to prevent the destruction of bone and joint that is characteristic of the rheumatoid process. On the other hand, clinical experience has delineated a second group of agents of which gold compounds, penicillamine and chloroquine are prime examples. These drugs appear to have the potential to arrest the progress of rheumatoid arthritis and in some patients prevent bone and joint destruction. Each of these compounds was initially introduced into rheumatology for reasons which have in retrospect proved incorrect, but nonetheless, each was subsequently shown to have powerful anti-rheumatic action and in some few cases, to prevent progressive bone and cartilage damage. These drugs all share a number of characteristics, including their very slow onset of action, their absence of nonspecific, antiinflammatory effects, their apparent lack of effectiveness in other rheumatologic conditions, and their high degree of similar toxicity. Moreover, although the mode of action of their anti-rheumatoid effect is unknown, these agents appear to have a similar capacity to halt the progress of the disease. Examination of the mode of action of these drugs, therefore, affords the opportunity not only to understand how they might work in rheumatoid arthritis and perhaps to develop new agents with greater therapeutic efficacy and less toxicity, but also might provide an opportunity to develop new insights into the pathological mechanisms involved in progressive rheumatoid inflammation.

We have begun to study potential mechanisms by which the "remission-inducing drugs" may be active in rheumatoid arthritis. On the basis of a series of observations of the action of these drugs on lymphocytes in cell culture, we have developed an hypothesis that each of these drugs shares the capacity to function as an immunosuppressive agent and thus to diminish the immunological reactivity that appears to lie at the basis of rheumatoid arthritis. It is of interest that, while each of these agents appears to function as an immunosuppressive agent, the specific cell type within the immune system that is affected in the case of gold salt and penicillamine differs. In the case of gold, the action appears to be against the macrophage and in the case of penicillamine, it appears to be against the T or helper lymphocyte. This suggests the possibility that therapy might be tailored for individual cases. This is especially important because it has become clear that these drugs are not effective in all cases. Therefore, identifying patients by this approach who might respond to one or the other drug could have a major impact on the treatment of rheumatoid arthritis.

The studies already carried out have provided an intellectual framework to understand the mechanism of action of these drugs. Additional studies will be needed to confirm the central hypothesis that they act as immunosuppressive agents. Hopefully, this approach will provide a way to develop new anti-rheumatoid drugs with increased potency and diminished toxicity.

It is proposed to continue studies of the mechanism of action of the remission-inducing drugs. To complement the in vitro ("in the test tube") culture data already obtained, studies will be carried out in patients. Mononuclear cells will be obtained from patients receiving these drugs for the treatment of rheumatoid arthritis and the activity of the lymphocytes and macrophages in response to stimulation by mitogenic (activating) agents will be examined. The responses of the treated patient cells will be compared with those of patients with rheumatoid arthritis not receiving these drugs. In this way, it will be possible to determine whether the lymphocytes and macrophages of the treated patients are, in fact, suppressed as predicted by the earlier results obtained by direct addition of the drugs to cell cultures in vitro. It is hoped that information obtained in this study will accomplish four objectives: (1) it will provide a clear understanding of how the remission inducing drugs accomplish their effect; (2) it will lay a basis for the design and synthesis of new remission-inducing agents; (3) it will permit pretesting of individual patients to determine which patients are more eligible to receive one type of drug in preference to another; and (4) it will provide important information about the nature of the rheumatoid chronic inflammatory process itself.

#### Project D. Control of Antibody Formation in Man

Peter E. Lipsky, M.D.

A number of connective tissue diseases are characterized by the production of a variety of antibodies which react with one's own tissues. A number of studies have suggested that the production of these abnormal autoantibodies relates to abnormalities in mechanisms which normally prevent their expression in man. However, the exact nature of these derangements remains to be delineated. An adequate understanding of these mechanisms would require a more complete understanding of the processes which control normal antibody formation in human subjects. Although a considerable amount of information is known about antibody formation in laboratory animals, similar studies in man are just beginning. We have begun a series of experiments using isolated lymphocytes from normal individuals and a variety of tissue culture techniques to understand the control of antibody formation in man. These studies have provided us some in depth information on the role of various subpopulations of cells in controlling this process. Application of these techniques toward an understanding of immunoregulatory abnormalities in patients with connective tissue diseases should provide insight into derangements characteristic of these individuals and perhaps some increased understanding of how these patients might be identified before their illness becomes clinically manifest. In addition, scientific data in this area should provide information concerning more effective treatment and perhaps prevention of autoantibody formation which is the hallmark of many connective tissue illnesses. It is proposed to continue and expand these studies.

#### Project E. Control of Adjuvant Arthritis through Induction of Tolerance to Bacterial Products

Eliot A. Goldings, M.D.

The goal of controlling disease with specific agents has long been the goal of medical scientists. The concept of the "magic bullet" to control infection had its birth a century ago. Through a greater understanding of the cellular properties of the immune system gained in the past twenty years, the "magic bullet" approach to clinical problems has reemerged in the treatment of cancer. To date, however, this strategy has not been applied to the field of arthritis.

The basic technique proposed exploits the property of a particular plant derivative, Ricin A, that works like a "mini-explosive" at the level of cells. Ricin A is highly toxic for living cells. It may be linked by chemical means to another molecule that targets the complex formed between the two agents to particular cells of the immune system. This is accomplished by virtue of specific cell surface receptors on the targeted cells which bind the non-Ricin A component of the complex. The result of such binding is that the targeted cells become poisoned metabolically and are prevented from exerting their effects within the body. A successful example of this approach is the killing of cancer cells by Ricin A complexed to antibodies with specific reactivity for the cancer cell membranes. A more recent extension of this approach has been to couple Ricin A to particular antigens which can by themselves trigger immune responses such as the formation of antibodies specific for the inducing antigen. When animals are pretreated with the Ricin A-antigen complex, no immune response develops. A state of immunologic unresponsiveness or "tolerance" develops instead.

A well-established animal model for ankylosing spondylitis is the adjuvant arthritis of rats. To produce this arthritis, complete Freund's adjuvant, consisting of heat-killed tuberculosis bacilli, mineral oil and an emulsifier, is injected into the rat with subsequent development of both joint inflammation and bony ankylosis including the spine and tail. The striking resemblance of this heat-killed bacterial-induced arthritis to ankylosing spondylitis in man has implicated bacterial-induced inflammation in this disease. Moreover, infection with a variety of diarrhea-producing bacteria has been associated with the development of spondylitis in the related clinical syndromes of Reiter's syndrome post-dysenteric, reactive arthritis, arthritis associated with inflammatory bowel disease and psoriatic arthritis. Patients developing ankylosing spondylitis as well as each of the other types of arthritis all tend to have a common genetic background marked by the HLA-B27 gene. It is possible that this gene in some way determines an abnormal or excessive immunologic and/or inflammatory response to certain bacterial antigens present in bacterial cell walls.

The cell wall component common to many bacteria and most implicated in modulating the various components of the immune system is peptidoglycan. Lipopolysaccharides of bacteria may also play a role in modulating the immune responses, the inflammation and the development of arthritis in the rat with adjuvant arthritis. It is known that specific receptors for lipopolysaccharide, and presumably peptidoglycan as well, exist on membranes of cells of the immune systems, particularly lymphocytes and macrophages.

It is proposed to prepare Ricin-A conjugates of both peptidoglycans and lipopolysaccharides and test their ability to modulate the development of adjuvant arthritis in rats. The expectation would be that these agents would specifically react with the particular subpopulation of lymphocytes with which they ordinarily interact and having attached to the cell membranes of these cells, destroy this subpopulation. In this way, they would render the animal nonreactive to peptidoglycan or lipopolysaccharide and hence no longer able to develop adjuvant arthritis. This particular approach presumes that the tubercle bacillus is exerting its action in the generation of adjuvant arthritis through agents like peptidoglycan or lipopolysaccharide.

#### Project F. Investigation of the Development of Ankylosing Spondylitis in Young Boys.

Chester W. Fink, M.D.

Most adult patients with rheumatoid arthritis are female, have moderate to severe arthritis involving multiple joints and have positive blood tests for rheumatoid factor. Another group of adult patients are primarily male and have few involved extremity joints but, on the other hand, have inflammatory arthritis of the spine. They have negative tests for rheumatoid factor and the majority (92% in Caucasians) are HLA B27 positive. These patients have ankylosing spondylitis.

Chronic inflammatory arthritis appearing in children 15 years of age or younger appears to be in most cases a different disease from that seen in adults. We have found that only 6% of children with arthritis seen in Dallas have a clinical and laboratory picture similar to adult rheumatoid arthritis. We have also been impressed that many boys whose arthritis begins later in childhood have a different pattern of arthritis from that of the majority of other arthritic children. Their arthritis occurs in only a few joints, primarily the large joints of the lower extremities, the hips, knees and ankles. They frequently have early hip involvement. They may also have thickening of the heel cords or pain in their heels. We have done HLA typing on 20 of these boys and 16 out of 20, 80%, are HLA B27 positive compared to an incidence of 15 in 161, 9%, in children who fall into other groups in our clinical classification. This is a striking difference. There are at least 25 boys in our clinic with the clinical characteristics described above.

We have thus separated out a group of arthritic children who are male, have arthritis in only a few joints, often have hip involvement and are at least nine years of age at the time they begin their arthritis. They tend to carry the B27 marker. It is not known how many of this group will eventually develop involvement of their sacroiliac joints or spine or how many may develop features of other diseases associated with HLA B27 such as ankylosing spondylitis, Reiter's syndrome, psoriatic arthritis or the arthritis of inflammatory bowel disease such as ulcerative colitis or regional enteritis. We intend to follow these children into adulthood with yearly examinations and periodic x-rays to see whether any of these conditions develop.

We also intend to follow the 15 arthritic children in the other juvenile chronic arthritis groups we are treating who are also B27 positive to ascertain whether any of them will also develop back involvement or signs of the other spondyloarthropathies (diseases related to ankylosing spondylitis). A few of our long-term follow-up patients are now in their late twenties but it is much too early to develop any statistical data.

We enroll about 60 new children in our rheumatic disease clinic each year and patients appropriate for this study will be added to the ongoing study. Their medical care is funded completely through the Scottish Rite Hospital for Crippled Children. It is hoped eventually to have enough data to be able to better prognosticate the eventual outcome of this group of children, i.e. to determine whether they do develop ankylosing spondylitis or a spondyloarthropathy. Careful study of these children as they grow older will, we expect, yield worthwhile information about the spondyloarthropathy group.

### *Section III. Research Program of Scientists to be Appointed to Center*

#### **Project A. Etiology of Ankylosing Spondylitis and the Spondyloarthropathies**

The most striking available observation bearing on the etiology (causation) of ankylosing spondylitis and the related spondyloarthropathies (psoriatic arthritis, Reiter's syndrome and enterocolitic arthritis) is the observation that an episode of diarrhea in genetically susceptible individuals may trigger a prolonged attack of peripheral arthritis, sacroiliac arthritis and even ankylosing spondylitis. Four different bacteria which produce dysentery have the ability to precipitate such attacks, Shigella, Salmonella, Yersinia and Campylobacter. The individuals who are subject to the development of spondyloarthropathy come from the HLA B27 positive population.

There are two possible explanations for the above phenomenon. It is possible that an agent which is present in the various dysentery bacteria stimulates the lymphocytes of B27 positive individuals to proliferate and spread out in the joint tissues and in the ligaments of the spine to produce the arthritis and the spinal changes which are observed. Experiments have been done, first in this laboratory and later elsewhere, to test this possibility by stimulating lymphocytes of patients with ankylosing spondylitis and Reiter's syndrome with extracts of Shigella bacteria-containing lipopolysaccharide and peptidoglycan. These substances were considered to be good candidates to accomplish this kind of stimulation. The results of these experiments, although suggestive, have so far not been convincingly positive, either in our laboratory or in others. However, these initial investigations should be continued, because there is still a possibility that this mechanism is pertinent.

A second possibility is that it is not the diarrhea-producing organism which is responsible, but rather the diarrhea. From this point of view, inflammation in the colon or small intestine, if sufficiently severe or prolonged, would trigger a spondyloarthropathy. Support for this possibility is the impressive fact that ulcerative colitis and regional enteritis, diarrheal diseases in which bacterial infection does not play a part, are also very significantly associated with the development of sacroiliitis and ankylosing spondylitis.

Another clinical event, alluded to above, which draws attention to the role of intestinal inflammation in the spondyloarthropathies is the development of Reiter's syndrome after an attack of dysentery. Reiter's syndrome combines peripheral polyarthritis, sacroiliitis and often ankylosing spondylitis and iritis. It usually develops after a urethritis but may also commonly develop after a Shigella dysentery infection. Even if the Shigella infection is promptly terminated by antibiotic therapy, ten days to two weeks later, symptoms of Reiter's syndrome begin in about 20% of HLA B27 positive individuals who have had the dysentery. Once a patient has had an attack of Reiter's syndrome, the condition may recur for years without subsequent infection with Shigella.

The projected Arthritis Research Center should explore this important area of investigation in depth. It should attempt to determine whether in the B27 positive individual, there is a sensitivity to antigens which are present not only in the Shigella organism but also in the intestinal mucosa or submucosa. When released by a diarrheal episode in the susceptible individual, it is possible that it is an intestinal antigen that may trigger the initial episode of Reiter's syndrome. Having sensitized the patient, such an antigen may maintain the inflammatory reaction by being slowly and continuously released from the intestinal tract.

To investigate this problem, it would be advisable to recruit to the faculty a competent immunologist with expertise in cellular immunology and bacterial immunochemistry. He should preferably be a Ph.D. in Immunology who would have his primary appointment in the Department of Microbiology.

This research project is offered as an example of the types of new research which would be initiated under Section III. With time, as new researchers are recruited, many other projects would be supported through the Center, the specific nature of which would depend in part on the expertise and ideas of the newly recruited faculty.

*Section IV. International Symposium on Ankylosing Spondylitis and the Spondyloarthropathies*

It is proposed to develop the projected Harold C. Simmons Arthritis Center as a focal point for the scholarly review and discussion of new developments in research and treatment of the spondyloarthropathies. This would be done by assembling at the Center the world leaders in research and treatment of ankylosing spondylitis and the other spondyloarthropathies in an international symposium which would be held at regular intervals. An appropriate interval might be every two years. The proceedings of this seminar would be published in a scientific journal, perhaps in the form of a Simmons Arthritis Research Center Monograph Series. Although this activity would consume only a tiny fraction of the Center's resources, it would both improve the progress of research in spondylitis worldwide and enhance the recognition and eminence of the Simmons Center as a premier interdisciplinary center in the world dedicated to research into these conditions.

*Section V. Board of Scientific Advisors*

To assist the Center Director, the scientific staff, and the Health Science Center administration in setting policy and procedures, defining goals and objectives, and evaluating progress, an external Board of Scientific Advisors is proposed. This Board, although not vested with authority for administering the Center, will be invaluable for providing both an international perspective on the importance and excellence of the programs, and a local perspective on their interface with the community. It would not be possible to approach specific individuals about their possible participation until the Center is established, of course, so a definitive list of names cannot be presented at this time. Possible members of the Board would include:

Henry Kunkel, M.D., Professor of Internal Medicine, Rockefeller University, New York; Member, National Academy of Science.

Lewis Thomas, M.D., former Professor of Medicine and Dean, Yale University School of Medicine; Member, National Academy of Science; Author, *Lives of a Cell*.

Stanley B. Cohen, M.D., Clinical Assistant Professor of Internal Medicine, UTHSCD: practicing rheumatologist, St. Paul Hospital, Dallas.

ATTACHMENT B

PATENTS, COPYRIGHTS, AND TECHNOLOGY RIGHTS

1. The following terms shall have the indicated meanings when used in this Attachment:

(a) "Agreement" shall mean that certain Sponsored Research Agreement to which this Attachment is affixed between The University of Texas Health Science Center at Dallas and Coam Company, a Texas general partnership, of even date herewith.

(b) "Patent Rights" shall mean any patent application or patent covering any invention made during the course of the Research Program, including any continuations, continuations-in-part, divisionals, substitutions, extensions or additions thereto, and any corresponding foreign patent applications or patents based on such applications or patents.

(c) "Technology Rights" shall mean University rights under state and federal laws, including the laws of copyright, trade secret, and unfair competition, in unpatented inventions, know-how, software and other technology developed during the Research Program.

(d) "Invention" shall mean any discovery, concept, or idea, whether or not patentable, made during the Research Program, including but not limited to processes, methods, software, tangible research products, formulas and techniques, improvements thereto, and know-how related thereto.

(e) "Patent Expenses" shall mean any expenses, including attorney's fees, incurred in searching, search opinions, preparing applications, filing, prosecuting, enforcing or maintaining a patent or patent application with respect to Patent Rights in any country in which filed.

Capitalized terms used in this Attachment that are not defined herein shall have the meanings ascribed to such terms in the Agreement.

2. Except for the rights granted in Section 4 below, any Patent Rights and Technology Rights, including inventions or copyrightable works made during the course of the Research Program either solely by University personnel or jointly by University and Sponsor personnel shall be the property of University. Rights arise during the Research Program if they are either conceived or reduced to practice during such Research Program.

3. After consultation with Sponsor, University at its sole selection will prepare and file appropriate United States and foreign patent applications on inventions made during the course of the Research Program. University will provide Sponsor a copy of any such application filed and any documents received or filed during prosecution thereof and will provide Sponsor the opportunity to comment thereon. On any application as to which an employee of Sponsor is a coinventor, Sponsor will cooperate in obtaining execution of any necessary documents by its employees.

4. As partial consideration for Sponsor's obligation to make the payments described in Article III of the Agreement, University grants to Sponsor an option to obtain a worldwide, royalty-bearing exclusive license under Patent Rights and Technology Rights to practice any invention and use any technology made in the course of the Research Program. In addition to the payments made by Sponsor described in Article III of the Agreement, Sponsor further agrees to pay to University ten percent (10%) of any and all amounts it receives from commercial exploitation by it, directly or indirectly, or through any license or assignment of its rights thereunder or otherwise as partial consideration for University's grant of any exclusive license to an item under Patent Rights and Technology Rights, pursuant to exercise of such option. Such option shall be exercisable in the following manner: whenever University, in its good faith judgment, thinks that research under this Agreement has produced an item that may be potentially exploitable on a commercial basis within Patent Rights and Technology Rights, it shall notify Sponsor. Within thirty (30) days after receipt of such notification, Sponsor shall decide whether it wishes to exercise its option for that item. Until an item within Patent Rights and Technology Rights, such as an invention disclosure, patent, patent application, or identifiable piece of unpatented technology has been presented as set forth above, and Sponsor has had its opportunity to decide whether to exercise its option, University shall not offer these rights to any third party.

5. In the event Sponsor elects to exercise its option as to any item, in accordance with the procedures detailed above, it shall be obligated to pay all Patent Expenses for such item. This shall include the cost of any prior activities investigating patentability before exercise of the option such as search and opinion for patentability that may have been performed by University or person employed by University for that purpose. It is contemplated that, in the majority of instances, Sponsor will be asked to determine whether it will exercise its option prior to the filing of the first patent application.

6. Sponsor may exercise its option on Patent Rights and Technology Rights by informing The University of Texas System Patent Office, 201 West Seventh Street, Austin, Texas 78701, (512) 471-7565, of the identity of the item within Patent Rights and Technology Rights and by providing a written statement of its intention to develop or cause to be developed, as provided for in the Agreement, the item, i.e., invention, technology, or software, for public use as soon as practicable, consistent with sound and reasonable business practices and judgment.

7. Any license of Patent Rights and Technology Rights granted to Sponsor, as provided herein, shall include at least the following terms and conditions:

(a) payment to University of a ten percent (10%) running royalty on gross income derived by Sponsor from the license;

(b) the right of Sponsor to grant sublicenses:

(c) a commitment by Sponsor and any sublicensee to exert its best efforts to introduce or cause to be introduced the licensed invention and technology into public use as rapidly as practicable. In the case of licensing, a one-year (1) period is considered reasonable. For actual manufacturing or selling of a physical product, three (3) years is considered reasonable. In the event Sponsor does not achieve these goals, its license shall terminate upon written notice by University;

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

(e) retention by the University of the complete royalty-free right to use any Patent Rights and Technology Rights, including any licensed inventions, technology, or software for teaching, research, or other educational purposes; and

(f) reservation of the rights of the Government of the United States of America, as set forth in Public Law 96-517, if applicable.

8. University grants Sponsor a fully paid-up, non-exclusive license, under any copyright that University may hold, to make a reasonable number of copies for its needs, including derivative works thereof, from any written report prepared and delivered to Sponsor in accordance with this Agreement.

9. In the event Sponsor does not exercise its option to obtain a worldwide, royalty-bearing exclusive license as described in Paragraph 4 or such license is terminated as provided for in Paragraph 7(c) of this Attachment B, University agrees to pay to Sponsor ten percent (10%) of any and all amounts it receives from commercial exploitation by it, directly or indirectly, or through any license or assignment of its rights hereunder or otherwise. Sponsor is not obligated to pay any Patent Expenses in the event of non-exercise, and Sponsor also expressly agrees that it is not entitled to any license rights whatsoever, other than as set forth in Paragraph 8 above.

2. U. T. Medical Branch - Galveston (U. T. Medical School - Galveston) - Jennie Sealy Smith Chair in Obstetrics and Gynecology: William J. McGanity, M.D., Appointed Initial Holder Effective Immediately, and Holder of Chair Specified to be the Chairman of the Department of Obstetrics and Gynecology.--Upon the recommendation of the Health Affairs Committee, the Board approved the appointment of William J. McGanity, M.D., Professor and Chairman, Department of Obstetrics and Gynecology at the U. T. Medical School - Galveston of The University of Texas Medical Branch at Galveston, as the initial holder of the Jennie Sealy Smith Chair in Obstetrics and Gynecology effective immediately.

Further, the Board specified that the Jennie Sealy Smith Chair in Obstetrics and Gynecology is to be held by the individual appointed as Chairman of the Department of Obstetrics and Gynecology at the U. T. Medical School - Galveston, with the term of appointment being concurrent with the tenure of the appointee as Chairman.

3. U. T. Medical Branch - Galveston (U. T. Medical School - Galveston): Historical, Scientific, and Medical Collections in the Moody Medical Library Named the Truman G. Blocker, Jr. History of Medicine Collections.--To honor and recognize Dr. Truman Blocker's enthusiastic work to further the quality and breadth of the historical and medical collections at The University of Texas Medical Branch at Galveston, approval was given to name the historical, scientific, and medical collections in the Moody Medical Library at the U. T. Medical School - Galveston the Truman G. Blocker, Jr. History of Medicine Collections.

See Page 112, Item 76 for acceptance of transfer of funds to support the Truman G. Blocker, Jr. History of Medicine Collections.

4. U. T. Medical Branch - Galveston: Approval to Implement a Late Registration Fee Effective Fall Semester 1984 (Catalog Change).--In order to help offset costs such as additional record keeping and follow-up correspondence when an individual does not pay registration fees in a timely manner, the Board approved the implementation of



referred to as "Hospital"), and the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, an agency of the State of Texas (hereinafter referred to as "University"),

WITNESSETH:

WHEREAS, Hospital and University entered into and executed that certain Affiliation Agreement dated January 1, 1968 (the "Original Agreement"); and

WHEREAS, Hospital and University desire to amend and restate the Original Agreement by this Agreement which will, effective as of the date hereof, supercede and replace the Original Agreement as the formal instrument of affiliation and which has the following primary objectives:

- A. It shall set forth a clear pattern for cooperation in accomplishing the common objectives of the Hospital and University. These common objectives to include:
  1. Excellence in patient care;
  2. Education of health professional personnel at all levels;
  3. Clinical research;
  4. Community services.
- B. It shall be an instrument for furthering mutual understanding;
- C. It shall be a means for fostering equitable administration of programs of mutual interest; and

WHEREAS, in order to assure achievement of the objectives of this Agreement, the following items of major importance have been considered:

1. Faculty and Hermann Hospital staff appointments,
2. House staff appointments and responsibilities,
3. Availability of patients for teaching,
4. Students' responsibilities and facilities,
5. Joint responsibilities for research,
6. Sharing of common facilities and services,

7. Financial considerations, and
8. Organization for effective communication;

and

WHEREAS, Hospital and University stipulate and agree that the most important consideration of content for a successful relationship is the understanding and sincerity of both Hospital and University in the recognition of the interdependence of their shared goals of quality patient care, excellent teaching programs, productive research and community services; and

WHEREAS, the Legislature of the State of Texas authorized a four-year supported medical school be established in Houston under the administration of The University of Texas System, and that Hermann Hospital, a private, nonprofit hospital, be utilized as its main teaching hospital in Houston, and that Hospital will assist the University by making the clinical and other physical facilities of Hermann Hospital available to the University including The University of Texas Health Science Center at Houston ("UTHSCH").

NOW, THEREFORE, in consideration of the foregoing and in further consideration of the premises hereinafter set forth, the parties hereto agree to the following provisions:

I. GENERAL PROVISIONS

- A. That this agreement is between the Board of Regents of The University of Texas System and the Trustees of the Hermann Hospital Estate, and that any alterations or future provisions shall likewise be negotiated through the respective governing bodies.
- B. That Hospital and University shall retain all jurisdictional powers incident to separate ownership and that nothing in this Agreement, or its effectuation, shall be construed to confer "public hospital" (as that term is used at law) status upon Hermann Hospital.
- C. That Hospital agrees to provide for the operation and maintenance of a fully accredited hospital for patient

care, teaching, research and community services integrated with the medical and, where appropriate, the other health professional educational programs of the University.

- D. That Hospital will operate Hermann Hospital in a manner and with standards consistent with the highest quality of those of leading university-affiliated hospitals in the United States.
- E. That Hospital shall retain final jurisdiction over the admission of patients to Hermann Hospital, including assignment of beds therein, but shall consult with University in the formulation of policies affecting teaching and research.
- F. That the provision of this Agreement and the By-Laws of Hermann Hospital Medical Staff shall be in agreement.
- G. That University will establish and conduct research activities and fully accredited educational programs.
- H. That University shall assume the responsibility for further development of clinical and basic research.
- I. That this Agreement shall be for a term of thirty (30) years from and after January 1, 1968, and may be terminated at any time upon mutual consent of the parties hereto. A period of at least three (3) years shall, however, be allowed to effect any such termination. It is understood that this Agreement may be amended in writing to include such provisions as the parties may agree upon and may be renewed for an additional term of years upon such terms and conditions as the parties may agree.

## II. MAJOR SPECIFIC CONSIDERATIONS

The means by which Hospital and University seek to accomplish their long-range goals are the programs in which they engage, either separately or jointly. The presence and activity of each organization are influences upon the efforts

of the other. Since each has the capacity to limit or to enhance the success of the other, the following major areas for specific consideration are enumerated in this Agreement to minimize potential sources of conflict which may arise from the affiliation between Hospital and University.

A. Faculty and Hospital Staff Appointments

After the effective date of this Agreement, Hospital, in consultation with University, will give due consideration to the academic interests and qualifications of all new medical staff applicants prior to medical staff appointment.

Within Hermann Hospital where undergraduate medical students receive instructions, the staff involved in the teaching programs will be members of the faculty of the University. All members of the medical staff of those specific services selected for the teaching endeavor will be encouraged to seek academic appointment, for it is understood and agreed that ultimately the teaching staff of the University and the medical staff of Hermann Hospital shall be one and the same and the only medical staff of Hermann Hospital.

In consideration of the foregoing, the following specific conditions are agreed to:

1. That University academic appointments for the performance of service will be of three basic types:
  - a. Clinical and voluntary - no financial remuneration for teaching.
  - b. Part-time - compensation by University for specifically designated teaching services which are time-consuming.
  - c. Full-time - full compensation from University subject to policies of University.

2. Within the services selected by the University for its teaching programs, University will assume responsibility for the quality of care delivered by physicians in Hermann Hospital.
3. Hospital shall appoint, after consultation with University, the chiefs of departments, services, or divisions involved in the teaching programs. The parties also agree that:
  - a. Appointments to the medical staff shall be made annually by Hospital after receipt of the recommendation of the chairman of the applicable departments as ratified by the Dean of the School of Medicine (the "Medical School") of UTHSCH.
  - b. Hospital shall appoint as chiefs of departments, services or divisions, the corresponding chairmen or chief officers of departments or divisions of the Medical School upon nomination of University. Prior to nomination, University shall consult with Hospital.
  - c. The Medical School will furnish a sufficient number of qualified physicians to adequately direct and supervise professional medical services to all inpatients and outpatients of the Hermann Hospital, including the emergency department. It is agreed that total professional care shall be specified by the faculty of the Medical School and the staff shall be closed.

B. House Staff Appointments and Responsibilities

Although the house staff members have both a legal and moral responsibility to Hospital, the responsibility for the appointment and recruitment of house staff members shall be that of University. In

consideration of the foregoing, the following specific conditions are agreed to:

1. In all services in which teaching programs are being conducted by the University, vigorous recruitment will be conducted by the faculty to assure filling of available positions with highly qualified candidates.
2. The Dean of the Medical School or his designee will supervise the medical educational activities of the University at Hermann Hospital.

C. Availability of Patients for Teaching

All patients in Hermann Hospital shall be available for purposes of teaching. Exceptions may be made at the discretion of the admitting physician or the patient, with the concurrence of the chief of service. No member of the medical staff shall be granted exception from teaching for more than ten percent (10%) of his patients admitted to Hermann Hospital in any twelve-month period.

D. Medical Student Responsibilities and Facilities

1. Medical students will be responsibly involved, under supervision, in the management and care of patients. This will be accomplished through the students' participation with the medical care team consisting of the intern, the resident, and the faculty staff physician. These individuals will function as an organized staff, responsible for the patients' care.
2. In recognition of the fact that a university teaching hospital requires considerably more space for the educational programs of the medical students and house staff, Hospital agrees to provide such space and that in all new construction and modernization programs it will

give consideration to the following requirements:

- a. Charting areas of sufficient size to accommodate the students, house staff, staff physicians and nurses.
- b. Provisions for conference-demonstration rooms for teaching programs on each large patient floor area of the hospital building.
- c. A centralized student laboratory in each building of the hospital complex for use of students in performance of simple laboratory tests.
- d. Larger patient room facilities to allow sufficient room for students and staff to observe and to make bedside rounds.
- e. Sleeping-in facilities for students while on night call on such services as obstetrics and the emergency department.
- f. Special treatment room on each floor to demonstrate special procedures to students.

E. Joint Responsibilities for Research

University will assume the responsibility for further development of clinical and basic science research. Such research may involve therapeutic trials, clinical studies, laboratory studies, and studies involving the administration and organization of the health services of Hermann Hospital and the community. Research projects must be approved by the UTHSCH committee, including Hospital representatives, for the protection of human subjects.

F. Financial Considerations of Shared Facilities, Equipment, Services and Teaching Costs

1. University, in recognition of Hospital's essentiality to the teaching programs of the University, agrees to accept important responsibilities for the care of patients. Hospital, in its traditional

role of public service, recognizes that the educational programs contribute materially to the quality of medical care. Although it is recognized that the contributions of each provide a general balance, certain undertakings of Hospital and/or of University, singly or jointly, by virtue of this Agreement, may alter this general balance and require specific accounting of the financial considerations.

- a. It is recognized that in the pursuit of common goals, Hospital and University may achieve economies by providing for shared facilities, equipment, and/or services. Effort will be made to provide for common facilities, equipment and services that are required by both Hospital and University when to do so is desirable by both parties to avoid expensive and unnecessary duplication. Such common services may be operated by either University or Hospital but will be shared by both. These may include heating, telephones, post office, laundry, food, computer, parking, specialized diagnostic procedures, etc. Highly specialized, expensive and infrequently used therapeutic and laboratory procedures required for clinical care may be obtained from the University rather than establishing such services separately in Hermann Hospital.
- b. It is recognized that there are costs incurred by Hospital in providing a primary teaching hospital for the undergraduate programs for the University.

c. In pursuit of the mutual objective of clinical research, there may be research projects jointly sponsored by Hospital and University.

2. In consideration of the foregoing, the following specific financial considerations are agreed to:

a. Hospital shall bear costs for supporting and maintaining a complete staff of interns, residents, and other personnel. In instances where University or Hospital may be able to obtain funds applicable to training programs in Hermann Hospital of interns, residents, fellows, and other personnel, such funds designated for salaries will be used for support of such personnel.

b. University shall pay all costs incurred in the operation of the undergraduate educational programs.

c. In jointly sponsored facilities, equipment, services, and/or research projects, there shall be a definite agreement as to the extent of the responsibility of each party in funding, ownership, administration, and liability.

3. Annual Joint Agreement

The instrument for mutual accountability of the shared facilities, equipment, services, research projects, teaching costs, and other relevant financial considerations shall be the Annual Joint Agreement.

a. Such Annual Joint Agreement shall consider all service provided by the parties to each other which would be provided separately if no common facilities and services were

shared. Specifically, it shall consider the following:

- (i) The total number of interns, residents, fellows, and other personnel to be funded by Hospital for the next house staff academic year and the salary and fringe benefits for each level.
  - (ii) The costs of hospital-based undergraduate teaching programs to be paid by University.
  - (iii) The costs of shared facilities, equipment, services and research projects and the proportions of these costs allocated to Hospital and University, respectively.
- b. There shall be an annual review conducted jointly of the amounts and sources of all funds exchanged between the parties to carry out any final settlement of the preceding calendar year accounting period.

G. Organization for Effective Communication

1. There shall be established a Joint Conference Committee composed of an equal number of Trustees of Hospital and Regents of the University. The ex officio members of such Joint Conference Committee shall be the Executive Director of Hermann Hospital, the Executive Vice Chancellor for Health Affairs of University, President of UTHSCH, and such other representatives of each institution who may be added from time to time. All matters of joint concern may be considered by the Joint Conference Committee, which shall make recommendations to Hospital and University. Each Annual Joint Agreement shall be subject to prior

approval of the Joint Conference Committee. The Joint Conference Committee shall be informed of high level appointments and shall adjudicate any issues of conflict or mutual interest referred to it by its members.

2. There shall be established a Joint Institutional Planning Committee composed of the Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer of Hermann Hospital; the President and the Chief Financial Officer of UTHSC and the Dean of the Medical School; and other members of the staff of either Hermann Hospital or UTHSC who may be designated by either Hospital or University to serve on the Joint Institutional Planning Committee in connection with its accomplishing its major objectives. The Joint Institutional Planning Committee will meet at least once each month during the remaining term of this Agreement and will address a number of areas including:

- a. Issues affecting both institutions which need the attention of senior management.
- b. Current program evaluation and assessment of the feasibility of new programs which are being considered by either institution;
- c. Interinstitutional communication through early or timely discussion of potential areas of conflict.

The Joint Institutional Planning Committee will keep the Joint Conference Committee informed of its deliberations.

3. Within Hermann Hospital, there shall be established a Medical Board composed of the chiefs of the major clinical departments (who are also chairmen of the respective departments in the

Medical School), the Executive Director of Hospital, and three (3) members of the voluntary or part-time medical staff of Hermann Hospital elected annually by the voluntary medical staff. Such Medical Board will function as the Executive Committee of the medical staff, will constitute the advisory medical staff board of Hermann Hospital, and will recommend and advise on all matters related to patient care and medical staff appointments.

### III. FURTHER PROVISIONS

Subject to the limitations imposed by the constitution and statutes of the State of Texas and the regental rules, in the case of University, and by the terms of the Will of George H. Hermann, deceased, governing the charitable trust created thereunder and the various declaratory judgments pertaining to such charitable trust in the case of Hospital, and in line with their cooperative efforts and consistent with sound business practices, the University and Hospital shall endeavor to carry out their fundamental objectives in order to serve a single public purpose -- the improvement of people's health.

All persons executing this Agreement in a fiduciary capacity act solely in such capacity, and no such person shall be liable or responsible under or in connection with this Agreement in any other capacity whatsoever.



8. U. T. Cancer Center: Initial Appointments to Endowed Academic Positions Effective September 1, 1984:  
(a) Dr. Robert A. Newman to the D. B. Lane Cancer Research Fund Professorship for Leukemia Research,  
(b) Dr. Michael J. Siciliano to The Kenneth D. Muller Professorship in Tumor Genetics, and (c) Dr. Thomas J. Slaga to the Ruth and Walter Sterling Professorship.--  
The Board approved the following initial appointments to endowed academic positions at The University of Texas System Cancer Center effective September 1, 1984:

- a. Dr. Robert A. Newman, who has accepted a position as Associate Professor of Pharmacology in the Department of Chemotherapy Research, to the D. B. Lane Cancer Research Fund Professorship for Leukemia Research
- b. Dr. Michael J. Siciliano, Assistant Biologist and Assistant Professor of Biology, to The Kenneth D. Muller Professorship in Tumor Genetics

See Page 114, Item 82 for the establishment of this professorship.

- c. Dr. Thomas J. Slaga, Biochemist and Professor of Biochemistry, and Director of the Research Division of the Science Park at Smithville, Texas, to the Ruth and Walter Sterling Professorship

9. U. T. Cancer Center: Approval of Affiliation Agreement with the Baylor College of Medicine, Houston, Texas.--  
Approval was given to the affiliation agreement set out on Pages 71 - 72 by and between The University of Texas System Cancer Center and the Baylor College of Medicine, Houston, Texas.

This agreement, executed by the appropriate officials of the institution and facility to become effective upon approval by the U. T. Board of Regents, will formalize the relationship between the two institutions which has involved a number of shared activities.

#### AFFILIATION AGREEMENT

THE AGREEMENT, made as of the \_\_\_\_\_ day of \_\_\_\_\_, 1984 by and between THE UNIVERSITY OF TEXAS SYSTEM CANCER CENTER M.D. ANDERSON HOSPITAL AND TUMOR INSTITUTE ("Anderson"), a component institution of the University of Texas System ("System"), and the BAYLOR COLLEGE OF MEDICINE, One Baylor Plaza, Texas Medical Center, Houston, Texas ("Baylor"),

#### WITNESSETH:

WHEREAS, both Anderson and Baylor operate facilities located in the Texas Medical Center, Houston, Texas, and each provides major academic programs with respect to health care; and

WHEREAS, the academic programs of Anderson and Baylor have as their general common objectives:

- (1) the education and training of students and resident physicians,
- (2) the continuing education of physicians and allied health personnel, and

- (3) the advancement of medical knowledge and patient care through clinical investigation and basic science research;

WHEREAS, Anderson and Baylor each desires to further their common objectives and to benefit from a closer working relationship with the other, and each desires to establish and implement from time to time one or more academic programs of a cooperative nature that will involve faculty and personnel of Anderson and Baylor:

NOW, THEREFORE, in consideration of the benefits derived and to be derived from the one or more programs established, Anderson and Baylor mutually agree that such programs shall be covered by and subject to the following terms and conditions:

(1) Individual programs shall be reduced to written agreements and executed by the duly authorized representatives of Anderson and Baylor.

(2) All notices under this Agreement shall be provided to the party to be notified in writing either by actual delivery or by registered mail.

(3) This Agreement may not be assigned.

(4) This Agreement shall become effective upon approval by the Board of Regents of the System and by the Board of Trustees of Baylor.

(5) This Agreement shall continue in effect for an initial term ending one year after the date of execution thereof, and after such initial term from year to year unless one party shall have given one hundred eighty (180) days prior written notice to the other party of intention to terminate this Agreement.

EXECUTED BY ANDERSON AND BAYLOR on the day and year first above written, in several duplicate copies, each of which for all purposes shall be deemed as original.

BAYLOR COLLEGE OF MEDICINE

By William T. Butler  
President  
William T. Butler, M.D.

By William H. Harkins  
Chairman, Board of Trustees  
Baylor College of Medicine

THE UNIVERSITY OF TEXAS SYSTEM CANCER  
CENTER M.D. ANDERSON HOSPITAL AND  
TUMOR INSTITUTE

By Charles A. LeMaistre, M.D.  
President  
Charles A. LeMaistre, M.D.

By Ed W. Allen  
Office of the Chancellor  
The University of Texas System

FORM APPROVED:

By M. Lynn Taylor  
Office of General Counsel  
The University of Texas System

By Jon P. Newton  
Chairman, Board of Regents  
The University of Texas System  
JON P. NEWTON

3720

REPORT AND RECOMMENDATIONS OF THE BUILDINGS AND GROUNDS COMMITTEE (Pages 73 - 82 ).--Committee Chairman Hay reported that the Buildings and Grounds 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 Buildings and Grounds Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. Austin - Balcones Research Center - Initial Phase Development on East Tract - Roads and Braker Lane Entrance: Authorization for Project; Completion of Final Plans by U. T. Austin Administration or Contract Services; Authorization to Advertise for Bids and for the Executive Committee to Award Contract; and Appropriation Therefor.-- The Buildings and Grounds Committee recommended and the Board:
  - a. Authorized a project on the East Tract of Balcones Research Center of The University of Texas at Austin to rebuild portions of existing roads, provide final pavement of new roads, and provide an identifiable entrance at Braker Lane at an estimated total project cost of \$530,000
  - b. Authorized completion of plans and specifications and advertisement for bids by U. T. Austin Administration or through contract services, as required
  - c. Authorized the Executive Committee to award a construction contract within the authorized project cost
  - d. Appropriated \$530,000 for total project funding by the transfer of that amount of Permanent University Fund Bond Proceeds from Project No. 102-525B, Balcones Research Center - Bureau of Economic Geology - Repository and Minerals Studies Laboratory

Included within the development plan is a project to rebuild certain portions of the existing roads and provide the final pavement for the new roads, as well as to provide an identifiable entrance at Braker Lane. The installation of several traffic control kiosks is also included within this plan.

Funding for this project will be provided by reduction of the previously approved total project cost budget for the Bureau of Economic Geology - Repository and Minerals Studies Laboratory (Project No. 102-525B). The favorable bids received on steel shelving for the Repository had left residual funds in that budget equal to what is needed for this project.

2. U. T. Austin - Expansion of Physical Plant Facilities Phase I (Project No. 102-454): Approval of Preliminary Plans; Authorization to Prepare Final Plans; and Additional Appropriation Therefor.--Mr. Joe Stoeltje and Ms. Laura Montllor, representing the Project Architect, Wilson Stoeltje Martin, Inc., Austin, Texas, presented the preliminary plans for Expansion of Physical Plant Facilities Phase I at The University of Texas at Austin to the Buildings and Grounds Committee.

Based upon this presentation, the Buildings and Grounds Committee recommended and the Board:

- a. Approved the preliminary plans and specifications for Expansion of Physical Plant Facilities Phase I at U. T. Austin at an estimated total project cost of \$12,500,000
- b. Authorized the Project Architect to prepare final plans and specifications to be presented to the U. T. Board of Regents for consideration at a future meeting
- c. Appropriated \$442,000 from Permanent University Fund Bond Proceeds for fees and related project expenses through completion of final plans. Previous appropriations had been \$128,000 from Pooled Interest on Bond Proceeds and other Construction Funds.

The project will provide new Physical Plant Facilities to be constructed on approximately 12.4 acres east of IH-35, between East 26th Street and Manor Road. These facilities include workshops, repair shops, central stores, storage, greenhouses, and offices for several departments of the Physical Plant and the Director and his staff.

The enclosed structures in this project contain approximately 203,000 gross square feet of floor area. In addition to the enclosed building space, the project includes approximately 36,000 square feet of open covered docks, walks, and bulk storage facilities, and approximately 8,200 square feet of existing facilities on the site which will be retained for use by the Physical Plant.

The Board previously authorized a Phase I project of 217,000 square feet with an additional 25,000 square feet to be constructed later as Phase III. Phase II will be the renovation and remodeling of the existing Service Building. The Project Architect and the Director of the Physical Plant refined the program and determined that 203,000 square feet of new buildings plus the 8,200 square feet of existing facilities will provide all of the required facilities originally programmed for the Phase I and Phase III projects. It was also determined that the Phase III shops could be better integrated as part of the Phase I construction of the entire complex of shops. Thus, the planned Phase I and Phase III total requirement of 242,000 gross square feet is reduced to 211,200 gross square feet and Phase III is eliminated.

3. U. T. Permian Basin - Authorization to Waive Underground Easement Policy and to Grant Easement to Texas Electric Service Company, Odessa, Texas, for Electric Transmission Line to Site of U. T. Austin PETEX Building.--Upon recommendation of the Buildings and Grounds Committee, the Board waived the underground easement policy and granted an easement (Pages 75 - 78 ) ten feet in width and 332.4 feet in length to Texas Electric Service Company, Odessa, Texas, for electrical distribution to the site of the U. T. Austin PETEX Building on the campus of The University of Texas of the Permian Basin. The transmission line will be overhead for a distance of 187.2 feet to avoid conflict with existing pipeline and drainage easements and 145.2 feet will be underground.

ELECTRICAL EASEMENT AND RIGHT-OF-WAY

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

That the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM (hereinafter referred to as "Grantor"), of Travis County, State of Texas, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) cash and other good and valuable consideration to Grantor (receipt and sufficiency of which are hereby acknowledged) in hand paid by TEXAS ELECTRIC SERVICE COMPANY of Ector County, Texas, whose address is P. O. Box 3592, Odessa, Texas, 79760 (hereinafter referred to as "Grantee"), does by these presents GRANT and CONVEY unto Grantee, its successors and assigns, a ten-foot easement and right-of-way for overhead and/or underground electric transmission lines over, under, across, and upon the following described lands in Ector County, Texas, to-wit:

Being the southeast quarter of Section 18,  
 Block 41-2-S, T & P RR Company Survey,  
 Ector County, Texas.

The centerline of the ten-foot wide easement herein granted is described as follows:

Beginning at a point in an existing electric distribution line, from which point the southeast corner of said Section 18 bears N 74° 54' E, 688.4 feet and S 15° 06' E, 1070.3 feet;

Thence N 26° 30' 42" W, 332.4 feet to ending point, said easement being depicted on Exhibit "A", which is attached hereto and made a part hereof.

Grantee, or its agents, shall have the right to construct, repair, inspect, maintain, remove, and reconstruct said electrical lines within said easement together with the right of ingress and egress for the purpose of constructing, repairing, inspecting, maintaining, removing, and reconstructing said electrical lines.

Grantee, by the acceptance of this easement, agrees to construct its electrical lines so as not to interfere with Grantor's use of the surface.

Grantee expressly agrees that it will remove from said land all surplus material and will cause said land to be left as nearly as possible in the condition as it existed prior to the construction of said improvements.

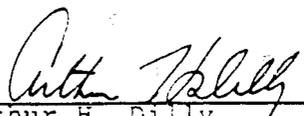
This conveyance is made subject to any and all outstanding easements and leases covering the above-described lands and premises, or any part thereof.

It is agreed that all expenses in the construction and maintenance of said electrical lines shall be at the expense of the Grantee, and if the Grantee finds it needful to remove any improvements now on the above-described property such removal and replacing of same shall be wholly at the expense of Grantee.

TO HAVE AND TO HOLD the above-described easement and rights unto said Grantee until said easement shall be abandoned.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed, this the 13th day of August, A.D., 1984.

Attest:

  
Arthur H. Dilly  
Executive Secretary

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

By:   
JON P. NEWTON, Chairman

3724

Approved as to Content:

Approved as to Form:

R.S. Kristoferson  
R.S. Kristoferson  
Director  
Facilities Construction and  
Planning

Linward Shivers  
Linward Shivers  
University Attorney

THE STATE OF TEXAS     §  
  §  
COUNTY OF TRAVIS     §

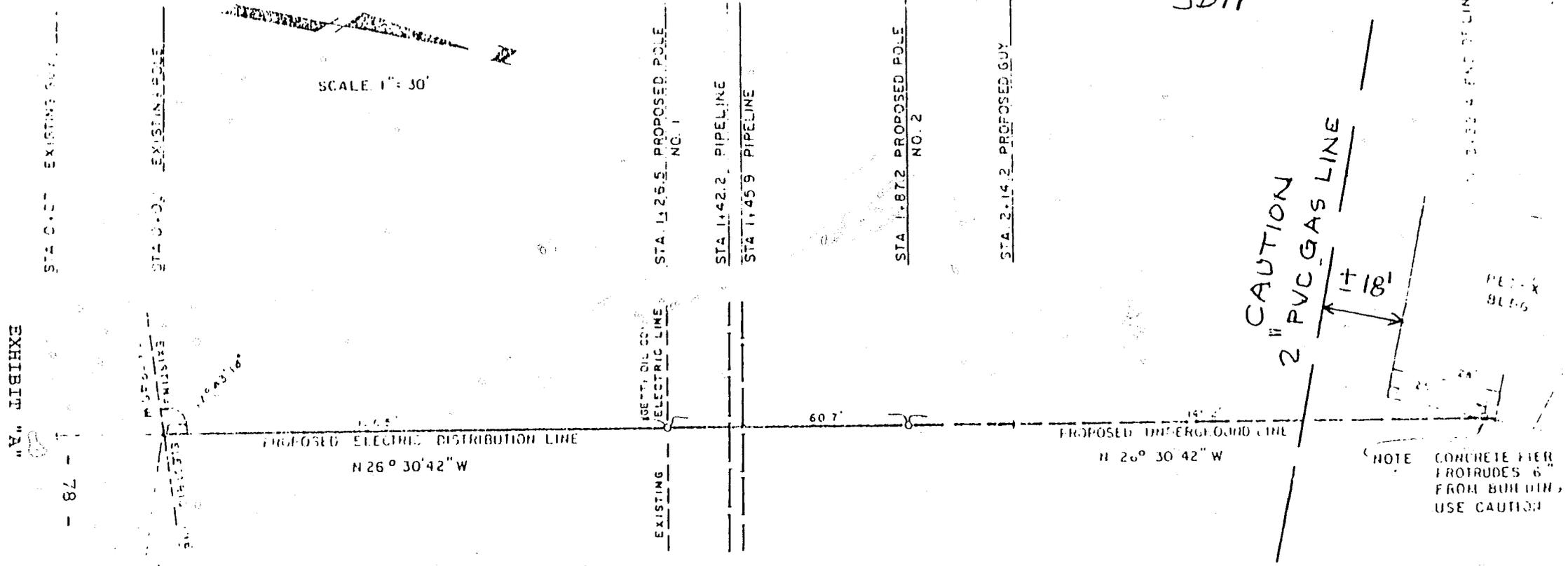
This instrument was acknowledged before me on  
August 13, 1984, by Jon P. Newton, Chairman  
of the Board of Regents of The University of Texas System on  
behalf of said Board.

Randy [Signature]  
Notary Public in and for  
Travis County, Texas.

My commission expires:

9/24/84

411W324  
JDH



**TEXAS ELECTRIC SERVICE COMPANY PLAT OF 187.2' OF PROPOSED ELECTRIC DISTRIBUTION LINE  
& 149.2' OF PROPOSED UNDERGROUND LINE IN SEC. 18, BLK. 41, T-2-S, T&P RY. CO. SURVEY,  
ECTOR COUNTY, TEXAS - ON UTPB CAMPUS**

3726

Prepared By  
**S. W. HOWELL ENGINEERING, INC.**  
 Consulting Engineers, Surveyors & Land Planners  
 GLEESA, TEXAS

MAY 2, 1984

EXHIBIT "A"

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PL COR  
SEC 18

4. U. T. Health Science Center - Dallas - Renovation of Locke Medical Building, Phase II (Project No. 303-476): Approval of Preliminary Plans and Revised Cost Estimate; Submission to Coordinating Board; Authorization for Final Plans; Subject to Coordinating Board Approval, Authorization to Advertise for Bids, and for Executive Committee to Award Contracts and Additional Appropriation Therefor.---  
Mr. Howard Parker and Mr. Bob Hackler, representing the Project Architect, Harper Kemp Clutts & Parker, Dallas, Texas, presented the preliminary plans for the Renovation of Locke Medical Building, Phase II at The University of Texas Health Science Center at Dallas to the Buildings and Grounds Committee.

On the basis of this presentation, the Buildings and Grounds Committee recommended and the Board:

- a. Approved the preliminary plans for the Renovation of Locke Medical Building, Phase II at the U. T. Health Science Center - Dallas
- b. Approved the revised estimated total project cost of \$3,300,000 for the Phase II scope of work
- c. Authorized submission of the project to the Coordinating Board, Texas College and University System
- d. Authorized the Project Architect to complete final plans and specifications for review and approval by the U. T. Health Science Center - Dallas Administration and the Office of Facilities Planning and Construction
- e. Subject to Coordinating Board approval, authorized the Office of Facilities Planning and Construction to advertise for bids
- f. Authorized the Executive Committee to award all contracts within the authorized project cost
- g. Appropriated \$1,162,338 from Unexpended Plant Funds for total project funding. Previous appropriations had been \$2,560,000 from the same source, with approximately \$422,338 expended on Phase I.

This project involves substantial replacement of sub-standard heating, ventilating, air conditioning, and electrical systems and interior renovation of approximately 69,400 gross square feet on seven of the building's nine floors.

5. U. T. Health Science Center - Houston (U. T. Dental Branch - Houston) - Facilities Improvements for the Dental Branch Building and Dental Science Institute (Project No. 701-393): Approval of Final Plans.---Upon recommendation of the Buildings and Grounds Committee, the Board approved the final plans and specifications for the Facilities Improvements for the Dental Branch Building and Dental Science Institute at The University of Texas Health Science Center at Houston at an estimated total project cost of \$17,705,000.

6. U. T. Health Science Center - San Antonio (U. T. Medical School - San Antonio) - Nuclear Magnetic Resonance Center: Authorization for Project; Completion of Final Plans by U. T. Health Science Center - San Antonio Administration or Contract Services; Subject to the Sale of Revenue Bonds and All Agency Approvals, Authorization to Advertise for Bids and for the Executive Committee to Award All Contracts for the Project.--The Finance and Audit, Health Affairs and Buildings and Grounds Committees recommended and the Board:

- a. Authorized construction of a Nuclear Magnetic Resonance Center at the U. T. Medical School - San Antonio of The University of Texas Health Science Center at San Antonio at an estimated total project cost of \$1,300,000.
- b. Authorized the preparation and completion of final plans and specifications by the physical plant staff of the U. T. Health Science Center - San Antonio or through contract services, as required, and in consultation with the Office of Facilities Planning and Construction
- c. Subject to approval of this project by the Coordinating Board, Texas College and University System, the Texas Health Facilities Commission, and the sale of revenue bonds to provide construction funding and completion of final contract documents review, authorized the Office of Facilities Planning and Construction to advertise for bids
- d. Authorized the Executive Committee to award all contracts for the project

It was noted that the nature of the construction of this project requires the use of non-ferrous materials and special copper-lined RF shields in most of the building, and a large number of stainless steel reinforcing rods in the concrete structure immediately adjacent to the magnet. The project is expected to include approximately 5,800 square feet in the facility proper plus a connecting walkway and an elevator to the main building of the medical school.

See Page 14 , Item 2 for related bond item.

7. U. T. Cancer Center - Modification and Renovation of M. D. Anderson Hospital: Authorization for Project and Appropriation Therefor.--Upon completion of construction of the new Research Addition and the Additional Outpatient Clinic Facilities at The University of Texas System Cancer Center, extensive renovation will be necessary in the areas of the main hospital building which will be vacated when existing research laboratories and clinics move into the new facilities. Therefore, upon recommendation of the Finance and Audit, Health Affairs and Buildings and Grounds Committees, the Board:

- a. Authorized the phased modification and renovation of areas within M. D. Anderson Hospital and Tumor Institute at an estimated total project cost of \$6,000,000
- b. Appropriated \$6,000,000 from Plant Funds Unexpended Balances for total project funding

The areas to be remodeled are located in some of the oldest additions of the main hospital building and need to be updated to meet current building code requirements. In addition, some of the areas in the clinic such as the outpatient chemotherapy unit will need to be converted for other purposes related to patient care operations.

It is anticipated that this remodeling will be done in several phases with a large part of the remodeling being done by the U. T. Cancer Center staff, or at least supervised by members of the Physical Plant staff. Any specific remodeling projects estimated to cost \$300,000 or more will be submitted to the U. T. Board of Regents and the Coordinating Board for approval, with a request for appointment of a Project Architect where appropriate.

8. U. T. Cancer Center - Parking Facility: Authorization for Project; Appointment of Walter P. Moore & Associates, Inc., Houston, Texas, Project Engineer to Prepare Site Analysis, Preliminary Plans and Cost Estimate; and Appropriation Therefor.--Upon recommendation of the Finance and Audit and Buildings and Grounds Committees, the Board:
- a. Authorized a parking facility for The University of Texas System Cancer Center at an estimated total project cost of \$5,000,000
  - b. Appointed the firm of Walter P. Moore & Associates, Inc., Houston, Texas, Project Engineer to prepare a site analysis, preliminary plans and cost estimate for future consideration by the U. T. Board of Regents
  - c. Appropriated \$1,000,000 from Unexpended Plant Funds Unappropriated Balances as partial funding for this project

It is anticipated that this project will include an 800-car garage at an undetermined location.

9. U. T. Cancer Center - Rotary International House (Project No. 703-534): Authorization for Project; Appointment of Golemon & Rolfe Architects, Inc. and Werlin-Deane & Associates, A Joint Venture, Houston, Texas, Project Architect to Prepare Preliminary Plans; and Appropriation Therefor.--In order to provide a patient housing facility with moderately-priced room rates at The University of Texas System Cancer Center, the Buildings and Grounds Committee recommended and the Board:
- a. Authorized the construction of Rotary International House for U. T. Cancer Center patient housing
  - b. Appointed the firm of Golemon & Rolfe Architects, Inc. and Werlin-Deane & Associates, A Joint Venture, Houston, Texas, Project Architect to prepare preliminary plans, an architectural rendering, and detailed cost estimate for consideration by the U. T. Board of Regents at a future meeting

- c. Appropriated \$250,000 from Unexpended Plant Funds Unappropriated Balances for fees and miscellaneous expenses through the preparation of preliminary plans. (These funds will be replaced when total project funding is determined.)

It was pointed out that Rotary International has received pledges in the amount of approximately \$5,000,000 toward this project and believes that the remaining \$5,000,000 will be more easily raised when preliminary architectural drawings are available.

REPORT AND RECOMMENDATIONS OF THE LAND AND INVESTMENT COMMITTEE (Pages 82 - 115).--Committee Chairman Milburn 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 delegate, 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

1. Report on Clearance of Monies to Permanent University Fund for May and June 1984, and Report on Oil and Gas Development as of June 30, 1984.--The following reports with respect to (a) certain monies cleared to the Permanent University Fund for May and June 1984, and (b) Oil and Gas Development as of June 30, 1984, were submitted by the Executive Director for Investments and Trusts:

<u>Permanent University Fund</u>	<u>May, 1984</u>	<u>June, 1984</u>	<u>Cumulative Through June of This Fiscal Year (1983-1984)</u>	<u>Cumulative Through June of Preceding Fiscal Year (1982-1983)</u>	<u>Per Cent Change</u>
Royalty					
Oil	\$ 8,537,715.41	\$ 8,305,065.07	\$ 88,947,110.54	\$ 97,651,045.05	(8.91%)
Gas	2,815,971.10	2,685,829.08	31,645,573.79	34,347,080.90	(7.87%)
Sulphur	10,000.00	10,000.00	90,000.00	594,169.96	
Water	80,884.23	59,957.32	477,066.85	250,812.01	
Brine	7,510.73	7,842.54	137,882.80	40,222.45	
Rental					
Oil and Gas Leases	5,013.50	(4,605.64)	1,363,810.13	1,022,317.63	
Other	2,254.00	7,900.00	12,181.11	12,556.97	
Sale of Sand, Gravel, Etc.	1,655.25	351.00	10,728.25	15,138.90	
Gain or (Loss) on Sale of Securities	(193,128.45)	556,359.93	23,397,073.10	14,203,072.93	
Sub-Total	<u>11,267,875.77</u>	<u>12,628,699.30</u>	<u>146,081,426.57</u>	<u>148,136,416.80</u>	(1.39%)
Bonuses					
Oil and Gas Lease Sales	-0-	-0-	7,006,200.00	-0-	
Amendments and Extensions to Mineral Leases	-0-	-0-	215,427.19	492,641.60	
Total Bonuses	<u>-0-</u>	<u>-0-</u>	<u>7,221,627.19</u>	<u>492,641.60</u>	
TOTAL CLEARANCES	<u>\$11,267,875.77</u>	<u>\$12,628,699.30</u>	<u>\$153,303,053.76</u>	<u>\$148,629,058.40</u>	3.14%

Oil and Gas Development - June 30, 1984  
Acreage Under Lease - 859,237

Number of Producing Acres - 551,583

Number of Producing Leases - 2,228

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2. Permanent University Fund Investment Advisory Committee: Reappointment of Mr. Harold W. Hartley, Houston, Texas, to Three-Year Term Through August 31, 1987.--Upon recommendation of the Land and Investment Committee, the Board reappointed Mr. Harold W. Hartley, Houston, Texas, to the Investment Advisory Committee for the Permanent University Fund for a three-year term through August 31, 1987.

With this reappointment, the membership of the Investment Advisory Committee is as listed below:

Andrew Delaney	8/31/85
Thomas B. McDade	8/31/85
J. Donald Squibb, Jr.	8/31/86
Orson C. Clay	8/31/86
Dee S. Osborne	8/31/87
Harold W. Hartley	8/31/87

## II. TRUST AND SPECIAL FUNDS

### A. GIFTS, BEQUESTS AND ESTATES

1. U. T. Arlington: Acceptance of Transfer of Funds to Establish the Joan M. McCrea Scholarship.--Approval was given to accept a transfer of cash gifts totaling in excess of \$10,000 from various donors, which will be reported through the institutional small gifts report, and to establish the Joan M. McCrea Scholarship at The University of Texas at Arlington. This scholarship fund was established in memory of Dr. Joan M. McCrea, a former faculty member in the Department of Economics at U. T. Arlington.

Income earned from the endowment fund will be used to award one scholarship in the range of \$250-\$500 each semester to an undergraduate Economics major. The recipient will be selected under the criteria of academic performance by a faculty committee of the Department of Economics at U. T. Arlington.

2. U. T. Austin: Estate of Edwin Allday - Establishment of the Edwin Allday Lectureship in Geological Sciences in the College of Natural Sciences and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--The Land and Investment Committee recommended and the Board established the Edwin Allday Lectureship in Geological Sciences in the Department of Geological Sciences, College of Natural Sciences, at The University of Texas at Austin. The endowment will be funded with the previously reported benefits of a testamentary thirty-year charitable lead trust under the Will of Edwin Allday, deceased. Distributions received for 1982 and 1983 total \$11,810.65, of which \$339.35 is accumulated interest.

The 1982 and 1983 distributions in the amount of \$11,471.30 and payments due through August 31, 1987, in the approximate amount of \$17,445.90, for a total of \$28,917.20, will be matched under The Regents' Endowed Teachers and Scholars Program and used to double the endowment of the Lectureship.

3. U. T. Austin: Acceptance of Pledge from Mr. Stephen P. Ballantyne, San Antonio, Texas, and Establishment of the Stephen P. Ballantyne Lectureship in the College of Business Administration and the Graduate School of Business and Establishment of the Anne Mortimer Ballantyne Lectureship in the College of Business Administration and the Graduate School of Business with Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--The Board, upon recommendation of the Land and Investment Committee, accepted a \$20,000 pledge, payable prior to August 31, 1987, from Mr. Stephen P. Ballantyne, San Antonio, Texas, and established the Stephen P. Ballantyne Lectureship in the College of Business Administration and the Graduate School of Business at The University of Texas at Austin.

The pledge, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used, in accordance with the donor's wishes, to establish the Anne Mortimer Ballantyne Lectureship in the College of Business Administration and the Graduate School of Business.

4. U. T. Austin: Acceptance of Gift from Mr. Robert J. Hewitt, Victoria, Texas, and Pledge from Baker & Botts, Houston, Texas, and Establishment of the Baker & Botts Regents Research Professorship in Law in the School of Law and Establishment of the Dennis O'Connor Regents Professorship in Business in the College of Business Administration and the Graduate School of Business with Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--Approval was given to accept a \$50,000 gift from Mr. Robert J. Hewitt, Victoria, Texas, and a \$50,000 pledge, payable prior to August 31, 1987, from the law firm of Baker & Botts, Houston, Texas, and to establish the Baker & Botts Regents Research Professorship in Law in the School of Law at The University of Texas at Austin.

Further, the gift and pledge, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used, in accordance with the donors' wishes, to establish the Dennis O'Connor Regents Professorship in Business in the College of Business Administration and the Graduate School of Business.

5. U. T. Austin: Acceptance of Pledge from the College of Business Administration Foundation Advisory Council and Transfer of Funds from the College of Engineering Foundation Advisory Council and the College of Business Administration Deans Associates for Faculty Development Fund and Establishment of the Leland Barclay Fellowship in Engineering in the College of Engineering and Establishment of the College of Business Administration Foundation Fellowship in Business in the College of Business Administration and the Graduate School of Business with Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--Upon recommendation of the Land and Investment Committee, the Board accepted a \$5,000 pledge, payable prior to August 31, 1987, from the College of Business Administration Foundation Advisory Council, a \$25,000 transfer of unrestricted gifts from the College of Engineering Foundation Advisory Council, and a \$20,000 transfer of unrestricted gifts from the College of Business Administration Deans Associates for Faculty Development fund for a total endowment of \$50,000 and

established the Leland Barclay Fellowship in Engineering in the College of Engineering at The University of Texas at Austin.

The \$45,000 in gifts, received after September 1, 1981, and the \$5,000 pledge, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to establish the College of Business Administration Foundation Fellowship in Business in the College of Business Administration and the Graduate School of Business, in accordance with the donors' wishes.

6. U. T. Austin: James L. Bayless/ENSTAR Corp. Professorship in Business Administration in the College of Business Administration and the Graduate School of Business - Acceptance of Gift from The William Stamps Farish Fund, Houston, Texas, and Pledges from the ENSTAR Corp., Houston, Texas, and the College of Business Administration Foundation Advisory Council and Redesignation as the James L. Bayless/ENSTAR Corp. Chair in Business Administration, and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program to Increase the Endowment of the James L. Bayless Professorship in Free Enterprise and Redesignate as the James L. Bayless/W. S. Farish Fund Chair for Free Enterprise.--Approval was given to accept a \$50,000 gift and \$100,000 pledge, payable prior to August 31, 1987, from The William Stamps Farish Fund, Houston, Texas, a \$32,000 pledge from the ENSTAR Corp., Houston, Texas, and an \$18,000 pledge from the College of Business Administration Foundation Advisory Council for a total of \$200,000 for addition to the James L. Bayless/ENSTAR Corp. Professorship in Business Administration for a total endowment of \$500,000 in the College of Business Administration and the Graduate School of Business at The University of Texas at Austin. Thus, the James L. Bayless/ENSTAR Corp. Professorship in Business Administration was redesignated as the James L. Bayless/ENSTAR Corp. Chair in Business Administration.

Further, the \$50,000 gift and \$150,000 in pledges, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to increase the endowment of the James L. Bayless Professorship in Free Enterprise in the College of Business Administration and the Graduate School of Business to \$500,000. The James L. Bayless Professorship in Free Enterprise was redesignated the James L. Bayless/W. S. Farish Fund Chair for Free Enterprise.

7. U. T. Austin: Acceptance of Gift from Dr. and Mrs. Roland K. Blumberg, Seguin, Texas, and Establishment of the Jane and Roland Blumberg Visiting Professorship in Dramatics in the College of Fine Arts and Establishment of the Jane and Roland Blumberg Lectureship in Mathematics in the College of Natural Sciences with Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--The Land and Investment Committee recommended and the Board accepted a \$50,000 gift from Dr. and Mrs. Roland K. Blumberg, Seguin, Texas, and established the Jane and Roland Blumberg Visiting Professorship in Dramatics in the College of Fine Arts at The University of Texas at Austin.

The gift will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to establish the Jane and Roland Blumberg Lectureship in Mathematics in the College of Natural Sciences.

8. U. T. Austin: Acceptance of Pledge from Mr. and Mrs. Don R. Boyd, Corpus Christi, Texas, and Establishment of the Don R. and Patricia Kidd Boyd Lectureship in Petroleum Exploration in the College of Natural Sciences and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--The Board, upon recommendation of the Land and Investment Committee, accepted a \$20,000 pledge, payable prior to August 31, 1987, from Mr. and Mrs. Don R. Boyd, Corpus Christi, Texas, and established the Don R. and Patricia Kidd Boyd Lectureship in Petroleum Exploration in the Department of Geological Sciences, College of Natural Sciences, at The University of Texas at Austin.

The pledge, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used, in accordance with the donors' wishes, to double the endowment of the Lectureship.

9. U. T. Austin: Acceptance of Gifts and Pledge from Mr. K. Brooks Abernathy, Skokie, Illinois, and The Brunswick Foundation, Inc., Skokie, Illinois, and Establishment of the Brunswick-Abernathy Regents Professorship in Soil Dynamics and Geotechnical Engineering in the College of Engineering and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--Approval was given to accept a \$10,000 gift and \$40,000 pledge, payable prior to December 31, 1984, from Mr. K. Brooks Abernathy, Skokie, Illinois, and a \$50,000 gift from The Brunswick Foundation, Inc., Skokie, Illinois, for a total endowment of \$100,000 to establish the Brunswick-Abernathy Regents Professorship in Soil Dynamics and Geotechnical Engineering in the Department of Civil Engineering, College of Engineering, at The University of Texas at Austin.

The gifts and pledge, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used, in accordance with the donors' wishes, to double the endowment of the Professorship.

10. U. T. Austin: Acceptance of Pledge from Messrs. Jack Collins, John Scurlock, and Robert Sneed, Austin, Texas, and Establishment of the John S. Burns Faculty Fellowship 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 (No Publicity).--Upon recommendation of the Land and Investment Committee, the Board accepted a \$50,000 pledge, payable prior to August 31, 1987, from Messrs. Jack Collins, John Scurlock, and Robert Sneed, Austin, Texas, and established the John S. Burns Faculty Fellowship in the College of Business Administration and the Graduate School of Business at The University of Texas at Austin.

Further, in accordance with the donors' wishes, the pledge, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to double the endowment of the Fellowship.

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

11. U. T. Austin: Acceptance of Pledges from Strasburger & Price, Dallas, Texas, and McGinnis, Lochridge & Kilgore, Austin, Texas, and Establishment of The Robert W. Calvert Faculty Fellowship in Law in the School of Law and Establishment of The Wilson W. Herndon Memorial Faculty Fellowship in Antitrust Law in the School of Law with Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--The Land and Investment Committee recommended and the Board accepted a \$25,000 pledge from each of the law firms of Strasburger & Price, Dallas, Texas, and McGinnis, Lochridge & Kilgore, Austin, Texas, for a total of \$50,000, payable prior to August 31, 1987, and established The Robert W. Calvert Faculty Fellowship in Law in the School of Law at The University of Texas at Austin.

The pledges, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used, in accordance with the donors' wishes, to establish The Wilson W. Herndon Memorial Faculty Fellowship in Antitrust Law in the School of Law.

12. U. T. Austin: Acceptance of Pledge from Capitol City Savings, Austin, Texas, and Establishment of The Capitol City Savings Regents Professorship 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 Land and Investment Committee recommended and the Board accepted a \$100,000 pledge, payable prior to August 31, 1987, from Capitol City Savings, Austin, Texas, and established The Capitol City Savings Regents Professorship 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 wishes, the pledge, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to double the endowment of the Professorship.

13. U. T. Austin: Edward Clark Centennial Professorship in Law in the School of Law - (a) Acceptance of Additional Gifts and Pledges and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program, (b) Redesignation of Use of Previously Approved Matching Funds Under The Centennial Teachers and Scholars Program, and (c) Dissolution of the Clark, Thomas, Winters & Shapiro Centennial Professorship in Law in the School of Law.--Approval was given to accept \$80,738.33 in gifts and \$19,261.67 in pledges, payable prior to August 31, 1987, for a total of \$100,000 from various donors for addition to the endowment of the Edward Clark Centennial Professorship in Law in the School of Law at The University of Texas at Austin.

These additional gifts and pledges, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to increase the endowment of this Professorship.

Further, the \$100,000 in previously approved matching funds under The Centennial Teachers and Scholars Program were redesignated to increase the endowment of the Edward Clark Centennial Professorship in Law to \$400,000. These

matching funds were previously designated to establish the Clark, Thomas, Winters & Shapiro Centennial Professorship in Law, which will be dissolved with this \$100,000 transfer. This change was made at the request of the law firm of Clark, Thomas & Winters, formerly Clark, Thomas, Winters & Shapiro.

14. U. T. Austin: Acceptance of Pledges from Conoco Inc., Wilmington, Delaware, and Cox & Smith Incorporated, San Antonio Texas, and Establishment of The Conoco Inc. Faculty Fellowship in Law in the School of Law and Establishment of The Cox & Smith Incorporated Faculty Fellowship in Law in the School of Law with Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--The Land and Investment Committee recommended and the Board accepted a \$25,000 pledge each from Conoco Inc., Wilmington, Delaware, and the law firm of Cox & Smith Incorporated, San Antonio, Texas, for a total of \$50,000, payable prior to August 31, 1987, and established The Conoco Inc. Faculty Fellowship in Law in the School of Law at The University of Texas at Austin.

The pledges, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used, in accordance with the donors' wishes, to establish The Cox & Smith Incorporated Faculty Fellowship in Law in the School of Law.

15. U. T. Austin: Acceptance of Gift and Pledges from Mr. Sanford L. Gottesman, Austin, Texas, and Partners of The Trammell Crow Company, Austin, Texas, and Establishment of the Trammell Crow Regents Professorship in Computer Science in the College of Natural Sciences and Establishment of the Trammell Crow Regents Professorship in Business in the College of Business Administration and the Graduate School of Business with Matching Funds Under The Regents' Endowed Teachers and Scholars Program.-- Upon recommendation of the Land and Investment Committee, the Board accepted a \$30,000 pledge from Mr. Sanford L. Gottesman, Austin, Texas, and a \$5,000 gift and \$65,000 pledge from other partners of the Trammell Crow Company, Austin, Texas, for a total of \$100,000 and established the Trammell Crow Regents Professorship in Computer Science in the College of Natural Sciences at The University of Texas at Austin. These pledges are payable prior to August 31, 1987.

In accordance with the donors' wishes, the gift and pledges, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to establish the Trammell Crow Regents Professorship in Business in the College of Business Administration and the Graduate School of Business.

The donors have agreed that, when a less senior member of the faculty holds either of these endowed academic positions, it shall function as a faculty fellowship.

16. U. T. Austin: Acceptance of Pledge from The Auction for the Cultural Arts (TACA), Dallas, Texas, and Establishment of the Dallas TACA Centennial Professorship in the Humanities in the College of Liberal Arts and Establishment of the Centennial Professorship in Liberal Arts with Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--Approval was given to accept a \$100,000 pledge, payable prior to August 31, 1987, from The Auction for the Cultural Arts (TACA), Dallas, Texas, and to establish the Dallas TACA Centennial Professorship in the Humanities in the College of Liberal Arts at The University of Texas at Austin.

Further, the pledge, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used, in accordance with the donor's wishes, to establish the Centennial Professorship in Liberal Arts in the College of Liberal Arts.

17. U. T. Austin: Acceptance of Pledges from Mr. James D. Edwards, Austin, Texas, Mr. Bill Fischette, Cupertino, California, Mr. James W. Linder, Austin, Texas, Mr. Baker McAdams, Houston, Texas, Mr. John Segall, New York, New York, and Mr. Thomas A. Wald, Houston, Texas, and Establishment of the Data Processing and Analysis Lectureship 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, upon recommendation of the Land and Investment Committee, accepted a pledge of \$5,000 each, payable prior to August 31, 1987, from Mr. James D. Edwards, Austin, Texas, Mr. Bill Fischette, Cupertino, California, Mr. James W. Linder, Austin, Texas, Mr. Baker McAdams, Houston, Texas, Mr. John Segall, New York, New York, and Mr. Thomas A. Wald, Houston, Texas, for a total of \$30,000 and established the Data Processing and Analysis Lectureship in the College of Business Administration and the Graduate School of Business at The University of Texas at Austin.

In accordance with the donors' wishes, the pledges, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to double the endowment of the Lectureship.

18. U. T. Austin: Acceptance of Pledge from Mr. James M. Moroney, Jr., Dallas, Texas, and Establishment of the G. B. Dealey Regents Professorship in Communication in the College of Communication and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--The Land and Investment Committee recommended and the Board accepted a \$100,000 pledge, payable prior to August 31, 1987, from Mr. James M. Moroney, Jr., Dallas, Texas, and established the G. B. Dealey Regents Professorship in Communication in the College of Communication at The University of Texas at Austin.

The pledge, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to double the endowment of the Professorship, in accordance with the donor's wishes.

19. U. T. Austin: Acceptance of Benefits of the Joseph Paschal Dreibelbis Trust and Designation of Use of Trust Distributions Through August 31, 1987; Acceptance of Pledges from the College of Business Administration Foundation Advisory Council and Fulbright & Jaworski, Houston, Texas, and Establishment of the Joseph Paschal Dreibelbis Fellowship in Business in the College of Business Administration and the Graduate School of Business and the Joseph Paschal Dreibelbis Faculty Fellowship in Law in the School of Law; and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program and Establishment of the Juanita Dreibelbis Fellowship in Business in the College of Business Administration and the Graduate School of Business and Increase the Endowment of the Fulbright & Jaworski Centennial Visiting Professorship in Law and Redesignation as the Fulbright & Jaworski Regents Research Professorship in Law.--Approval was given to accept the benefits of the Joseph Paschal Dreibelbis Trust and to designate the trust income to be used for faculty salary supplementation equally in the School of Law and the College of Business Administration and the Graduate School of Business at The University of Texas at Austin. The Trust distributions through August 31, 1987, are estimated to be \$84,000 and will provide approximately \$42,000 for Business and \$42,000 for Law.

A pledge was accepted from the College of Business Administration Foundation Advisory Council in an amount necessary to reach a total of \$50,000 when combined with estimated trust income distributions of \$42,000 to the College of Business Administration and the Graduate School of Business and the Joseph Paschal Dreibelbis Fellowship in Business was established in the College of Business Administration and the Graduate School of Business at U. T. Austin. Further, a pledge was accepted from the law firm of Fulbright & Jaworski, Houston, Texas, in an amount necessary to reach a total of \$50,000 when combined with estimated trust income distributions of \$42,000 to the School of Law and the Joseph Paschal Dreibelbis Faculty Fellowship in Law was established in the School of Law.

The income distributions and pledges totaling \$100,000 will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to establish the Juanita Dreibelbis Fellowship in Business in the College of Business Administration and the Graduate School of Business with \$50,000 and to increase the endowment of the Fulbright & Jaworski Centennial Visiting Professorship in Law with \$50,000 for a total endowment of \$100,000. Further, the Fulbright & Jaworski Centennial Visiting Professorship in Law was redesignated the Fulbright & Jaworski Regents Research Professorship in Law.

20. U. T. Austin: Acceptance of Gift and Pledge from Elf Aquitaine Petroleum, Houston, Texas, and Establishment of the Elf Aquitaine Petroleum Faculty Fellowship in Geological Sciences in the College of Natural Sciences 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 \$12,500 gift and \$37,500 pledge, payable prior to August 31, 1987, from Elf Aquitaine Petroleum,

Houston, Texas, and established the Elf Aquitaine Petroleum Faculty Fellowship in Geological Sciences in the Department of Geological Sciences, College of Natural Sciences, at The University of Texas at Austin.

Further, the gift and pledge, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used, in accordance with the donor's wishes, to double the endowment of the Fellowship.

21. U. T. Austin: Acceptance of Pledge from Mr. Robert B. Trull, Palacios, Texas, and Transfer of Funds from the College of Engineering Foundation Advisory Council and Establishment of Two Engineering Foundation Lectureships 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 \$20,000 pledge, payable prior to August 31, 1987, from Mr. Robert B. Trull, Palacios, Texas, and a \$20,000 transfer of unrestricted gifts received since September 1, 1981, from the College of Engineering Foundation Advisory Council for a total of \$40,000 and established two Engineering Foundation Lectureships with \$20,000 each in the College of Engineering at The University of Texas at Austin. Mr. Trull reserved the right to rename the second Engineering Foundation Lectureship to honor a particular individual at a later date.

In accordance with the donors' wishes, the pledge, as received, and the transfer will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to increase the endowment of the previously established Chair of Free Enterprise in the College of Engineering to \$1,008,088.89.

22. U. T. Austin: Acceptance of Pledge from the Partners and Employees of Ernst & Whinney, Austin, Texas, and the Ernst & Whinney Foundation, Cleveland, Ohio, and Establishment of Two Ernst & Whinney Faculty Fellowships in Accounting 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.--Approval was given to accept a \$100,000 pledge, payable prior to August 31, 1987, from the partners and employees of Ernst & Whinney, Austin, Texas, and the Ernst & Whinney Foundation, Cleveland, Ohio, and to establish two Ernst & Whinney Faculty Fellowships in Accounting with \$50,000 each in the Department of Accounting, College of Business Administration and the Graduate School of Business, at The University of Texas at Austin.

Further, the pledge, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used, in accordance with the donors' wishes, to double the endowments of the two Fellowships.

23. U. T. Austin: Acceptance of Pledges from Mr. and Mrs. John Estes, Dallas, Texas, and Mr. Sam Barshop, San Antonio, Texas, and Establishment of the John and Melba Estes Regents Research Professorship in Law in the School of Law and Establishment of the Sam Barshop Regents Professorship in Business in the College of Business Administration and the Graduate School of Business with Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--The Board, upon recommendation of the Land and Investment Committee, accepted a pledge of \$50,000 each, payable prior to August 31, 1987, from Mr. and Mrs. John Estes, Dallas, Texas, and Mr. Sam Barshop, San Antonio, Texas, for a total endowment of \$100,000 and established the John and Melba Estes Regents Research Professorship in Law in the School of Law at The University of Texas at Austin.

In accordance with the donors' wishes, the pledges, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to establish the Sam Barshop Regents Professorship in Business in the College of Business Administration and the Graduate School of Business.

24. U. T. Austin: Acceptance of Gifts, Pledges, and Corporate Matching Funds and Establishment of the Melvin H. Gertz Regents Chair in Chemical 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 \$92,830 in gifts and \$410,750 in pledges, payable prior to August 31, 1987, from various donors and \$19,750 in corporate matching funds for a total of \$523,330 and established the Melvin H. Gertz Regents Chair in Chemical Engineering in the College of Engineering at The University of Texas at Austin.

Further, the gifts, corporate matching funds, and pledges, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to double the endowment of the Chair.

25. U. T. Austin: John P. Harbin Centennial Professorship in Business in the College of Business Administration and the Graduate School of Business - Acceptance of Gift from The Business School Foundation and Pledge from Mr. John P. Harbin, Dallas, Texas, and Redesignation as the John P. Harbin Centennial Chair in Business and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--Approval was given to accept a \$2,809 gift from The Business School Foundation (an external foundation) and a \$228,000 pledge, payable prior to August 31, 1987, from Mr. John P. Harbin, Dallas, Texas, for addition to the John P. Harbin Centennial Professorship in Business in the College of Business Administration and the Graduate School of Business at The University of Texas at Austin. The John P. Harbin Centennial Professorship in Business was redesignated the John P. Harbin Centennial Chair in Business.

The \$2,809 gift and the \$228,000 pledge, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to increase the endowment of the Chair to \$1,000,088.

See Page 17, Item 2 for an appointment to this Chair.

26. U. T. Austin: Acceptance of Pledge from Mr. Dallas E. Hawkins II, Calgary, Alberta, Canada, and Establishment of the Dallas E. Hawkins Senior Lectureship in Freedom of Enterprise and Entrepreneurship 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 Land and Investment Committee recommended and the Board accepted a \$20,000 pledge, payable prior to August 31, 1987, from Mr. Dallas E. Hawkins II, Calgary, Alberta, Canada, and established the Dallas E. Hawkins Senior Lectureship in Freedom of Enterprise and Entrepreneurship in the College of Business Administration and the Graduate School of Business at The University of Texas at Austin.

The pledge, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used, in accordance with the donor's wishes, to double the endowment of the Lectureship.

27. U. T. Austin: Acceptance of Transfer of Funds from the College of Engineering Friends of Alec Account and Establishment of the Claude R. Hocott Lectureship in Petroleum Engineering in the College of Engineering and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--The Board, upon recommendation of the Land and Investment Committee, accepted a \$22,930 transfer of funds from the College of Engineering Friends of Alec account, received since September 1, 1981, and established the Claude R. Hocott Lectureship in Petroleum Engineering in the College of Engineering at The University of Texas at Austin.

Further, the transfer will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to double the endowment of the Lectureship.

28. U. T. Austin: Acceptance of Gifts and Pledges and Establishment of the Gus M. Hodges Regents Research Professorship in Law in the School of Law and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--Approval was given to accept \$74,371 in gifts and \$102,900 in pledges, payable prior to August 31, 1987, from various donors for a total endowment of \$177,271 and to establish the Gus M. Hodges Regents Research Professorship in Law in the School of Law at The University of Texas at Austin.

The gifts and pledges, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to double the endowment of the Professorship.

29. U. T. Austin: Acceptance of Pledge from Mercantile Texas Corporation, Dallas, Texas, and Establishment of the Herbert D. Kelleher/Mercantile Texas Corporation Regents Professorship in Business 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.--Upon recommendation of the Land and Investment Committee, the Board accepted a \$100,000 pledge, payable prior to August 31, 1987, from Mercantile Texas Corporation, Dallas, Texas, and established the Herbert D. Kelleher/Mercantile Texas Corporation Regents Professorship in Business in the College of Business Administration and the Graduate School of Business at The University of Texas at Austin.

The pledge, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used, in accordance with the donor's wishes, to double the endowment of the Professorship.

30. U. T. Austin: George Kozmetsky Centennial Chair in the Graduate School of Business - Acceptance of Additional Pledges and Establishment of the College of Business Administration Foundation Advisory Council Fellowship in the College of Business Administration and the Graduate School of Business with Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--The Land and Investment Committee recommended and the Board accepted \$77,392 in pledges, payable prior to August 31, 1985, from various donors for addition to the George Kozmetsky Centennial Chair in the Graduate School of Business at The University of Texas at Austin to increase the endowment to \$1,077,392.

Further, the pledges, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to establish the College of Business Administration Foundation Advisory Council Fellowship in the College of Business Administration and the Graduate School of Business.

31. U. T. Austin: Kenneth A. Kobe Professorship in Chemical Engineering in the College of Engineering - Acceptance of Gifts from the College of Engineering Foundation Advisory Council and Transfer of Funds from the College of Engineering Friends of Alec Account, and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program and Redesignation of the Use of Previously Approved Matching Funds Under The Centennial Teachers and Scholars Program to Establish the Matthew Van Winkle Regents Professorship in Chemical Engineering in the College of Engineering.--Approval was given to accept a \$42,648.77 transfer from the College of Engineering Friends of Alec account and \$7,351.23 in unrestricted gifts from the College of Engineering Foundation Advisory Council for a total of \$50,000 for addition to the Kenneth A. Kobe Professorship in Chemical Engineering at The University of Texas at Austin for a total endowment of \$150,000.

The \$62,379 in previously approved matching funds under The Centennial Teachers and Scholars Program will be redesignated to establish the Matthew Van Winkle Regents Professorship in Chemical Engineering in the College of Engineering at U. T. Austin. It was noted that matching funds in the amount of \$62,379 were previously approved as a result of the establishment of the Kenneth A. Kobe Professorship in Chemical Engineering.

Further, \$37,621 of the \$50,000 transfer, received since September 1, 1981, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to complete the \$100,000 required funding of the Matthew Van Winkle Regents Professorship in Chemical Engineering.

32. U. T. Austin: Acceptance of Pledge from Anonymous Donor and Establishment of the Endowed Lectureship in Latin American Issues and the Press in the College of Liberal Arts and Establishment of the Endowed Lectureship in Language and Literature in the College of Liberal Arts with Matching Funds Under The Regents' Endowed Teachers and Scholars Program (No Publicity).--The Land and Investment Committee recommended and the Board accepted a \$20,000 pledge, payable prior to August 31, 1987, from an anonymous donor and established the Endowed Lectureship in Latin American Issues and the Press in the College of Liberal Arts at The University of Texas at Austin.

The pledge, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to establish the Endowed Lectureship in Language and Literature in the College of Liberal Arts. The donor reserved the right to rename the two Lectureships at a later date.

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

33. U. T. Austin: Acceptance of Pledges from Pioneer Corporation, Amarillo, Texas, and Partners of Locke, Purnell, Boren, Laney & Neely, Dallas, Texas, and Transfer of Funds from the John Charles Townes Foundation and Establishment of the Locke, Purnell, Boren, Laney & Neely Faculty Fellowship on Law in the School of Law and Establishment of the Pioneer Corporation Faculty Fellowship on Petroleum Engineering in the College of Engineering with Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--The Land and Investment Committee recommended and the Board accepted a \$15,000 pledge from the Pioneer Corporation, Amarillo, Texas, a \$25,000 pledge from several partners of the law firm of Locke, Purnell, Boren, Laney & Neely, Dallas, Texas, and a \$10,000 transfer of unrestricted gifts from the John Charles Townes Foundation for a total of \$50,000 and established the Locke, Purnell, Boren, Laney & Neely Faculty Fellowship on Law in the School of Law at The University of Texas at Austin. All pledges are payable prior to August 31, 1987.

The \$10,000 transfer and \$40,000 in pledges, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used, in accordance with the donors' wishes, to establish the Pioneer Corporation Faculty Fellowship on Petroleum Engineering in the Department of Petroleum Engineering, College of Engineering.

34. U. T. Austin: Acceptance of Pledge from Dr. John P. McGovern, Houston, Texas, and Transfer of Funds from the College of Engineering Foundation Advisory Council and Establishment of the John P. McGovern Regents Professorship in Medical Journalism in the College of Communication and Establishment of the Charles Elmer Rowe Fellowship in Engineering and the William W. Hagerty Fellowship in Engineering in the College of Engineering with Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--Approval was given to accept a \$50,000 pledge, payable prior to August 31, 1987, from Dr. John P. McGovern, Houston, Texas, and a \$50,000 transfer of

unrestricted gifts received since September 1, 1981, from the College of Engineering Foundation Advisory Council for a total of \$100,000 and to establish the John P. McGovern Regents Professorship in Medical Journalism in the College of Communication at The University of Texas at Austin.

Further, in accordance with the donors' wishes, the pledge, as received, and the transfer will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to establish the Charles Elmer Rowe Fellowship in Engineering and the William W. Hagerty Fellowship in Engineering with \$50,000 each in the College of Engineering.

35. U. T. Austin: Acceptance of Gift from an Anonymous Donor and Friends at Texas Oil and Gas Corporation and Establishment of Two William J. Murray, Jr. Fellowships in Engineering in the College of Engineering and Establishment of Two Additional William J. Murray, Jr. Fellowships in Engineering in the College of Engineering with Matching Funds Under The Regents' Endowed Teachers and Scholars Program (No Publicity).--Upon recommendation of the Land and Investment Committee, the Board accepted a \$100,000 gift from an anonymous donor and friends at Texas Oil and Gas Corporation and established two William J. Murray, Jr. Fellowships in Engineering with \$50,000 each in the College of Engineering at The University of Texas at Austin.

The gift will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to establish two additional William J. Murray, Jr. Fellowships in Engineering with \$50,000 each in the College of Engineering.

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

36. U. T. Austin: Acceptance of Pledge from Mr. Tom E. Nelson, Jr., Austin, Texas, and Establishment of the Tom E. Nelson, Jr. Regents Professorship in Business 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 Land and Investment Committee recommended and the Board accepted a \$100,000 pledge, payable prior to August 31, 1987, from Mr. Tom E. Nelson, Jr., Austin, Texas, and established the Tom E. Nelson, Jr. Regents Professorship in Business 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 wishes, the pledge, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to double the endowment of the Professorship.

37. U. T. Austin: Acceptance of Pledge from the Partners and Employees of Peat, Marwick, Mitchell & Co., Austin, Texas, and The Peat, Marwick, Mitchell Foundation, New York, New York, for Addition to the Peat, Marwick, Mitchell & Co. Centennial Professorship in Accounting and Establishment of the Peat, Marwick, Mitchell & Co. Faculty Fellowship in Accounting 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.--Approval was given to accept a \$75,000 pledge, payable prior to August 31, 1987, from the partners and employees of Peat, Marwick, Mitchell & Co., Austin, Texas, and The Peat, Marwick, Mitchell Foundation, New York, New York, to increase the endowment of the Peat, Marwick, Mitchell & Co. Centennial Professorship in Accounting with \$25,000 and to establish the Peat, Marwick, Mitchell & Co. Faculty Fellowship in Accounting with \$50,000 in the College of Business Administration and the Graduate School of Business at The University of Texas at Austin.

Further, the pledge, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to increase the endowment of the Peat, Marwick, Mitchell & Co. Centennial Professorship in Accounting with \$25,000 for a total of \$300,000 and to double the endowment of the Peat, Marwick, Mitchell & Co. Faculty Fellowship in Accounting with \$50,000 for a total of \$100,000.

38. U. T. Austin: Acceptance of Gift of Securities from Mr. and Mrs. A. Denys Cadman, Austin, Texas, and Corporate Matching Funds from the Gulf Oil Foundation, Pittsburgh, Pennsylvania, and Establishment of the Kenneth and Emma-Stina Prescott Lectureship in 20th Century American Art in the College of Fine Arts and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--The Board, upon recommendation of the Land and Investment Committee, accepted 400 shares of American General Corporation common stock valued at approximately \$8,025 from Mr. and Mrs. A. Denys Cadman, Austin, Texas, and corporate matching funds in the amount of \$16,000 from the Gulf Oil Foundation, Pittsburgh, Pennsylvania, for a total of \$24,025 and established the Kenneth and Emma-Stina Prescott Lectureship in 20th Century American Art in the College of Fine Arts at The University of Texas at Austin.

The \$8,025 gift and \$16,000 in corporate matching funds will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to double the endowment of the Lectureship.

39. U. T. Austin: Acceptance of Gift of Securities from Dr. and Mrs. William H. Reeder, Fort Myers, Florida, and Dr. and Mrs. William G. Reeder, Austin, Texas, and Establishment of The William H. and Gladys G. Reeder Fellowship in Ecology in the College of Natural Sciences and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--Approval was given to accept 2,600 shares of Petrolane Incorporated common stock valued at approximately \$50,050 from Dr. and Mrs. William H. Reeder, Fort Myers, Florida, and Dr. and Mrs. William G. Reeder, Austin, Texas, and to establish

The William H. and Gladys G. Reeder Fellowship in Ecology in the Department of Zoology, College of Natural Sciences, at The University of Texas at Austin.

The gift will be matched under The Regents' Endowed Teachers and Scholars Program and, in accordance with the donors' wishes, will be used to double the endowment of the Fellowship.

40. U. T. Austin: Acceptance of Gift and Pledges from The Revco Foundation, Twinsburg, Ohio, and the Pharmaceutical Foundation Advisory Council and Establishment of the Revco Foundation Fellowship in Pharmacy in the College of Pharmacy and Establishment of the Third Pharmaceutical Foundation Fellowship in Psychiatric Pharmacy in the College of Pharmacy with Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--The Land and Investment Committee recommended and the Board accepted a \$9,000 gift and \$16,000 pledge, payable prior to August 31, 1987, from The Revco Foundation, Twinsburg, Ohio, and a \$25,000 pledge, payable prior to August 31, 1987, from the Pharmaceutical Foundation Advisory Council for a total of \$50,000 and established the Revco Foundation Fellowship in Pharmacy in the College of Pharmacy at The University of Texas at Austin.

The gift and pledges, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used, in accordance with the donors' wishes, to establish a third Pharmaceutical Foundation Fellowship in Psychiatric Pharmacy in the College of Pharmacy. The Pharmaceutical Foundation Advisory Council reserved the right to rename this Fellowship at a later date.

41. U. T. Austin: Acceptance of Gifts and Pledges and Matching Corporate Funds from the Marathon Oil Foundation, Inc., Findlay, Ohio, the Shell Companies Foundation, Houston, Texas, and the Fluor Foundation, Irvine, California, and Establishment of the Gerard A. Rohlich Regents Professorship in Civil Engineering in the College of Engineering and Establishment of the James T. Doluisio Regents Professorship in Pharmacy in the College of Pharmacy with Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--The Board, upon recommendation of the Land and Investment Committee, accepted \$28,660 in gifts and \$18,340 in pledges from various donors, corporate matching funds in the amounts of \$2,000 from the Marathon Oil Foundation, Inc., Findlay, Ohio, \$600 from the Shell Companies Foundation, Houston, Texas, and \$1,300 from the Fluor Foundation, Irvine, California, and a \$10,000 gift and \$40,000 pledge from the Pharmaceutical Foundation Advisory Council for a total endowment of \$100,900 and established the Gerard A. Rohlich Regents Professorship in Civil Engineering in the Department of Civil Engineering, College of Engineering, at The University of Texas at Austin. All pledges are payable prior to August 31, 1987.

Further, the gifts, corporate matching funds, and pledges, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to establish the James T. Doluisio Regents Professorship in Pharmacy in the College of Pharmacy.

42. U. T. Austin: Acceptance of Pledge from Mr. R. Alan Rudy, Houston, Texas, and Establishment of the Israel Rudy Lectureship in Business 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.--Approval was given to accept a \$20,000 pledge, payable prior to August 31, 1987, from Mr. R. Alan Rudy, Houston, Texas, and to establish the Israel Rudy Lectureship in Business 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 wishes, the pledge, as received will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to double the endowment of the Lectureship.

43. U. T. Austin: Acceptance of Gifts, Pledge from Mr. Ruben E. Hinojosa, Mercedes, Texas, and Transfer of Funds from the Leona Bettis Estate Account and Establishment of the George I. Sanchez Centennial Professorship in Liberal Arts in the College of Liberal Arts and Establishment of the Ruben E. Hinojosa Regents Professorship in Education in the College of Education with Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--The Land and Investment Committee recommended and the Board accepted \$44,030 in gifts from various donors, a \$50,000 pledge, payable prior to August 31, 1987, from Mr. Ruben E. Hinojosa, Mercedes, Texas, and a \$5,970 transfer of unrestricted gifts received since September 1, 1981, from the Leona Bettis Estate account for a total of \$100,000 and established the George I. Sanchez Centennial Professorship in Liberal Arts in the College of Liberal Arts at The University of Texas at Austin.

The gifts, transfer, and pledge, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to establish the Ruben E. Hinojosa Regents Professorship in Education in the College of Education.

44. U. T. Austin: The Tom Sealy Lecture on Law and the Free Society in the School of Law - Acceptance of Gift from Mr. Tom Sealy, Midland, Texas, and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--The Board, upon recommendation of the Land and Investment Committee, accepted a \$5,000 gift from Mr. Tom Sealy, Midland, Texas, for addition to The Tom Sealy Lecture on Law and the Free Society in the School of Law at The University of Texas at Austin.

The gift will be matched under The Regents' Endowed Teachers and Scholars Program and will be used, in accordance with the donor's wishes, to increase the endowment of the Lectureship to \$30,000.

45. U. T. Austin: Acceptance of Gift of Securities and Pledge from Mr. Charles E. Seay, Dallas, Texas, and Establishment of the Sarah M. and Charles E. Seay Regents Professorship in Clinical Psychology in the College of Liberal Arts and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.-- Approval was given to accept 5,400 shares of Southland Royalty Company common stock valued at approximately \$81,000 and a \$19,000 pledge, payable prior to August 31, 1987, from Mr. Charles E. Seay, Dallas, Texas, and to establish the Sarah M. and Charles E. Seay Regents Professorship in Clinical Psychology in the College of Liberal Arts at The University of Texas at Austin.

In accordance with the donors' wishes, the gift and pledge, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to double the endowment of the Professorship.

46. U. T. Austin: Acceptance of Securities from Mr. and Mrs. Ed A. Smith, Houston, Texas, and Establishment of the Ed and Molly Smith Fellowship in Nursing in the School of Nursing and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program to Increase the Endowment of the Ed and Molly Smith Centennial Fellowship in Business Law and Redesignate as the Ed and Molly Smith Centennial Professorship in Business Law.--The Land and Investment Committee recommended and the Board accepted 1,000 shares of Houston Natural Gas Corporation common stock valued at approximately \$50,812.50 from Mr. and Mrs. Ed A. Smith, Houston, Texas, and established the Ed and Molly Smith Fellowship in Nursing in the School of Nursing at The University of Texas at Austin.

Further, the gift will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to increase the endowment of the previously established Ed and Molly Smith Centennial Fellowship in Business Law to \$100,812.50. The Ed and Molly Smith Centennial Fellowship in Business Law was redesignated the Ed and Molly Smith Centennial Professorship in Business Law.

47. U. T. Austin: Jack G. Taylor Centennial Visiting Professorship - Acceptance of Pledge from Mr. Jack G. Taylor, Austin, Texas, and Establishment of the Jack G. Taylor Regents Visiting Professorship in Business in the College of Business Administration and the Graduate School of Business with Matching Funds Under The Regents' Endowed Teachers and Scholars Program and Redesignation of the Use of Previously Approved Matching Funds Under The Centennial Teachers and Scholars Program.--The Land and Investment Committee recommended and the Board accepted a \$10,000 pledge, payable prior to August 31, 1987, from Mr. Jack G. Taylor, Austin, Texas, for addition to the Jack G. Taylor Centennial Visiting Professorship at The University of Texas at Austin.

The pledge, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to establish the Jack G. Taylor Regents Visiting Professorship in Business in the College of Business Administration and the Graduate School of Business.

In accordance with the donor's wishes, the \$40,000 in previously approved matching funds under The Centennial Teachers and Scholars Program was redesignated to complete the \$50,000 required funding of the Jack G. Taylor Regents Visiting Professorship in Business.

48. U. T. Austin: Acceptance of Gifts and Pledge from Teeple Properties, Inc., and Mr. Charles S. Teeple, Austin, Texas, and Establishment of the Teeple Properties, Inc. Lectureship in Business Administration 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.-- Approval was given to accept a \$5,000 gift from Teeple Properties, Inc., Austin, Texas, and a \$5,000 gift and a \$10,000 pledge, payable prior to August 31, 1987, from Mr. Charles S. Teeple, Austin, Texas, and to establish the Teeple Properties, Inc. Lectureship in Business Administration in the College of Business Administration and the Graduate School of Business at The University of Texas at Austin.

The gifts and pledge, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used, in accordance with the donors' wishes, to double the endowment of the Lectureship.

49. U. T. Austin: Acceptance of Transfer from the College of Engineering Friends of Alec Account and the College of Engineering Unrestricted Gifts Account and Establishment of the M. J. Thompson Regents Professorship in Aerospace Engineering and Engineering Mechanics in the College of Engineering and Establishment of the Myron L. Begeman Fellowship in Engineering, the Eugene A. Ripperger Lectureship in Engineering Mechanics, and the Ernest W. Steel Lectureship in Environmental Health Engineering in the College of Engineering with Matching Funds Under The Regents' Endowed Teachers and Scholars Program.-- Upon recommendation of the Land and Investment Committee, the Board accepted a \$25,300 transfer from the College of Engineering Friends of Alec account and a transfer of \$74,700 from the College of Engineering unrestricted gifts account for a total of \$100,000 and established the M. J. Thompson Regents Professorship in Aerospace Engineering and Engineering Mechanics in the College of Engineering at The University of Texas at Austin.

Further, the \$20,010 from the Friends of Alec account and \$74,700 from College of Engineering unrestricted gifts for a total of \$94,710, received since September 1, 1981, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to establish the Myron L. Begeman Fellowship in Engineering with \$50,000, the Eugene A. Ripperger Lectureship in Engineering Mechanics with \$22,355, and the Ernest W. Steel Lectureship in Environmental Health Engineering with \$22,355 in the College of Engineering.

50. U. T. Austin: Roy and Grace Whittenburg Centennial Lectureship in the School of Law - Acceptance of Transfer of the Trusteeship from the Law School Foundation and a Pledge from Kelly, Appleman, Hart & Hallman, Fort Worth, Texas, to Increase the Endowment of and Redesignation as the Roy and Grace Whittenburg Faculty Fellowship in Law and Establishment of the Kelly, Appleman, Hart & Hallman Faculty Fellowship in Law with Matching Funds Under The Regents' Endowed Teachers and Scholars Program.-- Upon recommendation of the Land and Investment Committee, the Board accepted the transfer of the Roy and Grace Whittenburg Centennial Lectureship in the School of Law from the Law School Foundation (an external foundation) to the U. T. Board of Regents for the benefit of the School of Law at The University of Texas at Austin. The Law School Foundation holds funding in the amount of \$8,500 in gifts and \$16,500 in pledges, payable prior to August 31, 1987, which will be transferred to the U. T. Board of Regents.

Further, a \$25,000 pledge was accepted from the law firm of Kelly, Appleman, Hart & Hallman, Fort Worth, Texas, for addition to the endowment and redesignation of the Roy and Grace Whittenburg Centennial Lectureship as the Roy and Grace Whittenburg Faculty Fellowship in Law in the School of Law.

The \$25,000 pledge, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and combined with the \$25,000 in previously approved matching funds under The Centennial Teachers and Scholars Program for a total of \$50,000 to establish the Kelly, Appleman, Hart & Hallman Faculty Fellowship in Law in the School of Law.

51. U. T. Austin: Acceptance of Pledges from Winstead, McGuire, Sechrest & Minick, Dallas, Texas, and Page Southerland Page, Austin, Texas, and Establishment of the Winstead, McGuire, Sechrest & Minick Faculty Fellowship in Law in the School of Law and Establishment of the Page Southerland Page Fellowship in Architecture in the School of Architecture with Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--The Land and Investment Committee recommended and the Board accepted pledges, payable prior to August 31, 1987, in the amount of \$25,000 each from the law firm of Winstead, McGuire, Sechrest & Minick, Dallas, Texas, and the architectural firm of Page Southerland Page, Austin, Texas, for a total endowment of \$50,000 and established the Winstead, McGuire, Sechrest & Minick Faculty Fellowship in Law in the School of Law at The University of Texas at Austin.

The pledges, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used, in accordance with the donors' wishes, to establish the Page Southerland Page Fellowship in Architecture in the School of Architecture.

52. U. T. Austin: Acceptance of Pledge from Mr. Samuel T. Yanagisawa, Garland, Texas, and Establishment of the Samuel T. and Fern Yanagisawa Regents Professorship in Astronomy in the College of Natural Sciences and Establishment of the Frank N. Edmonds, Jr. Regents Professorship in Astronomy in the College of Natural Sciences with Matching Funds Under The Regents' Endowed Teachers and Scholars Program (No Publicity).--Approval was given to accept a \$100,000 pledge, payable prior to August 31, 1987, from Mr. Samuel T. Yanagisawa, Garland, Texas, and to establish the Samuel T. and Fern Yanagisawa Regents Professorship in Astronomy in the Department of Astronomy, College of Natural Sciences, at The University of Texas at Austin.

In accordance with the donor's wishes, the pledge, as received, will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to establish the Frank N. Edmonds, Jr. Regents Professorship in Astronomy in the College of Natural Sciences.

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

53. U. T. Austin: Allocation of Additional Matching Funds Under The Regents' Endowed Teachers and Scholars Program for Previously Established Endowed Academic Positions.--Approval was given to allocate matching funds totaling \$474,093.69 from The Regents' Endowed Teachers and Scholars Program for additional gifts and pledges to the endowments of the following previously established endowed academic positions at The University of Texas at Austin. Pledges are payable prior to August 31, 1987.

<u>Eligible Position, Date of Establishment, and Donor</u>	<u>Total Matching Designation</u>	<u>Previously Approved</u>	<u>Additional Gifts/Pledges</u>
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College of Business Administration and  
the Graduate School of Business

Arthur Andersen & Co. Alumni Centennial Professorship in Accounting 6/5/75	Added to Professorship	\$100,000.00	\$ 25,000.00 (pledges)
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Donor: Partners and Employees of  
Arthur Andersen & Co. and the Arthur  
Andersen & Co. Foundation

Joseph H. Blades Cen- tennial Memorial Pro- fessorship in Insurance 2/11-12/82	Added to Professorship	100,000.00	50,000.00 (pledge)
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Donor: Mrs. Eloise Hand Blades

Ernst & Whinney Distinguished Cen- tennial Professorship of Accounting 12/6-7/79	Added to Professorship	106,000.00	30,000.00 (pledge)
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Donor: Partners and Employees  
of Ernst & Whinney

<u>Eligible Position, Date of Establishment, and Donor</u>	<u>Total Matching Designation</u>	<u>Previously Approved</u>	<u>Additional Gifts/Pledges</u>
Thomas A. Loomis Endowed Lectureship 4/12-13/84	Added to Lectureship	40,000.00	5,000.00 (pledge)
Donor: Various Donors			
The Margaret and Eugene McDermott Centennial Pro- fessorship of Banking and Finance 8/11-13/83	Grace Hill Milam Centen- nial Fellowship in Fine Arts	50,000.00	50,000.00 (pledge)
Donor: Ms. Mary McDermott			
Betty and Glenn Mortimer Centennial Professorship in Business 8/11-12/83	Added to Professorship	100,000.00	50,000.00 (pledge)
Donor: Mr. and Mrs. Glenn Mortimer			
First George H. Newlove Endowed Faculty Fellowship in Accounting 4/12-13/84	Second George H. Newlove Endowed Faculty Fellowship in Accounting	62,428.00	37,572.00 (pledge)
Donor: Various Donors			
B. M. "Mack" Rankin, Jr. Professorship in Petroleum Land Manage- ment 10/12/79	Added to Professorship	100,000.00	50,000.00 (pledge)
Donor: Mr. B. M. Rankin, Jr.			
John T. Stuart III Centennial Chair in Business	Added equally to the Four George P. Macatee III Cen. Lec.	582,455.31	21,894.69 (gifts)
Donor: Various Donors			
Glenn A. Welsch Centennial Professor- ship in Accounting (8/12-13/82)	Added to Professorship	112,781.00	100,000.00 (gifts & pledges)
Donor: Various Donors			
Charles T. Zlatkovich Centennial Professor- ship in Accounting 8/11-12/83	Added to Professorship	100,000.00	4,528.50 (gifts & pledges)
Donor: Various Donors			

<u>Eligible Position, Date of Establishment, and Donor</u>	<u>Total Matching Designation</u>	<u>Previously Approved</u>	<u>Additional Gifts/Pledges</u>
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College of Education

Roy J. McLean Centennial Fellow- ship in Sports History	Added to Fellowship	50,000.00	50,000.00 (pledge)
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Donor: Mr. Doyle Hartman

College of Liberal Arts

C. L. & Henriette F. Cline Centennial Fellowship in the Humanities 6/16-17/83	Added to Fellowship	100,000.00	98.50 (gift)
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Donor: Dr. and Mrs. C. L. Cline

54. U. T. Austin: Phil M. Ferguson Professorship in Civil Engineering in the College of Engineering - Redesignation of the Use of Previously Approved Matching Funds Under The Centennial Teachers and Scholars Program and (a) Establishment of the E. Gus Fruh Visiting Professorship in Civil Engineering and (b) Increase the Endowment of the C. W. Cook Professorship in Environmental Engineering in the College of Engineering.--Upon recommendation of the Land and Investment Committee, the Board redesignated the use of \$66,597 in previously approved matching funds under The Centennial Teachers and Scholars Program and established the E. Gus Fruh Visiting Professorship in Civil Engineering with \$50,000 and increased the endowment of the C. W. Cook Professorship in Environmental Engineering with \$16,597 in the College of Engineering at The University of Texas at Austin. This \$66,597 in matching funds was previously approved as a result of the establishment of the Phil M. Ferguson Professorship in Civil Engineering.
55. U. T. Austin: B. N. Gafford Professorship in Electrical Engineering in the College of Engineering - Redesignation of the Use of Previously Approved Matching Funds Under The Centennial Teachers and Scholars Program and Establishment of the William H. Hartwig Fellowship in Electrical Engineering in the College of Engineering.--The Land and Investment Committee recommended and the Board redesignated the use of \$50,000 in previously approved matching funds under The Centennial Teachers and Scholars Program and established the William H. Hartwig Fellowship in Electrical Engineering in the College of Engineering at The University of Texas at Austin. This \$50,000 in matching funds was previously approved as a result of the establishment of the B. N. Gafford Professorship in Electrical Engineering.

56. U. T. Austin: John A. and Katherine G. Jackson Centennial Teaching Fellowship in Geological Sciences in the College of Natural Sciences - Establishment of the Geology Foundation Advisory Council Centennial Teaching Fellowship in Geological Sciences in the College of Natural Sciences with Previously Approved Matching Funds Under The Centennial Teachers and Scholars Program.--The Board, upon recommendation of the Land and Investment Committee, established the Geology Foundation Advisory Council Centennial Teaching Fellowship in Geological Sciences in the College of Natural Sciences at The University of Texas at Austin with \$50,000 in previously approved matching funds under The Centennial Teachers and Scholars Program. This Teaching Fellowship is being designated as the matching endowment to the previously established John A. and Katherine G. Jackson Centennial Teaching Fellowship in Geological Sciences in the College of Natural Sciences. The Geology Foundation Advisory Council reserved the right to amend the title at a later date.
57. U. T. Austin: Harry L. Kent, Jr. Professorship in Mechanical Engineering in the College of Engineering - Redesignation of the Use of Previously Approved Matching Funds Under The Centennial Teachers and Scholars Program and Establishment of the (a) Carl J. Eckhardt Fellowship in Mechanical Engineering and (b) Byron E. Short Lectureship in Mechanical Engineering in the College of Engineering.--Approval was given to redesignate the use of \$71,395 in previously approved matching funds under The Centennial Teachers and Scholars Program and to establish the Carl J. Eckhardt Fellowship in Mechanical Engineering with \$50,000 and the Byron E. Short Lectureship in Mechanical Engineering with \$21,395 in the College of Engineering at The University of Texas at Austin. This \$71,395 in matching funds was previously approved as a result of the establishment of the Harry L. Kent, Jr. Professorship in Mechanical Engineering.
58. U. T. Austin: Paul V. Montgomery Centennial Memorial Professorship in Actuarial Science in the College of Business Administration and the Graduate School of Business - Approval of Use of Previously Approved Matching Funds Under The Centennial Teachers and Scholars Program.--Upon recommendation of the Land and Investment Committee, the Board approved the use of \$100,000 in previously approved matching funds under The Centennial Teachers and Scholars Program to increase the endowments of: (a) the Paul V. Montgomery Centennial Memorial Professorship in Actuarial Science with \$90,000 for a total endowment of \$240,000, and (b) the Paul V. Montgomery Centennial Fellowship in Actuarial Science with \$10,000 for a total endowment of \$60,000. Both of the endowed positions are in the College of Business Administration and the Graduate School of Business at The University of Texas at Austin. The \$100,000 in matching funds was previously approved as a result of the establishment of the Paul V. Montgomery Centennial Memorial Professorship in Actuarial Science.

59. U. T. Austin: Acceptance of Transfer of Funds from the College of Engineering and Establishment of the Chemical Engineering Alumni Memorial Conference Room Fund in the College of Engineering.--Approval was given to accept a \$10,000 transfer from College of Engineering unrestricted funds and to establish the Chemical Engineering Alumni Memorial Conference Room Fund in the College of Engineering at The University of Texas at Austin.

Income earned from the endowment will be used to properly furnish and support the educational functions of the room.

See Page 24 , Item 6 for the naming of this room.

60. U. T. Austin: Acceptance of Gift from Dr. and Mrs. E. P. Conkle, Austin, Texas, to Be Placed in The University of Texas System Pooled Income Fund and Establishment of the E. P. and Virginia Conkle Endowed Scholarship in the College of Fine Arts.--Upon recommendation of the Land and Investment Committee, the Board accepted a \$10,000 gift from Professor Emeritus and Mrs. E. P. Conkle, Austin, Texas, to be added to the U. T. System Pooled Income Fund and established the E. P. and Virginia Conkle Endowed Scholarship in the Department of Drama, College of Fine Arts, at The University of Texas at Austin. Dr. and Mrs. Conkle will receive the income generated by this gift during their joint lives and upon the demise of the last of them, the funds will be used to establish the E. P. and Virginia Conkle Endowed Scholarship in the Department of Drama in the College of Fine Arts at U. T. Austin.

When the scholarship fund is activated, the income earned from the endowment will be used to grant scholarships to students in the Department of Drama.

61. U. T. Austin: Establishment of the Norris G. Davis Scholarship Fund in the College of Communication.--The Board, upon recommendation of the Land and Investment Committee, established the Norris G. Davis Scholarship Fund in the Department of Journalism, College of Communication, at The University of Texas at Austin. Funding in excess of \$13,000 had been received from friends, colleagues, and former students in memory of Professor Davis. These gifts have been reported in the institutional docket or small gifts report.

Income earned from the endowment will be used to grant scholarships to students in the Department of Journalism.

62. U. T. Austin: Acceptance of Pledge from Mr. C. Shults Faulkner, Houston, Texas, and Establishment of an Endowment Fund for the C. Shults Faulkner Catalyst Research and Development Laboratory in the College of Engineering.--The Land and Investment Committee recommended and the Board accepted a \$51,000 pledge, payable prior to January 5, 1986, from Mr. C. Shults Faulkner, Houston, Texas, and established an endowment to support the C. Shults Faulkner Catalyst Research and Development Laboratory in the College of Engineering at The University of Texas at Austin.

Income earned from the endowment will be used to maintain and improve equipment and for activities and facilities for the research and teaching functions of the laboratory.

See Page 24 , Item 6 for the naming of this laboratory.

63. U. T. Austin: Alfred and Nellie King Graduate Fellowship in the College of Engineering - Amendment of the Joe J. King Trust Agreement and Transfer of Funds to the Joe J. King Professional Engineering Achievement Award.--Approval was given to amend the Joe J. King Trust Agreement which established the Alfred and Nellie King Graduate Fellowship in the College of Engineering and to transfer \$30,000 to the Joe J. King Professional Engineering Achievement Award in the College of Engineering at The University of Texas at Austin which was established by the U. T. Board of Regents on December 12, 1975.

64. U. T. Austin: Acceptance of Gifts and Pledges from Mr. and Mrs. Milton Haines, San Antonio, Texas, and Various Donors and Establishment of the Layton B. Murphy Memorial Scholarship Fund in the Graduate School of Library and Information Science.--Upon recommendation of the Land and Investment Committee, the Board accepted a \$10,000 gift from Mr. and Mrs. Milton Haines, San Antonio, Texas, and \$2,300 in gifts and \$300 in pledges from various donors for a total endowment of \$12,600 and established the Layton B. Murphy Memorial Scholarship Fund in the Graduate School of Library and Information Science at The University of Texas at Austin.

Income earned from the endowment will be used to grant scholarships to students in the Graduate School of Library and Information Science.

65. U. T. Austin: Acceptance of Gift of Securities from Mr. Judd H. Oualline, Houston, Texas, and Corporate Matching Funds from the Getty Oil Company, Los Angeles, California, and Transfer of Funds from the Geology Foundation and Establishment of the Judd H. Oualline Endowment Fund in the College of Natural Sciences.--Approval was given to accept 25 shares of Getty Oil Company common stock valued at approximately \$2,998.44 from Mr. Judd H. Oualline, Houston, Texas, \$5,991.25 in corporate matching funds from the Getty Oil Company, Los Angeles, California, and a \$2,018 transfer of unrestricted gifts from the Geology Foundation of the Department of Geology for a total of \$11,007.69 and to establish the Judd H. Oualline Endowment Fund in the College of Natural Sciences at The University of Texas at Austin.

Income earned from the endowment will be used to meet a broad range of special needs of the Department of Geological Sciences such as the purchase of equipment, faculty research support, undergraduate and graduate student support, and others as recognized by the Chairman of the Department.

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66. U. T. Austin: Acceptance of Gift from the Sohio Petroleum Company, Houston, Texas, and Establishment of an Endowment Fund for The Sohio Petroleum Company Classroom in the College of Engineering.--The Board, upon recommendation of the Land and Investment Committee, accepted a \$10,000 gift from the Sohio Petroleum Company, Houston, Texas, and established an endowment to support The Sohio Petroleum Company Classroom in the College of Engineering at The University of Texas at Austin.

Income earned from the endowment will be used to maintain and improve equipment and for activities and facilities for the research and teaching functions of the classroom.

See Page 24, Item 6 for the naming of this room.

67. U. T. Austin: Acceptance of Gift from the Sun Exploration and Production Company, Dallas, Texas, and Establishment of an Endowment Fund for the Sun Exploration and Production Company Advanced Petrophysics Laboratory in the College of Engineering.--Approval was given to accept a \$25,000 gift from the Sun Exploration and Production Company, Dallas, Texas, and to establish an endowment to support the Sun Exploration and Production Company Advanced Petrophysics Laboratory in the College of Engineering at The University of Texas at Austin.

Income earned from the endowment will be used to maintain and improve equipment and for activities and facilities for the research and teaching functions of the laboratory.

See Page 24, Item 6 for the naming of this laboratory.

68. U. T. Austin: Acceptance of Gift of Securities from Mr. and Mrs. Helmut Younger, Austin, Texas, and Establishment of The Fern Marlies Younger Endowed Scholarship for Women's Athletics.--The Board, upon recommendation of the Land and Investment Committee, accepted 400 shares of Consolidated Edison Company of New York, Inc., common stock valued at approximately \$10,025 from Mr. and Mrs. Helmut Younger, Austin, Texas, and established The Fern Marlies Younger Endowed Scholarship for Women's Athletics at The University of Texas at Austin, in honor of their daughter.

Income earned from the endowment will be used to grant scholarships to deserving varsity tennis players with high academic standing in the Division of Intercollegiate Athletics for Women.

69. U. T. Dallas: Acceptance of Gifts and Pledges to Endow the Morris Hite Center for Product Development and Marketing Science in the School of Management.--Upon recommendation of the Land and Investment Committee, the Board accepted cash gifts in the amount of \$182,883.33 and pledges in the amount of \$429,166.67 for a total of \$612,050 from various donors to endow the Morris Hite Center for Product Development and Marketing Science in the School of Management at The University of Texas at Dallas.

Income earned from the endowment fund will be used to develop teaching and research programs designed to bridge the gap between corporate research and development and the production of successful products for the marketplace.

See Page 34, Item 9 for the naming of this center.

70. U. T. El Paso: Acceptance of Transfer of Funds and Establishment of The John Kellogg Creighton History Memorial Fund.--Approval was given to accept a transfer of previously reported gifts in the amount of \$10,728.77 from Dr. John K. Creighton's colleagues, former students, friends and family to establish The John Kellogg Creighton History Memorial Fund at The University of Texas at El Paso. This endowment fund was established in memory of Dr. John K. Creighton, deceased, former Associate Professor of History at U. T. El Paso.

Income earned from this endowment fund will be used to award an annual scholarship to an undergraduate History major who meets the criteria for general scholarships at U. T. El Paso. Any accrued income earned beyond the annual award(s) will be added to the principal in order to increase the level of the endowment.

When the principal level of this endowment reaches \$20,000 or more, a second annual scholarship will be awarded to a History graduate student. Once this endowment has reached a level of \$20,000 or more, any additional income generated beyond the funds needed to support the annual scholarships will be used to promote the betterment of the History Department. Should enough money be accumulated in the endowment to fund an additional scholarship beyond the two already listed, such scholarships will be awarded to undergraduate History majors.

71. U. T. El Paso: Acceptance of Gift from Mr. and Mrs. Ellis O. Mayfield, El Paso, Texas, and Establishment of the Ellis Mayfield Family Presidential Scholarship Fund.--The Board, upon recommendation of the Land and Investment Committee, accepted a \$25,000 cash gift from Mr. and Mrs. Ellis O. Mayfield, El Paso, Texas, and established the Ellis Mayfield Family Presidential Scholarship Fund at The University of Texas at El Paso.

Income earned from the endowment fund will be used to provide an annual scholarship of \$1,500 or more, renewable for four years, to a worthy and deserving qualified student at U. T. El Paso in accordance with the Presidential Endowed Scholarship Program.

72. U. T. Health Science Center - Dallas: Establishment of the Aradine Ard Fund for Psychiatric Brain Research.--At the request of the Southwestern Medical Foundation (an external foundation), the Aradine Ard Fund for Psychiatric Brain Research was established at The University of Texas Health Science Center at Dallas in accordance with the Regents' Rules and Regulations. The funding for this endowment (\$110,960.02) will be held and administered by the Southwestern Medical Foundation per the agreement between the Foundation and the U. T. Board of Regents.

73. U. T. Health Science Center - Dallas: Establishment of the Burn Care and Research Trust of Golden Charity Guild Honoring Charles R. Baxter, M.D.--At the request of the Southwestern Medical Foundation (an external foundation), the Burn Care and Research Trust of Golden Charity Guild Honoring Charles R. Baxter, M.D. was established at The University of Texas Health Science Center at Dallas in accordance with the Regents' Rules and Regulations. The funding for this trust (\$221,482.92) will be held and administered by the Southwestern Medical Foundation per the agreement between the Foundation and the U. T. Board of Regents.

74. U. T. Health Science Center - Dallas: Establishment of the Psi Chapter of Theta Kappa Psi Scholarship Fund.--At the request of the Southwestern Medical Foundation (an external foundation), the Psi Chapter of Theta Kappa Psi Scholarship Fund was established at The University of Texas Health Science Center at Dallas in accordance with the Regents' Rules and Regulations. The funding for the scholarship (\$48,374.06) will be held and administered by the Southwestern Medical Foundation per the agreement between the Foundation and the U. T. Board of Regents.

75. U. T. Health Science Center - Dallas (U. T. Southwestern Medical School - Dallas): Stanton Sharp Chair in Psychiatry - Acceptance of Gift from The Charles Stanton Sharp, Jr. Trust Custody, Dallas, Texas, and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--Approval was given to accept a \$200,000 cash gift from The Charles Stanton Sharp, Jr. Trust Custody, Dallas, Texas, for addition to the Stanton Sharp Chair in Psychiatry at the U. T. Southwestern Medical School - Dallas of The University of Texas Health Science Center at Dallas.

Further, the actual income which will be earned on the \$200,000 cash 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.

76. U. T. Medical Branch - Galveston (U. T. Medical School - Galveston): Acceptance of Transfer of Funds from The Moody Foundation, Galveston, Texas, and the Sid Richardson Foundation, Fort Worth, Texas, and Establishment of the Truman G. Blocker, Jr. History of Medicine Collections Endowment Fund.--Upon recommendation of the Land and Investment Committee, the Board accepted a transfer of previously reported gifts in the amount of \$32,000 from The Moody Foundation, Galveston, Texas, and the Sid Richardson Foundation, Fort Worth, Texas, and various donors and established the Truman G. Blocker, Jr. History of Medicine Collections endowment fund at the U. T. Medical School - Galveston of The University of Texas Medical Branch at Galveston.

See Page 56, Item 3 for the naming of the collections.

77. U. T. Medical Branch - Galveston (U. T. Medical School - Galveston): Acceptance of Transfer of Funds and Establishment of the William P. Deiss, Jr. M.D. Lectureship in Internal Medicine.--The Board, upon recommendation of the Land and Investment Committee, accepted a transfer of previously reported cash gifts in the amount of \$16,240 and a transfer of \$3,760 from institutional funds of The University of Texas Medical Branch at Galveston, for a total of \$20,000, and established the William P. Deiss, Jr. M.D. Lectureship in Internal Medicine at the U. T. Medical School - Galveston of The University of Texas Medical Branch at Galveston.

78. U. T. Medical Branch - Galveston (U. T. Medical School - Galveston): Acceptance of Gift and Pledge from the Estate of Mrs. Marie B. Gale, Deceased, Beaumont, Texas, and Establishment of the Marie B. Gale Professorship in Internal Medicine and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--Approval was given to accept a \$35,000 cash gift and a \$65,000 pledge, for a total endowment of \$100,000, from the Estate of Mrs. Marie B. Gale, deceased, Beaumont, Texas, and to establish the Marie B. Gale Professorship in Internal Medicine at the U. T. Medical School - Galveston of The University of Texas Medical Branch at Galveston. The pledge will be paid no later than 1986.

The actual income which will be earned on the \$100,000 gift, as received, will be certified for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I, of the Texas Education Code.

79. U. T. Medical Branch - Galveston (U. T. Medical School - Galveston): Acceptance of Gift of Securities and Cash Gift from Mrs. Hannah Hochman, Dallas, Texas, and Transfer of Funds from Ms. Elsie Perlman, Galveston, Texas, and the Hochman Family and Establishment of the Yetta Hochman Memorial Fund.--The Land and Investment Committee recommended and the Board accepted a gift of 149 shares of Georgia Pacific Corporation common stock valued at \$3,536.39 and a cash gift in the amount of \$1,500 from Mrs. Hannah Hochman, Dallas, Texas, a transfer of previously reported cash gifts in the amount of \$4,442.00 from Ms. Elsie Perlman, Galveston, Texas, and \$1,724.21 from the Hochman family, their relatives and friends, for a total principal endowment of \$11,202.60, and established the Yetta Hochman Memorial Fund at the U. T. Medical School - Galveston of The University of Texas Medical Branch at Galveston.

Income earned from the endowment fund, in accordance with the donors' wishes, will be used by the U. T. Medical Branch - Galveston Social Services Department to assist in meeting the personal needs of its patients and their families for which no other resources are available.

80. U. T. Medical Branch - Galveston (U. T. Medical School - Galveston): Acceptance of Transfer of Funds and Establishment of the George and Cynthia Mitchell Distinguished Professorship in Geriatrics and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--Approval was given to accept a transfer of \$207,000 in cash gifts which will be reported on the quarterly small gifts

report and \$16,000 from institutional funds of The University of Texas Medical Branch at Galveston, for a total endowment of \$223,000, to establish the George and Cynthia Mitchell Distinguished Professorship in Geriatrics at the U. T. Medical School - Galveston at The University of Texas Medical Branch at Galveston.

The actual income which will be earned on the \$207,000 in cash gifts will be certified for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I, of the Texas Education Code.

81. U. T. Cancer Center (U.T. M. D. Anderson Hospital - Houston): Acceptance of Gift of Securities from Mr. and Mrs. Ben F. Love, Houston, Texas, and Transfer of Funds from the Anderson Clinical Faculty Professorships Fund and Establishment of the Dr. Charles A. LeMaistre Professorship in Clinical Cancer Care and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.-- Upon recommendation of the Land and Investment Committee, the Board accepted a gift of 2,250 shares of Texas Commerce Bancshares, Inc. common stock valued at approximately \$100,687.50 from Mr. and Mrs. Ben F. Love, Houston, Texas, and a transfer of approximately \$100,000 from the Anderson Clinical Faculty Professorships Fund, for a total endowment level of \$200,000, and established the Dr. Charles A. LeMaistre Professorship in Clinical Cancer Care at the U.T. M. D. Anderson Hospital - Houston of The University of Texas System Cancer Center.

Further, the actual income which will be earned on the \$100,687.50 stock 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.

82. U. T. Cancer Center (U.T. M. D. Anderson Hospital - Houston): Kenneth D. and Janet M. Muller Fund for Cancer Research and Education - Designation of Use of Funds to Establish The Kenneth D. Muller Professorship in Tumor Genetics.--Approval was given to designate the use of \$166,391.40 held in the Kenneth D. and Janet M. Muller Fund for Cancer Research and Education to establish The Kenneth D. Muller Professorship in Tumor Genetics at the U.T. M. D. Anderson Hospital - Houston of The University of Texas System Cancer Center.

See Page 71, Item 8 for the initial appointment to this Professorship.

B. REAL ESTATE MATTERS

U. T. Austin: Archer M. Huntington Museum Fund - Authorization to Grant Two Electric Line Easements Located in the Samuel C. Bundick League, Abstract No. 7, Galveston County, Texas, to Texas-New Mexico Power Company, Texas City, Texas.--The Board, upon recommendation of the Land and Investment Committee, granted two electric line easements to Texas-New Mexico Power Company, Texas City, Texas. Both easements are 40 feet in length and 5 feet in width and are located in the Samuel C. Bundick League, Abstract No. 7, Galveston County, Texas (Archer M. Huntington Museum Fund - The University of Texas at Austin). The easements were requested for the installation of guy wires to brace power poles. No fee will be charged for the granting of these easements.

III. OTHER MATTERS

U. T. Austin: Progress Report on The Regents' Endowed Teachers and Scholars Program.--President Flawn reported that since the June meeting of the U. T. Board of Regents, the number of academic positions at The University of Texas at Austin has increased by 4 chairs, 20 professorships and 50 fellowships and lectureships, for a total of 74 new endowed positions, as a result of The Regents' Endowed Teachers and Scholars Program. The University of Texas at Austin now has 774 endowed academic positions for a total of \$71,500,237.

President Flawn also reported that U. T. Austin expects to receive funds for the endowment of 51 additional academic positions by August 1987. It is anticipated that with these additional funds, U. T. Austin will have 119 chairs, 418 professorships, 189 fellowships and 99 lectureships.

ITEM FOR THE RECORD

U. T. Health Science Center - San Antonio: Appointment of Richard N. Buchanan, D.D.S., to Replace James H. Zinck, D.D.S., on the Advisory Committee for the Selection of a President (Chief Administrative Officer).--Chairman Newton reported for the record that James H. Zinck, D.D.S., Professor and Acting Chairman of the Department of Restorative Dentistry at the U. T. Dental School - San Antonio of The University of Texas Health Science Center at San Antonio, had resigned as a faculty representative on the Advisory Committee for the Selection of a President (Chief Administrative Officer) for the U. T. Health Science Center - San Antonio to take a position with another dental school. To fill that vacancy, Chairman Newton appointed Richard N. Buchanan, D.D.S., Professor of General Practice Dentistry, as a member of the Advisory Committee.

REPORT OF SPECIAL COMMITTEE

U. T. Board of Regents: Report of Ad Hoc Committee on Institutional Relationships Between the U. T. Board of Regents and the Hermann Hospital Estate Board of Trustees.--Regent Hay presented the following report with regard to the Ad Hoc Committee on Institutional Relationships between the U. T. Board of Regents and the Hermann Hospital Estate Board of Trustees:

Report

As a follow-up to the May 11, 1984 meeting of the Joint Conference Committee of The University of Texas System Board of Regents and the Hermann Hospital Estate Board of Trustees, a special subcommittee consisting of Chancellor Walker, Dr. Charles Mullins, Dr. Roger Bulger, and Mr. William Smith (the Hermann Hospital Administrator) was appointed to develop and recommend possible legislative

approaches to assist in funding teaching costs at Hermann Hospital. The subcommittee met on July 6, 1984, and submitted the following recommendations:

1. Include a five million dollar per year patient care trust fund in The University of Texas Health Science Center at Houston Legislative Budget Request for the next biennium to support indigent health care cost at Hermann Hospital to relieve some of this financial burden and support health care to some of the State's medically needy citizens.
2. Request and aggressively support full funding of the Resident's Teaching Bill which would replace Hermann Hospital house staff salary support and increase State support to Hermann Hospital from \$465,000 to \$3,810,000 per year, relieving this teaching burden from Hermann Hospital.

These suggestions for possible legislative support for Hermann Hospital teaching costs are endorsed by the Joint Committee, and we hope that the members of both Boards will join with us to encourage legislative approval of these requests.

#### OTHER MATTERS

U. T. System Administration and U. T. Cancer Center: Announcement of Impending Retirement of Mr. Joe E. Boyd, Jr., Special Counsel - Finance; Mr. Warren G. Harding, Executive Assistant to the Executive Vice Chancellor for Health Affairs; Mr. E. R. Gilley, Executive Vice President for Administration and Finance; and Robert D. Moreton, M.D., Vice President for Patient Affairs.-- Chairman Newton acknowledged the retirement from full-time appointments of the following officials prior to the October 11-12, 1984 meeting of the Board and expressed the Board's deep appreciation to each for his many years of dedicated and distinguished service to The University of Texas System:

Mr. Joe E. Boyd, Jr., Special Counsel - Finance  
Mr. Warren G. Harding, Executive Assistant to the  
Executive Vice Chancellor for Health Affairs  
Mr. E. R. Gilley, Executive Vice President for  
Administration and Finance, The University of  
Texas System Cancer Center  
Robert D. Moreton, M.D., Vice President for Patient  
Affairs, The University of Texas System Cancer  
Center

SCHEDULED MEETING.--Chairman Newton announced that the next meeting of the U. T. Board of Regents would be held at The University of Texas at Dallas on October 11-12, 1984.

RECESS.--At 4:05 p.m., Chairman Newton announced that the Board would recess to convene in Executive Session to discuss matters pursuant to Vernon's Texas Civil Statutes, Article 6252-17, Sections 2(e), (f) and (g) and that the Executive Session would continue on Friday morning.

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Friday, August 10, 1984

At 9:10 a.m. on Friday, August 10, 1984, the Board reconvened in Executive Session in the Regents' Conference Room in Ashbel Smith Hall to discuss matters in accordance with Article 6252-17, Sections 2(e), (f) and (g) of Vernon's Texas Civil Statutes: Litigation, Land Acquisition and Personnel Matters.

RECONVENE.--At 2:10 p.m., the Board reconvened in open session for the purpose of acting on items discussed in Executive Session.

#### EXECUTIVE SESSION OF THE BOARD OF REGENTS

Chairman Newton reported that the Board had met in Executive Session in the Regents' Conference Room in Ashbel Smith Hall on Thursday afternoon (August 9) following the meetings of the Standing Committees and continued its meeting on Friday morning (August 10) 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 Newton's inquiry regarding the wishes of the Board, the following actions were taken.

1. U. T. Health Science Center - Dallas: Settlement of Medical Malpractice Litigation - Mr. Willie Charles Urquhart, et al.--Chairman Newton stated that the Board heard a report from General Counsel Crowson and Executive Vice Chancellor Mullins on the proposed settlement of medical malpractice litigation involving The University of Texas Health Science Center at Dallas. Whereupon, Vice-Chairman Briscoe moved that the Office of the Chancellor and the Office of General Counsel be authorized to settle the medical malpractice lawsuit filed by Mr. Willie Charles Urquhart, et al, in accordance with the proposal presented in executive session.

Regents Yzaguirre and Richards seconded the motion which carried by unanimous vote.

2. U. T. Medical Branch - Galveston: Proposed Settlement of Construction Litigation Involving the Ambulatory Care Center, the Texas Department of Corrections Hospital, and the Graves Hospital (Withdrawn).--Chairman Newton reported that the item related to the proposed settlement of construction litigation involving the Ambulatory Care Center, the Texas Department of Corrections Hospital, and the Graves Hospital at The University of Texas Medical Branch at Galveston was withdrawn from consideration.

3. U. T. System: Approval to Amend Lease Agreement with Gill-Richter-Cordier Corporation (G-R-C), a Texas Corporation, for Operation of a Commercial Wine Grape Vineyard and an Associated Winery on Permanent University Fund Lands in Pecos County, Texas, and Authorization for Chairman to Execute the Amendment to the Lease Agreement and Approval of McCorvie and Partners, Westport, Connecticut, to Perform the Marketing, Advertising and Pricing Survey Required by the Lease Agreement.--Regent Milburn moved that the U. T. Board of Regents take the following action with regard to the Lease Agreement with Gill-Richter-Cordier Corporation (G-R-C), a Texas Corporation, for operation of a commercial wine grape vineyard and an associated winery on Permanent University Fund Lands in Pecos County, Texas, near Bakersfield, Texas:

- a. Approve the transfer of up to 29.8% of the stock of G-R-C from Gill Wine & Grape Company to Tedco Development Corporation on or before September 30, 1984
- b. Authorize the Chairman to execute an amendment to the Lease Agreement within the parameters discussed in executive session
- c. Authorize the Comptroller of The University of Texas System to return to G-R-C Corporation the \$265,000 that was deposited with him pursuant to Lease Agreement Amendment No. 3 at such time as G-R-C Corporation presents evidence satisfactory to the Office of General Counsel that the equipment located upon the winery site is free and clear of all encumbrances
- d. Approve McCorvie and Partners of Westport, Connecticut, to perform the marketing, advertising and pricing survey required by paragraph 40.4 of the Lease Agreement
- e. Approve G-R-C's request for authorization to pledge the leasehold estate in the winery building and site as security for short-term financing

Regent Hay and Vice-Chairman Briscoe seconded the motion which prevailed without objection.

4. U. T. Arlington: Authorization for the Executive Committee to Continue Negotiations Related to a Contract for the Acquisition and/or Gift of Real Property for Proposed Advanced Robotics Research Institute.--Chairman Newton reported that the Board had met in executive session with a distinguished delegation from Fort Worth, Texas, regarding a significant gift of real estate related to the proposed Advanced Robotics Research Institute to be associated with The University of Texas at Arlington. The proposal by the delegation highlighted the major commitments to be made by the Fort Worth community and the Fort Worth Chamber of Commerce and noted the integration of the strengths of the U. T. Arlington College of Engineering with the industrial/corporate high technology needs of the Fort Worth metroplex. Chairman Newton pointed out that this concept continues the university/private business cooperation which the U. T. System has already seen in the MCC project in Austin, the Biotechnology

Institute in San Antonio, and now the proposed Advanced Robotics Research Institute in Fort Worth, and noted that the Board is excited about being a part of these important joint efforts with the private sector.

In response to Chairman Newton's inquiry regarding a motion on this matter, Regent Hay moved that the Executive Committee of the Board, in association with Executive Vice Chancellor Duncan, President Nedderman, and General Counsel Crowson, be authorized to continue and, if possible, conclude negotiations with several Fort Worth groups related to a contract for the acquisition and/or gift of real property for the use and benefit of The University of Texas at Arlington within the parameters discussed in executive session.

Regent Rhodes seconded the motion which carried by unanimous vote.

5. # U. T. Health Science Center - San Antonio: Further Consideration of Negotiated Contract for the Acquisition and/or Gift of Real Property.--Chairman Newton reported that no action was taken on the item related to a negotiated contract for the acquisition and/or gift of real property for The University of Texas Health Science Center at San Antonio and that the Committee appointed at the June 1984 meeting of the Board would continue to work on this matter.

6. U. T. System: Authorization to Conclude Negotiations Regarding Appointment and Employment of an Individual to Be Responsible for the Asset Management Programs.--Regent Milburn moved that Chairman Newton, Chairman Milburn of the Land and Investment Committee and Chancellor-Elect Mark be authorized to conclude negotiations regarding the appointment and employment of an individual to be responsible for the asset management programs of The University of Texas System within the terms and conditions discussed in executive session. The results of these negotiations will be reported to the Board via the usual budgetary procedures.

Regent Hay seconded the motion which carried without objection.

7. U. T. Health Science Center - San Antonio: Authorization to Settle Certain Malpractice Litigation.--Chairman Newton stated that an additional item had been filed on an emergency basis with the Secretary of State related to contemplated medical malpractice litigation. Whereupon, Vice-Chairman Briscoe moved that the Office of the Chancellor, the Office of General Counsel, and outside legal counsel, upon approval of the Executive Committee, be authorized to settle certain malpractice litigation and claims in San Antonio within the parameters discussed in executive session.

Regent Richards seconded the motion which prevailed by unanimous vote.

Statement by Chairman Newton Regarding the Microelectronics and Computer Technology Corporation (MCC), Austin, Texas.--  
In concluding the matters for Executive Session action, Chairman Newton made the following statement:

While discussing with the Fort Worth delegation the proposed Advanced Robotics Research Institute as yet another example of university/private sector cooperation, the similarities to the MCC development were frequently noted.

The Board of Regents remains fully committed and enthusiastic regarding the MCC project and regards it as a model on which to pattern future similar programs. We have successfully met our commitments to the academic aspects of the MCC program and about mid-September we will begin advertising for bids and anticipate a December award of contract for the MCC headquarters building. The magnificent efforts of Governor White, Ben Love, and others have assured us that the commitments of the private sector to this project will be successfully completed.

#### OTHER BUSINESS

Comments by Chairman Newton Regarding Chancellor E. D. Walker.--  
Chairman Newton recognized Chancellor Walker's participation in over 250 meetings of the U. T. Board of Regents since his association with the U. T. System in 1955, and stated that this was a remarkable record. He commented on Chancellor Walker's administrative, fiscal and legislative skills that had been of major significance to the national leadership position of The University of Texas System and credited him with the implementation of a true system-wide spirit of cooperation and accomplishment. In closing, he wished Chancellor Walker success on his move to Houston and the presidency of the Hermann Hospital Estate and expressed the hope that he would continue his support and encouragement of The University of Texas System.

Chancellor Walker responded to Chairman Newton's good wishes by stating that he and Mrs. Walker looked forward to continuing their association with The University of Texas System and thanked the Board for the many considerations extended to him and Mrs. Walker.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 2:20 p.m.

  
Arthur H. Dilly  
Executive Secretary

August 15, 1984