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Austin, Texas, July 8, 1955
Meeting No. 548

The Board of Regents of The University of Texas met in open session in Room 212, Main Building, at 9:00 a. m., on Friday, July 8, 1955, with the following attendance:

Present

Chairman Sealy
Vice-Chairman Voyles
Regent (Mrs.) Devall
Regent Jeffers
Regent Johnson
Regent Lockwood
Regent Minter
Regent Sorrell
President Wilson
Secretary Thedford

Absent

Regent Oates

University administrative officials, press representatives, and other folk interested in the admission policy matter to come before the Board were in attendance.

POLICY re ADMISSION, NEGRO STUDENTS, THE UNIVERSITY OF TEXAS SYSTEM. --Chairman Sealy asked Vice-Chairman Voyles, Chairman of the Executive Committee, to read the report of the Executive Committee on admission policy recommendations. Copies of this report were distributed to each member of the Board and to any other interested person present.

Report of Executive Committee. --Vice-Chairman Voyles read the following report of the Executive Committee on Admission Policy Recommendations:

ADMISSION POLICY RECOMMENDATIONS

The present policy of The University of Texas, based on the Sweatt case, is to accept qualified Negro students only for graduate and professional programs of study not offered in either of the state-supported institutions for Negroes. Since the decision in the Sweatt Case in 1950, several hundred Negro students have attended the University in these limited areas of study. The recent Supreme Court decision makes it mandatory upon the University now to consider further steps regarding the admission of Negro students. The Executive Committee of the Board of Regents, composed of Tom Sealy, Chairman of the Board, C. W. Voyles, Chairman of the Committee, and Doctor L. S. Oates, Leroy Jeffers, J. R. Sorrell, and Lee Lockwood, was assigned this subject for study and has had the benefit of the advice and counsel of President Logan Wilson and others of our administrative staff.

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It is recognized, however, that the issue involved represents a basic policy which should be resolved by the members of the Board of Regents, who are accountable to the Governor, the Legislature, and the people of Texas for the management and operation of The University of Texas. It is, therefore, recommended that the Board of Regents adopt the following policy resolution:

1. That qualified students be admitted, without reference to racial origin, to all divisions of the graduate school, regardless of whether the desired programs of study may be presently offered at the state-supported Negro institutions.
2. That, because desegregation has already been ordered at the local level in the Public Schools of the City of El Paso, effective in the fall of this year, qualified students, regardless of racial origin, be admitted this fall to all levels of instruction at Texas Western College of The University of Texas at El Paso, Texas.
3. That for the time being and until the fall of 1956, the present policy of admission to undergraduate work at the Main University in Austin be retained until recommendations can be adopted concerning the whole problem of selective admissions, which has been under study for almost a year.

The reason for this last recommendation is that beginning with the fall of 1955, the Main University in Austin, as is generally known, will receive many more applications for admission on the undergraduate level than can be adequately accommodated or financed. As was announced publicly in a statement issued jointly by the Chairman of the Board of Regents and the President of The University of Texas on May 17, the Legislature, by reason of its appropriating insufficient funds to meet increasing enrollment costs, has, in effect, given the University a mandate to institute selective admissions. The most equitable way of implementing this mandate has been under study, but it will be some months before the University will be able to set up such a program. Until such time as a program has been devised, we must avoid a changed policy concerning admission of undergraduates which would intensify the problem of sheer numbers.

By adoption of this recommendation, it would become the expressed intention of The University of Texas to formulate a policy of selective admissions, based on merit and applied equally to all regardless of racial origin, and to institute this policy beginning with the academic year 1956-57. This policy of selective admissions - which will probably be based

in part on entrance examinations given to all prospective students - is not intended to fix any overall student enrollment limitation figure but is designed to regulate the phenomenal yearly increase in enrollment in order that we may continue to procure and maintain a competent professional staff and physical facilities adequate for our enrollment without impairment of University standards in teaching, research, and public services. Unless some kind of fair and equitable enrollment restriction is imposed, it definitely will be a financial impossibility and probably even a physical impossibility to cope with our rapidly increasing enrollment without seriously jeopardizing our educational standards with a resultant mediocrity in our education; such result would be unfair to those Texas boys and girls who have the ability and initiative and the required incentive to get the most out of a university education.

Adoption of Each Individual Recommendation of Admission Policy Resolution. --After a detailed discussion of each of the three recommendations in the Admission Policy Resolution as submitted by the Executive Committee, the following actions were taken:

1. Item No. 1 "That qualified students be admitted, without reference to racial origin, to all divisions of the graduate school, regardless of whether the desired programs of study may be presently offered at the state-supported Negro institutions" was unanimously adopted by the Board upon motion of Mr. Jeffers, seconded by Mr. Sorrell.
2. Item No. 2 "That because desegregation has already been ordered at the local level in the Public Schools of the City of El Paso, effective in the fall of this year, qualified students, regardless of racial origin, be admitted this fall to all levels of instruction at Texas Western College of The University of Texas at El Paso, Texas" was unanimously adopted by the Board upon motion of Mr. Sorrell, seconded by Mr. Jeffers.
3. Item No. 3 "That for the time being and until the fall of 1956, the present policy of admission to undergraduate work at the Main University in Austin be retained until recommendations can be adopted concerning the whole problem of selective admissions, which has been under study for almost a year" was unanimously adopted by the Board upon motion of Doctor Minter, seconded by Mr. Lockwood.

Adoption of the Entire Report of the Executive Committee. --After each item of the report of the Executive Committee on Admission Policy Resolution had been adopted, the Board upon motion of Mr. Lockwood, duly seconded, amended the beginning of the first sentence of the last paragraph of the report by changing the word "imposed" to "adopted"

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so as to read "Unless some kind of fair and equitable enrollment restriction is adopted..." (See Page 3, Line 10)

Chairman Sealy then laid before the Board the full report of the Executive Committee as amended, and this report in amended form was unanimously adopted in its entirety upon motion of Vice-Chairman Voyles, seconded by Mr. Sorrell.

MAIN UNIVERSITY

REPORT OF JOINT MEETING OF REGENTS' ACADEMIC AND STUDENT AFFAIRS COMMITTEE AND THE STUDENT ADVISORY COMMITTEE. --Mr. Sorrell gave a brief report of the joint meeting of the Regents' Academic and Student Affairs Committee and the Student Advisory Committee. The Student Advisory Committee is composed of Ray Farabee, Bob Siegel, Kenneth Cox, and Maurie Suttle. Mr. Sorrell pointed out that as a result of these joint meetings that have been held the past two and one-half years the Regents have been very much impressed with the sincerity and ability of the students.

He reported that among the discussions of this joint meeting were the restriction on students' possession and maintenance of automobiles, the Great Issues Question, and the student officials who have been declared disqualified. No action was taken on either of the first two questions. It was pointed out, however, that the restriction on possession and maintenance of automobiles was not based entirely upon alleviating the parking situation but predominantly upon the thinking that it would result in the improvement of the academic standing of freshman and sophomore students.

Permission, Disqualified Student Officials to Remain in Office Until October 26, 1955. -- Mr. Sorrell, Chairman of the Academic and Student Affairs Committee, reported to the Board that five student officials (namely, the President, Vice-President, Secretary, Editor of the Cactus, and Chief Justice of the Student Court) had been disqualified to hold office in accordance with a unanimous decision by the Appellate Court, which is composed of the Dean of the School of Law, the Chairman of the Faculty Committee on Student Government, and the President of The University Bar Association. The decision was based on the fact that handbills, costing \$6.00, had been illegally distributed, and the offices were declared vacant; the opinion further pointed out there was no provision for filling the vacancies.

Dean Nowtny exercised his power under Section 4, Chapter VII, of the Rules and Regulations of the Board of Regents for the Government of The University of Texas, Sixth Edition, Adopted by the Board of Regents March 14, 1936, (with amendments to August 1, 1943), Part II, Second Printing, by suspending the effect of the decision and order until the next meeting of the Board of Regents.

Mr. Sorrell reported that the Academic and Student Affairs Committee of the Board joined in the recommendation of the court and the dean that these five student officials who had been disqualified be permitted to continue in office until the election October 26, 1955, and moved that this recommendation be adopted. Mrs. Devall seconded the motion which carried.

RECESS. --The Board recessed at 10:15 a. m.

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The Board reconvened at 11:00 a. m. in the Office of the President as a Committee of the Whole with the following in attendance:

Present

Chairman Sealy
Vice-Chairman Voyles
Regent (Mrs.) Devall
Regent Jeffers
Regent Johnson
Regent Lockwood
Regent Minter
Regent Sorrell
President Wilson
Secretary Thedford

Absent

Regent Oates

MEDICAL BRANCH

Chairman Sealy called on Mr. Jeffers, Chairman of the Land and Investment Committee, for presentation of that committee's report concerning the sale of Medical Branch Dormitory Revenue Bonds.

PROJECT TEX. 41-CH-11, MEDICAL BRANCH - RATIFICATION OF SALE OF \$2,512,000 PAR VALUE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS (MEDICAL BRANCH) DORMITORY REVENUE BONDS, SERIES 1955, TO WHITE, WELD AND COMPANY SYNDICATE OF NEW YORK CITY AND ADOPTION OF NECESSARY RESOLUTIONS FOR ISSUANCE OF BONDS. --Mr. Jeffers presented the following report that had been adopted by the Land and Investment Committee:

Pursuant to authorization granted at the May 14, 1955, meeting of the Board of Regents, Endowment Officer Stewart called for sealed competitive bids on July 6, 1955, for the purchase of the \$2,512,000 par value Board of Regents of The University of Texas (Medical Branch) Dormitory Revenue Bonds, Series 1955, the proceeds from which issue would finance the construction at the Medical Branch at Galveston, Texas, the housing and food facilities under the so-called HHFA Project Tex. 41-CH-11. On Page 726 is a tabulation showing the bids received on July 6 from three different syndicates. The low bid was submitted by the White, Weld and Company syndicate at a 3.28968% effective interest rate. The interest rates on the bonds would be as follows: Bonds maturing September 1, 1957, through September 1, 1965, inclusive, a total of \$367,000 par value at 4%; bonds maturing September 1, 1966, through September 1, 1988, inclusive, a total of \$1,530,000 par value at 3-1/4%; and bonds maturing September 1, 1989, through September 1, 1994, inclusive, a total of \$615,000 par value at 3.30%. The total price offered to be paid for the bonds was \$2,516,142.29, being a purchase price of par plus a premium of \$4,142.29, plus accrued interest to date of delivery. The bonds would be dated September 1, 1955, and would be delivered as soon as practicable thereafter.

The Special Committee authorized by the Board of Regents at the May 14, 1955, meeting, to study the competitive bids received and to make a firm commitment on the day the competitive bids were opened provided a satisfactory bid should be received, such commitment to be subject to ratification by the Board of Regents, studied the three bids received. The loan

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agreement with the Housing and Home Finance Agency for the Medical Branch project calls for \$1,167,000 par value bonds to be purchased by HHFA at 3.01% if sale to the public could not be made at 3.11% or under, and for \$1,345,000 par value bonds to be purchased by HHFA at 3.25% if sale to the public could not be made at 3.50% or under. The maximum weighted average interest rate at which the bonds could be sold to the public under the above terms would be 3.32%. The Special Committee, after consultation with the University's bond legal counsel and others, determined that the low bid received was satisfactory under the present municipal bond market and that under our loan commitment with HHFA that the University was legally bound to accept the low bid since it was under the weighted average of 3.32%. Accordingly, a firm commitment was made on July 6, 1955, for the sale of the bonds to the White, Weld and Company syndicate as outlined above, such sale subject to formal ratification of the Board of Regents on July 8, 1955.

It is the recommendation of the Special Committee on the sale of the Medical Branch bonds that the sale as outlined above be ratified and approved by the Board of Regents and that the Board adopt the following resolutions required in connection with the issuance of the bonds and authorize the Chairman of the Board to execute such resolutions, copies of which are on file with the Secretary of the Board of Regents, which resolutions will be spread on the minutes of the Board:

1. Bond Resolution (Page 706);
2. Parietal Rules Resolution (Page 721); and
3. Rental Rate Resolution (Page 723).

It is further recommended that Endowment Officer Stewart be authorized to negotiate for the printing of the bonds and to do all things necessary to effect the delivery of the bonds as soon as practicable after September 1, 1955.

Mr. Jeffers moved that the report and the recommendations contained therein be approved and ratified. Mr. Voyles seconded this motion which carried unanimously.

RESOLUTIONS FOR ISSUANCE OF BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS (MEDICAL BRANCH) DORMITORY REVENUE BONDS, SERIES 1955, IN THE AMOUNT OF \$2,512,000. -- Chairman Sealy presented the three resolutions, in the form set out below P. 7 to 26, required in connection with the issuance of \$2,512,000 par value Board of Regents of The University of Texas (Medical Branch) Dormitory Revenue Bonds, Series 1955, said resolution having been prepared by McCall, Parkhurst and Crowe, legal counsel for the University in the issuance of the bonds, and having been approved by Vice-President Dolley, Endowment Officer Stewart, Land and Trust Attorney Gaines, and the purchasers, White, Weld and Company, syndicate. Mr. Jeffers moved that each of the resolutions be adopted. Mr. Voyles seconded the motion and the eight members of the Board of Regents present at the meeting voted unanimously for the adoption of each of the resolutions.

See
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Bond Resolution. --

THE STATE OF TEXAS :

COUNTY OF TRAVIS :

The Board of Regents of The University of Texas convened in Regular Meeting on the 8th day of July, 1955, at the Main Building of The University of Texas, in Austin, Texas, at 9:00 A. M., with the following members and officers of the Board of Regents present, to-wit:

Tom Sealy,	Chairman,
Claude W. Voyles,	Vice-Chairman,
Mrs. Charles Devall, :	
Leroy Jeffers, :	
J. Lee Johnson, III :	
Lee Lockwood, :	Members,
Dr. Merton M. Minter, :	
J. R. Sorrell, :	
Betty Anne Thedford,	Secretary,

with the following members of the Board of Regents absent, to wit:

Doctor L. S. Oates

constituting a quorum of the said Board, at which meeting the following, among other business, was transacted, to wit:

Mr. Sealy introduced a resolution which was read by the Secretary. Mr. Jeffers moved that the resolution be adopted. Mr. Voyles seconded the motion.

The motion carrying with it the adoption of the resolution prevailed by the following vote:

AYES: Messrs. Sealy, Voyles, Jeffers, Johnson, Lockwood, Minter, and Sorrell, and Mrs. Devall .

NOES: None.

The resolution as adopted is as follows:

RESOLUTION

BY THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS AUTHORIZING THE ISSUANCE OF BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS (MEDICAL BRANCH) DORMITORY REVENUE BONDS, SERIES 1955, IN THE AMOUNT OF \$2,512,000.00, FOR THE PURPOSE OF CONSTRUCTING SIX NEW DORMITORIES, AN APARTMENT BUILDING AND A COMBINATION CAFETERIA, LOUNGE AND HOUSING BUILDING; MAKING PLEDGES OF REVENUES AND MAKING COVENANTS TO INSURE THE AVAILABILITY AND USE OF SAID REVENUES TO PAY THE PRINCIPAL AND INTEREST ON SAID BONDS AND FOR OPERATION AND MAINTENANCE PURPOSES; AWARDING AND CONFIRMING THE SALE OF SAID BONDS; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

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WHEREAS, the Board of Regents of The University of Texas (sometimes hereinafter referred to as the "Board") is authorized to construct, equip, operate and maintain dormitories, kitchens, dining halls and other buildings needed for the good of The University of Texas (sometimes hereinafter referred to as the "University"), and the moral welfare and social conduct of the students, by virtue of Article 2603c, Revised Civil Statutes of Texas, as amended; and

WHEREAS, it has been determined by the Board to be to the best interests of the University that there be constructed on the campus of the Medical Branch of the University at Galveston, Galveston County, Texas: (1) a new women's dormitory building, designed to house and accommodate approximately 72 medical students, (2) two new women's dormitory buildings, designed to house and accommodate a total of approximately 144 student nurses, (3) three new men's dormitory buildings, designed to house and accommodate a total of approximately 216 student residents and internes, (4) a new apartment building containing 30 apartments, designed to house and accommodate student residents and internes, and (5) a new combination cafeteria, lounge, and housing building, designed to house approximately 38, and serve at any one meal approximately 432 medical students and student residents and internes, (hereinafter sometimes collectively called the "Project"); and

WHEREAS, the Board has approved the total cost, type of construction and capacity of said buildings, as well as the other plans and specifications pertaining thereto; and

WHEREAS, the Board has determined to authorize, issue, sell and deliver its negotiable bonds in the total aggregate amount of \$2,512,000.00 for the purpose of paying the cost of the construction of the Project,

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

Section 1. That the total cost, type of construction and capacity of the Project as well as the other plans and specifications pertaining thereto have been and are hereby approved by the Board.

Section 2. That for the purpose of paying the cost of the construction, on the campus of the Medical Branch of The University of Texas at Galveston, Galveston County, Texas, of: (1) a new women's dormitory building, designed to house and accommodate approximately 72 medical students, (2) two new women's dormitory buildings, designed to house and accommodate a total of approximately 144 student nurses, (3) three new men's dormitory buildings, designed to house and accommodate a total of approximately 216 student residents and internes, (4) a new apartment building containing 30 apartments, designed to house and accommodate student residents and internes and (5) a new combination cafeteria, lounge and housing building, designed to house approximately 38, and serve at any one meal approximately 432 medical students and student residents and internes, there are hereby authorized and issued the negotiable coupon bonds of the Board of Regents of The University of Texas in the total aggregate principal amount of \$2,512,000.00 (hereinafter sometimes called the "Bonds").

Section 3. That said Bonds shall be known as "Board of Regents of The University of Texas (Medical Branch) Dormitory Revenue Bonds, Series 1955", and said Bonds shall be and are hereby issued for the same purpose,

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secured and payable in the same manner and of like tenor and effect except as to number, interest rate, right of prior redemption and maturity.

Section 4. That the Bonds shall be numbered consecutively from One (1) to Two Thousand Five Hundred Twelve (2,512), both inclusive, of the denomination of One Thousand (\$1,000.00) Dollars each, aggregating Two Million Five Hundred Twelve Thousand (\$2,512,000.00) Dollars.

Section 5. That said Bonds shall bear interest from their date at the rates as follows:

Bonds Nos. 1 to 367, both inclusive, - - 4% per annum;
Bonds Nos. 368 to 1,897, both inclusive, - - 3-1/4% per annum;
Bonds Nos. 1,898 to 2,512, both inclusive, - - 3.30% per annum;

payable March 1, 1956, and semi-annually thereafter on September 1 and March 1 of each year.

Section 6. That said Bonds shall be dated September 1, 1955, and the principal thereof and interest thereon shall be payable at the Hutchings-Sealy National Bank, Galveston, Texas, or at The First National City Bank of New York, City of New York, New York, or at the Harris Trust and Savings Bank, Chicago, Illinois, at the option of the holder, in any coin or currency which, on the respective dates of payment of such principal and interest is legal tender for the payment of debts due the United States of America; provided that said principal and interest shall be payable only upon presentation and surrender of proper bond or interest coupon.

Section 7. That the Bonds shall mature and become due and payable on September 1 of each of the years, and in the amounts, respectively, as follows:

<u>BONDS NUMBERS</u>	<u>MATURITY DATES</u>	<u>AMOUNTS</u>
	September 1	
1 to 37, inclusive,	1957	\$ 37,000.00
38 to 77, "	1958	40,000.00
78 to 117, "	1959	40,000.00
118 to 157, "	1960	40,000.00
158 to 197, "	1961	40,000.00
198 to 237, "	1962	40,000.00
238 to 277, "	1963	40,000.00
278 to 322, "	1964	45,000.00
323 to 367, "	1965	45,000.00
368 to 412, "	1966	45,000.00
413 to 462, "	1967	50,000.00
463 to 512, "	1968	50,000.00
513 to 562, "	1969	50,000.00
563 to 617, "	1970	55,000.00
618 to 672, "	1971	55,000.00
673 to 727, "	1972	55,000.00
728 to 782, "	1973	55,000.00
783 to 842, "	1974	60,000.00
843 to 907, "	1975	65,000.00
908 to 972, "	1976	65,000.00

BONDS NUMBERS (cont'd)	MATURITY DATES (cont'd)	AMOUNTS (cont'd)
	September 1	
973 to 1,037, inclusive,	1977	\$ 65,000.00
1,038 to 1,102, "	1978	65,000.00
1,103 to 1,167, "	1979	65,000.00
1,168 to 1,242, "	1980	75,000.00
1,243 to 1,317, "	1981	75,000.00
1,318 to 1,392, "	1982	75,000.00
1,393 to 1,467, "	1983	75,000.00
1,468 to 1,547, "	1984	80,000.00
1,548 to 1,632, "	1985	85,000.00
1,633 to 1,717, "	1986	85,000.00
1,718 to 1,807, "	1987	90,000.00
1,808 to 1,897, "	1988	90,000.00
1,898 to 1,992, "	1989	95,000.00
1,993 to 2,092, "	1990	100,000.00
2,093 to 2,192, "	1991	100,000.00
2,193 to 2,292, "	1992	100,000.00
2,293 to 2,402, "	1993	110,000.00
2,403 to 2,512, "	1994	110,000.00

Section 8. The Board reserves the option of calling Bonds Numbers Three Hundred Sixty Eight (368) to Two Thousand Five Hundred Twelve (2,512), both inclusive, maturing during the years 1966 through 1994, both inclusive, for redemption prior to maturity on September 1, 1965 or on any interest payment date thereafter at par and accrued interest to date of redemption, plus a premium on the principal of any such Bond so redeemed as follows:

- 3% on Bonds so redeemed during the period of September 1, 1965, through March 1, 1970, both inclusive;
- 2% on Bonds so redeemed during the period of September 1, 1970, through March 1, 1975, both inclusive;
- 1% on Bonds so redeemed during the period of September 1, 1975, through March 1, 1980, both inclusive;
- 1/2 of 1% on Bonds so redeemed during the period of September 1, 1980, through March 1, 1985, both inclusive;
- 0% on Bonds so redeemed during the period of September 1, 1985, through March 1, 1994, both inclusive.

If less than all Bonds then outstanding are thus called for prior redemption, they shall be called in their inverse numerical order. Notice of redemption is to be published in a financial publication in the City of New York, New York, at least once, not more than sixty (60) nor less than thirty (30) days before the date fixed for such redemption, and thirty (30) days' notice in writing is to be given to the Places of Payment before the date so fixed for such redemption, provided that the aforesaid published notice of redemption need not be given in the event that all of the Bonds to be so redeemed are held by a single owner and thirty (30) days' actual notice in writing by registered mail, postage prepaid, is given to such owner before the date so fixed for such redemption. Prior to the date so fixed for redemption, funds shall be placed in the Places of Payment sufficient to pay the Bonds called and accrued interest thereon, plus any premium required. Upon the happening of the above conditions said Bonds thus called shall not thereafter bear interest.

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Section 9. The Board shall keep books at the office of the Comptroller of The University of Texas at Austin, Texas, as Registrar, for the registration (as to principal only) and transfer of Bonds. Such books shall, in addition to the name of each owner of coupon Bonds registered as to principal, show the address of each such owner.

The holder of any of the said Bonds may have such Bond registered in his name on said books, and such registration shall be noted on each such Bond by the Registrar. The registered owner of any such Bond registered as to principal shall have the right to have the same discharged from registration and made payable to bearer, in which case transferability by delivery shall be restored and thereafter the principal of said Bond, when due, shall be payable to the person presenting the Bond. Any such Bond made payable to bearer may be registered again in the name of the holder with the same effect as upon the first registration thereof. Successive registrations and discharges from registration as aforesaid may be made from time to time as desired. Registration as to principal of the said Bond shall not affect the negotiability of the coupons appertaining thereto, but title to each such coupon shall continue to pass by delivery and it shall remain payable to bearer.

Such registrations and discharges from registration shall be made under such reasonable regulations as the Board may prescribe and for which the Board may make a charge sufficient to reimburse it for any tax or governmental charge required with respect thereto, all such charges to be paid by the party requesting such registration or discharge from registration as a condition precedent to the exercise of such privilege.

No transfer of any of the said Bonds registered as to principal shall be valid unless made on said books by the registered owner or by his duly authorized attorney and such registration noted upon the said Bond. Upon presentation to the Registrar of any of said Bonds registered as to principal, accompanied by written instrument of transfer in a form approved by the Registrar, executed by the registered owner thereof or by his duly authorized attorney, such Bond shall be transferred upon such books.

The Board and the Places of Payment may treat the bearer of any of said Bonds issued hereunder, which shall not at the time be registered as to principal and the bearer of any coupons appertaining to any of said Bonds, whether or not such Bond shall be so registered, as to the absolute owner of such bond or coupon, as the case may be, for the purpose of receiving payment of, or on account of, said Bond or coupon and for all other purposes, and neither the Board nor the Places of Payment shall be affected by any notice to the contrary.

The Board and the Registrar shall treat the person in whose name any Bond shall be registered as the absolute owner thereof for the purpose of receiving payment of, or on account of, the principal of such Bond and for all other purposes except to receive payment of interest represented by outstanding coupons, and neither the Board nor the Places of Payment shall be affected by any notice to the contrary.

Section 10. That no one of the Bonds shall be entitled to priority over any other bond in the application of the revenues hereinafter pledged to the payment of the principal of and interest on the Bonds, except as to maturity date and right of prior redemption as provided in this resolution.

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Section 11. All Bonds issued hereunder shall be executed on behalf of the Board by the facsimile signature of the Chairman of the Board, with the seal of the Board to be affixed to such Bonds and attested by the manual signature of the Secretary of the Board.

The interest coupons to be attached to the said Bonds shall be executed by the facsimile signatures of the Chairman of the Board and the Secretary of the Board.

Section 12. That the Bonds, the coupons to be attached thereto, the Certificate of Registration by the Registrar and the Certificate of the Comptroller of Public Accounts of the State of Texas, shall be substantially in the following forms, respectively, to-wit:

(FORM OF COUPON BOND)

NO. _____

\$1,000.00

UNITED STATES OF AMERICA
STATE OF TEXAS
BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS (MEDICAL BRANCH)
DORMITORY REVENUE BOND
SERIES 1955

The Board of Regents of The University of Texas, (herein called the "Board"), for value received, hereby promises to pay to bearer, or if this bond be registered as to principal, then to the registered owner thereof, on the first day of September, 19__, but solely from the revenues hereinafter specified, the principal sum of One Thousand (\$1,000.00) Dollars and to pay interest thereon from the date hereof at the rate of * _____ (%) per cent per annum, payable March 1, 1956, and thereafter semi-annually on the first day of September and the first day of March in each year until said principal sum is paid, but until the maturity hereof only upon the presentation and surrender of the interest coupons hereto appertaining as they severally become due. Both the principal of and the interest on this bond shall be payable in any coin or currency which on the respective dates of payment of such principal and interest is legal tender for the payment of debts due the United States of America, at the main office of the Hutchings-Sealy National Bank, Galveston, Texas, or at The First National City Bank of New York, City of New York, New York, or at the Harris Trust and Savings Bank, Chicago, Illinois, at the option of the holder, (herein collectively called the "Places of Payment").

This Bond is one of a series of Bonds of like tenor and effect except as to serial number, interest rate, maturity and right of prior redemption, numbered One (1) to Two Thousand Five Hundred Twelve (2,512), both inclusive, of the denomination of One Thousand (\$1,000.00) Dollars each, aggregating Two Million Five Hundred Twelve Thousand (\$2,512,000.00) Dollars, issued pursuant to a Resolution adopted by the Board on the 8th day of July, 1955, for the purpose of paying the cost of the construction, on the campus of the Medical Branch of The University of Texas at Galveston, Galveston County, Texas, of: (1) a new women's dormitory building, designed to house and accommodate approximately 72 medical students; (2) two new women's dormitory buildings, designed to house and accommodate a total of approximately 144 student nurses; (3) three new men's dormitory buildings, designed to house and accommodate a total of approximately 216 student residents and internes, (4) a new apartment building containing 30

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apartments, designed to house and accommodate student residents and internes, and (5) a new combination cafeteria, lounge and housing building, designed to house approximately 38, and serve at any one meal 432 medical students and student residents and internes, (hereinafter sometimes collectively called the "Project"), all issued under the Constitution and Laws of the State of Texas, and particularly Article 2603c, Revised Civil Statutes of Texas, 1925, as amended, and all equally and ratably secured by and payable from a first lien on and pledge of the revenues derived from the operation of the Project, after deduction therefrom only the reasonable cost of maintaining and operating the Project. This bond and the issue of which it is a part, and the interest thereon, constitute special obligations of the Board and are payable solely from said Net Revenues, and do not constitute an indebtedness of the State of Texas or the University. The holder hereof and of the coupons attached hereto shall never have the right to demand payment of this bond or of such coupons out of any funds raised or to be raised by taxation.

*(The Board reserves the option of calling Bonds Numbers Three Hundred Sixty Eight (368) to Two Thousand Five Hundred Twelve (2,512), both inclusive, maturing during the years 1966 through 1994, both inclusive, for redemption prior to maturity on September 1, 1965, or on any interest payment date thereafter at par and accrued interest to date of redemption, plus a premium on the principal of any such Bond so redeemed as follows:

- 3% on Bonds so redeemed during the period of September 1, 1965, through March 1, 1970, both inclusive;
- 2% on Bonds so redeemed during the period of September 1, 1970, through March 1, 1975, both inclusive;
- 1% on Bonds so redeemed during the period of September 1, 1975, through March 1, 1980, both inclusive;
- 1/2 of 1% on Bonds so redeemed during the period of September 1, 1980, through March 1, 1985, both inclusive;
- 0% on Bonds so redeemed during the period of September 1, 1985, through March 1, 1994, both inclusive.

If less than all Bonds then outstanding are thus called for prior redemption, they shall be called in their inverse numerical order. Notice of redemption is to be published in a financial publication in the City of New York, New York, at least once, not more than sixty (60) nor less than thirty (30) days before the date fixed for such redemption, and thirty (30) days' notice in writing is to be given to the Places of Payment before the date so fixed for such redemption, provided that the aforesaid published notice of redemption need not be given in the event that all of the Bonds to be so redeemed are held by a single owner and thirty (30) days' actual notice in writing by registered mail, postage prepaid, is given to such owner before the date so fixed for such redemption. Prior to the date so fixed for redemption, funds shall be placed in the Places of Payment sufficient to pay the Bonds called and accrued interest thereon, plus any premium required. Upon the happening of the above conditions said Bonds thus called shall not thereafter bear interest.)

This Bond and the interest coupons attached hereto are and shall be negotiable instruments in accordance with the laws of the State of Texas, and shall be transferable by delivery, unless registered as to principal in the owner's name upon books of the Board to be kept for that purpose at the office of the Comptroller of The University of Texas at Austin, Texas, as

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Registrar, such registration being noted hereon. After such registration, no transfer of this Bond shall be valid unless made on said books by the registered owner hereof in person, or by attorney duly authorized thereunto and similarly noted hereon; but this Bond may be discharged from registry by being in like manner transferred to bearer, whereupon transferability by delivery shall be restored; and this Bond may again and from time to time be registered or made payable to bearer as before. Such registration, however, shall not affect the negotiability of the annexed coupons, which shall always be transferable by delivery and be payable to bearer, and payment to the bearer thereof shall fully discharge the Board in respect of the interest therein mentioned whether or not this Bond be registered as to principal and whether or not any such coupons be overdue.

It is hereby declared and represented in issuing this Bond and the series of which it is a part that while any part of the principal or interest of said issue of bonds is outstanding and unpaid the Board has covenanted and agreed to operate and maintain continuously the Project and the facilities and services afforded by same; to establish and continuously maintain, rental, use, occupancy and other charges sufficient to pay the reasonable operation and maintenance expenses thereof, the principal of and interest on the Bonds as each Bond matures and as such interest falls due, and to establish and maintain an adequate reserve as is more fully provided in the Resolution authorizing the Bonds; and that it has established and will maintain in force such parietal rules as shall be necessary to assure maximum use and occupancy of the Project.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the issuance of this Bond and the series of which it is a part have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and the laws of the State of Texas and the proceedings herein mentioned, that this series of bonds does not exceed any constitutional or statutory limitation, and that provision has been made for the payment of principal of and interest on this Bond and the series of which it is a part by an irrevocable pledge of the revenues specified herein.

IN WITNESS WHEREOF, THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS has caused this Bond to be executed by the facsimile signature of the Chairman of said Board, with the seal of said Board hereunto affixed and attested by the manual signature of the Secretary of said Board, and the interest coupons attached hereto to be executed by the facsimile signatures of the Chairman of said Board and the Secretary of said Board, and this Bond to be dated September 1, 1955.

BOARD OF REGENTS OF THE UNIVERSITY
OF TEXAS

ATTEST:

By _____
Chairman

Secretary

(* - Bonds Nos. 1 to 367, both inclusive, - - 4% per annum;
Bonds Nos. 368 to 1,897, both inclusive, - - 3-1/4% per annum;
Bonds Nos. 1,898 to 2,512, both inclusive, - - 3.30% per annum.

** - These paragraphs to be omitted from Bonds Nos. 1 to 367, both inclusive.)

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(FORM OF INTEREST COUPON)

\$ _____ NO. _____

On the first day of _____, 19____, upon surrender of the coupon, *(unless the bond to which this coupon is attached shall have been previously called for redemption and payment duly provided therefor), the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS will pay to bearer at the main office of the Hutchings-Sealy National Bank, Galveston, Texas, or at The First National City Bank of New York, City of New York, New York, or at the Harris Trust and Savings Bank, Chicago, Illinois, at the option of the holder, but solely from the revenues specified in the Bond to which this coupon is attached, _____ (\$ _____) Dollars, payable in any coin or currency which on such date is legal tender for the payment of debts due the United States of America, being six months' interest then due on its Medical Branch Dormitory Revenue Bond, Series 1955, dated September 1, 1955. The holder hereof shall never have the right to demand payment of this obligation out of funds raised or to be raised by taxation. Bond No. _____.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS

Secretary Chairman

(* - To be inserted in all coupons maturing after September 1, 1965.)

(FORM OF COMPTROLLER'S CERTIFICATE)

STATE OF TEXAS : REGISTER NUMBER _____
OFFICE OF COMPTROLLER :

I HEREBY CERTIFY that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this bond has been examined by him as required by law, and that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding special obligation of the Board of Regents of The University of Texas, and said bond has this day been registered by me.

WITNESS my hand and seal of office at Austin, Texas, _____

Comptroller of Public Accounts of the State of Texas.

CERTIFICATE OF REGISTRATION

It is hereby certified that, at the request of the holder of the within bond, I have this day registered it as to principal in the name of such holder as indicated in the registration blank below, on the books kept by me for such purpose. The principal of this bond shall be payable only to the registered holder hereof named in the below registration blank. If the last transfer recorded on the books of the Registrar and in the below registration blank shall be to bearer, the principal of this bond shall be payable to bearer and it

shall be in all respects negotiable. In no case shall negotiability of the coupons attached hereto be affected by any registration as to principal.

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

Section 13. Definitions. That throughout this Resolution the following terms as used herein shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

The term "Project" shall mean collectively the following facilities to be constructed, on the campus of the Medical Branch of the University at Galveston, Galveston County, Texas: (1) a new women's dormitory building, designed to house and accommodate approximately 72 medical students, (2) two new women's dormitory buildings, designed to house and accommodate a total of approximately 144 student nurses, (3) three new men's dormitory buildings, designed to house and accommodate a total of approximately 216 student residents and internes, (4) a new apartment building containing 30 apartments, designed to house and accommodate student residents and internes, and (5) a new combination cafeteria, lounge and housing building, designed to house approximately 38, and serve at any one meal 432 medical students and student residents and internes; together with all extensions and improvements thereto and replacements thereof, hereafter constructed or acquired.

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

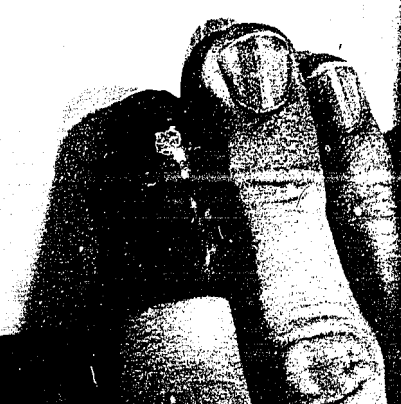
The term "University" shall mean The University of Texas.

The term "Net Revenues" shall mean the gross revenues derived from the operation of the Project after deduction therefrom only the reasonable cost of maintaining and operating the Project.

The term "Bonds" shall mean the \$2,512,000.00 of Series 1955 Bonds issued hereunder.

The term "Places of Payment" shall mean the Hutchings-Sealy National Bank, Galveston, Texas, The First National City Bank of New York, City of New York, New York, and the Harris Trust and Savings Bank, Chicago, Illinois.

Section 14. That the principal of and interest on the Bonds shall be paid from and secured by a first lien on and pledge of the Net Revenues derived from the operation of the Project, and said first lien and pledge are hereby irrevocably created and made.



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So long as any of the Bonds or interest thereon remain outstanding and unpaid, the Board will not issue any additional obligations payable from the revenues of the Project unless the lien and pledge as to such obligations is made junior and subordinate in all respects to the lien and pledge as to the Bonds herein authorized.

In no event while any of the Bonds or interest thereon remain outstanding and unpaid shall the Board sell, mortgage, lease or otherwise encumber or dispose of the Project or any substantial part thereof.

Section 15. That the Bonds and interest thereon shall constitute special obligations of the Board, payable solely from the revenues herein pledged, and such obligations shall not constitute an indebtedness of the University nor the State of Texas, and the holders of the Bonds and the coupons attached thereto shall never have the right to demand payment out of funds raised or to be raised by taxation.

Section 16. That all of the revenues received from the operation of the Project or any part thereof shall be deposited and kept at an official depository of the Board, and such revenues shall be carried on the books of the Board as a separate account or accounts to be entitled the "Revenue Fund". Payment of all reasonable operation and maintenance expenses of the Project shall be made from the Revenue Fund.

Section 17. That to pay the interest on and principal of the Bonds there is hereby created and ordered to be established at the Hutchings-Sealy National Bank, Galveston, Texas, a separate "Bond and Interest Sinking Fund Account" (hereinafter sometimes called the "Bond Fund"). There is further created and ordered to be established within the Bond Fund an account entitled "Reserve Account". All money in the Bond Fund in excess of the debt service requirements for the then current calendar year shall be considered as being in the Reserve Account. The funds held in the Bond Fund, including the Reserve Account, shall be held for the benefit of the holders of the Bonds and coupons attached thereto.

Section 18. That there is hereby appropriated from the proceeds of the Bonds, and accrued interest thereon, and concurrently with the delivery of the Bonds to the purchaser, there is hereby ordered to be placed in the Bond Fund a sum of money equal to the amount of interest on the Bonds which will accrue on March 1, 1956, and September 1, 1956. It is hereby found, determined and declared that such amount is the amount of interest on the Bonds which will accrue during the construction of the Project.

Section 19. (1) That on February 20, 1957, the Board shall deposit into the Bond Fund, from the net revenues in the Revenue Fund, the sum of \$70,000.00, or so much thereof as shall then be available for such purpose.

(2) That on or before the 20th day of August, 1957, and on or before the 20th day of each February and August thereafter, the Board shall deposit from the Revenue Fund to the credit of the Bond Fund, a sum of money not less than \$70,000.00 until such time as the total amount in the Bond Fund is sufficient to pay the principal of and interest on the Bonds for the remainder of the then current calendar year and for the next two succeeding calendar years. After and so long as such a balance is maintained in the Bond Fund, the Board shall deposit in the Bond Fund semi-annually on or before the 20th day of February and the 20th day of August

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of each year, respectively, an amount of money not less than one-half (1/2) of the next maturing principal on the Bonds and all of the next accruing interest on the Bonds. But if at any time, or from time to time thereafter, the amount of money in the Bond Fund is reduced below the sum of (1) the principal and interest requirements for the then current calendar year and (2) the principal and interest requirements for the next two succeeding calendar years, the Board shall resume payments into the Bond Fund at the rate of \$70,000.00 semi-annually as prescribed above until the Bond Fund contains such sum. Money in the Reserve Account shall be used finally in retiring the last of the Bonds outstanding or for paying principal and/or interest on the Bonds when and to the extent the amount in the Bond Fund is otherwise insufficient for such purpose.

(3) In making deposits into the Bond Fund, except as to the initial deposit from Bond proceeds, it is contemplated that money for that purpose will be withdrawn from the Revenue Fund to the extent that such fund contains net revenues available for such withdrawals. Such Revenue Fund is hereby pledged for such use and purpose, and the proper officers of the Board are authorized to make such use of it, having due regard for the necessity of using money from such fund for maintenance and operation expenditures.

(4) On or before the last day of February, 1956, and on or before the last day of each August and of each February thereafter while any of the Bonds or coupons thereon are outstanding and unpaid, there shall be made available to the Places of Payment out of the Bond Fund money sufficient to pay such interest on and such principal of the Bonds, if any, as will accrue or mature on the March 1 or September 1 thereafter.

(5) That money in the Bond Fund and the Revenue Fund shall be secured by the pledge of direct obligations of, or obligations unconditionally guaranteed by the United States Government in a principal amount at all times not less than the amount of money credited to the Bond Fund and the Revenue Fund.

(6) That whenever the total amount of money in the Bond Fund shall be equivalent to (1) the aggregate principal amount of Bonds outstanding plus (2) the aggregate amount of all coupons thereto appertaining unmatured and matured, no further payments need be made into the Bond Fund. In determining the amount of Bonds outstanding, there shall be subtracted the amount of any Bonds which shall have been duly called for redemption and for which funds shall have been deposited in the Places of Payment sufficient for such redemption.

(7) Any money in the Revenue Fund in excess of that needed for maintenance and operating expenses and for the payments required herein to be made into the Bond Fund, including the Reserve Account, may be used by the Board to redeem Bonds prior to their scheduled maturity upon compliance with the requirements in reference to calling of Bonds for redemption, or for any other lawful purpose, including the securing and payment of any junior or subordinate lien bonds as may be authorized to be issued by law and not inconsistent with the terms of this Resolution.

Section 20. The Board covenants and agrees that:

(a) It will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Resolution and

in each and every Bond executed and delivered hereunder; that it will promptly pay or cause to be paid from the revenues herein pledged the principal of and interest on every Bond issued hereunder in lawful money of the United States of America, on the dates and in the places and manner prescribed in such Bond; and that it will, prior to the maturity of each installment of interest and prior to the maturity of each such Bond, at the times and in the manner prescribed herein, deposit or cause to be deposited, from the revenues pledged, the amounts of money specified herein. All Bonds and coupons, when paid, shall be cancelled by the Places of Payment and shall be delivered to or upon the order of the Board.

(b) It is duly authorized under the laws of the State of Texas to create and issue the Bonds; that all action on its part for the creation and issuance of the Bonds has been duly and effectively taken; and that the Bonds in the hands of the holders and owners thereof are and will be valid and enforceable special obligations of the Board in accordance with their terms.

(c) It lawfully owns and is lawfully possessed of all land upon which the Project is to be constructed, and has a good and indefeasible estate therein in fee simple, and that the Project will be constructed thereon; that it warrants and will defend the title thereto and every part thereof, and improvements thereon for the benefit of the holders and owners of the Bonds against the claims and demands of all persons whomsoever; it is lawfully qualified to pledge the revenues of the Project to the payment of the Bonds in the manner prescribed herein, and has lawfully exercised such rights.

(d) It will from time to time and before the same become delinquent pay and discharge all taxes, assessments and governmental charges, if any, which shall be lawfully imposed upon it, or upon the Project; that it will pay all lawful claims for rents, royalties, labor, materials and supplies which if unpaid might by law become a lien or charge upon the Project or any part thereof, the lien of which would be prior to or interfere with the lien hereof, so that the priority of the lien granted hereunder shall be fully preserved; and that it will not create or suffer to be created any mechanic's, laborer's, materialman's or other lien or charge whatsoever upon the Project or any part thereof or upon the income and profits thereof which might or could be prior to the lien hereof, or do or suffer any matter or thing whereby the lien hereof might or could be impaired; provided, however, that no such tax, assessment or charge, and that no such claim which might be used as the basis of a mechanic's, laborer's, materialman's or other lien or charge, shall be required to be paid so long as the validity of the same shall be contested in good faith by the Board.

(e) It will not do or suffer any act or thing whereby the Project or any part thereof might or could be impaired, and it will at all times maintain, preserve and keep the real and tangible property of the Project and every part thereof in good condition, repair and working order and maintain, preserve and keep all structures and equipment pertaining thereto and every part and parcel thereof in good condition, repair and working order.

(f) It will establish and maintain so long as any of the Bonds are outstanding, such parietal rules, rental rates and charges for the use of the Project as may be necessary to assure maximum occupancy and use of the Project and to pay the reasonable operation and maintenance costs thereof

and to provide sufficient money for debt service and all other payments and charges as are required under this Resolution. Reference is made to resolutions adopted by the Board concurrently with the authorization of this Resolution, establishing initially parietal rules and rates effective as to the Project. The Board will do all things necessary or convenient to enforce the provisions of such resolutions, assuming the obligation to amend such resolutions from time to time to render them fully efficient.

(g) (1) It will insure the Project against loss or damage by fire and other risks normally covered by fire and extended coverage insurance, in an amount at least equal at all times to the aggregate of the principal amount of the Bonds outstanding. Such insurance shall be carried with a reliable insurance company or companies, and the premiums on such insurance shall be paid only from the revenues of the Project.

(2) Upon the happening of any loss or damage covered by any such policies from one or more of the causes to which reference is made in this Section, the Board shall make due proof of loss and shall do all things necessary or desirable to cause the insuring companies to make payment in full directly to the Board.

(3) The proceeds of insurance, covering such property, shall be used forthwith by the Board for the purpose of repairing the property damaged or replacing the property destroyed, and any insurance proceeds remaining upon the completion of such repair or replacement shall be deposited in the Bond Fund.

(4) If the funds received from said insurance policies on account of any loss shall be insufficient to make the building or buildings suffering such loss tenable or usable, then the Board shall hold said funds for the benefit of the holders of the outstanding Bonds and coupons, as their respective interests may appear.

(h) The Board shall purchase and carry with a reliable insurance company or companies Use and Occupancy insurance on the Project in the amount of \$140,000.00 insuring the Project against the loss of revenues caused by loss or damage customarily covered by a fire and extended coverage insurance policy. Such Use and Occupancy insurance shall be carried when and only so long as money on deposit in the Bond Fund is inadequate to meet the then current year's and the next two (2) succeeding years' debt service requirements on the Bonds. Policies of Use and Occupancy insurance shall be payable to the Board and all money realized from collections under such policies shall be placed in the Bond Fund.

(i) It will, on or before February 1, 1957, and on or before February 1 of each year thereafter, file with the original purchaser or purchasers of the Bonds a certificate signed and verified by an official of the University stating that the Board has complied with the requirements of Section 20 with respect to the maintenance of insurance and listing all policies carried, and that all insurance premiums which became due during such year upon the insurance policies to which reference is hereinbefore made have been paid.

(j) Proper books of record and account will be kept in which full, true and correct entries will be made of all dealings or transactions in relation to the Project, and all books, documents and vouchers relating to the properties, business and affairs of the Project, shall at all reason-

able times be made available for inspection upon request by the holders of not less than twenty-five (25%) per cent of the outstanding bonds.

(k) That each year while any of the Bonds are outstanding, an audit will be made of its books and accounts relating to the Project by the State Auditor of the State of Texas, such audit to be based on the fiscal year of the University beginning September 1 of each year and ending on August 31 of each year. On or before February 1, 1957, and on or before February 1 of each year thereafter a copy of each such audit for the preceding fiscal year shall be mailed to the original purchaser or purchasers of the Bonds and to all other bondholders who shall so request. Such annual audit reports shall be open to the inspection of the bondholders and their agents and representatives at all reasonable times.

Section 21. Any moneys in the Bond Fund, including the Reserve Account, may, upon order of the Board, be invested in direct obligations of the United States Government, or obligations unconditionally guaranteed by the United States Government. Such obligations shall be held subject to the same lien as the moneys with which they were purchased. All interest accruing on any such obligations shall be placed immediately into the Bond Fund. Such obligations shall be sold when so ordered by the Board and the Board shall in all events order such sale when necessary to prevent any default in connection with the Bonds. All moneys collected on such sales or at maturity shall be deposited therein. If a loss be incurred on any sale, the Board covenants to immediately deposit into the Bond Fund moneys available therefor sufficient to offset such loss.

Section 22. The Board will establish with the Hutchings-Sealy National Bank, Galveston, Texas, a separate account (herein called the "Project Account") into which shall be deposited all of the proceeds from the sale of the Bonds (except accrued interest and the amounts required to be deposited into the Bond Fund by Section 18 hereof). Moneys in the Project Account shall be expended by the Board only for paying the cost of the Project. All moneys remaining in the Project Account after final completion of the Project shall be deposited in the Bond Fund.

All monies in the Project Account shall be secured in the same manner and to the same extent as monies in the Bond Fund.

Section 23. That after said Bonds shall have been executed, it shall be the duty of the Chairman of the Board or some officer of the Board acting under authority from him to deliver said Bonds to the Attorney General of Texas, for examination and approval by the Attorney General. After said Bonds shall have been approved by the Attorney General, they shall be delivered to the Comptroller of Public Accounts of the State of Texas for registration.

Section 24. That the sale of the Bonds herein authorized is hereby confirmed and awarded to a syndicate headed by White, Weld and Company, City of New York, New York, at a price of par and accrued interest to date of delivery, plus a premium of \$ 4,142.29 ; and that delivery of the Bonds shall be made to such purchaser in Austin, Texas, through The Austin National Bank, as soon hereafter as shall be practicable.

PASSED AND APPROVED this the 8th day of July, 1955.

/s/ Tom Sealy
 Chairman, Board of Regents
 The University of Texas

ATTEST:

/s/ Betty Anne Thedford
 Secretary, Board of Regents
 The University of Texas

Parietal Rule Resolution. --

THE STATE OF TEXAS :

COUNTY OF TRAVIS :

The Board of Regents of The University of Texas convened in Regular Meeting on the 8th day of July, 1955, at the Main Building of The University of Texas, in Austin, Texas, at 9:00 o'clock, A. M. , with the following members and officers of the Board of Regents, present to-wit:

- | | |
|------------------------|----------------|
| Tom Sealy, | Chairman, |
| Claude W. Voyles, | Vice-Chairman, |
| Mrs. Charles Devall, : | |
| Leroy Jeffers, : | |
| J. Lee Johnson, III, : | Members, |
| Lee Lockwood, : | |
| Dr. Merton M. Minter : | |
| J. R. Sorrell, : | |
| Betty Anne Thedford, | Secretary, |

with the following members of the Board of Regents absent, to-wit:

Doctor L. S. Oates,

constituting a quorum of the said Board, at which meeting the following among other business was transacted, to wit:

Mr. Sealy introduced a resolution which was read by the Secretary. Mr. Jeffers moved that the resolution be adopted. Mr. Voyles seconded the motion.

The motion carrying with it the adoption of the resolution prevailed by the following vote:

AYES: Messrs. Sealy, Voyles, Jeffers, Johnson, Lockwood, Minter, and Sorrell, and Mrs. Devall .

NOES: None.

The resolution as adopted is as follows:

RESOLUTION

COVENANTING TO ESTABLISH AND ENFORCE SUCH
 PARIETAL RULES AND REGULATIONS AS WILL ASSURE

MAXIMUM OCCUPANCY AND USE OF THE FACILITIES AND SERVICES TO BE AFFORDED BY CERTAIN DORMITORIES, AN APARTMENT BUILDING AND A COMBINATION CAFETERIA, LOUNGE AND HOUSING BUILDING, THE NET REVENUES OF WHICH ARE PLEDGED TO BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS (MEDICAL BRANCH) DORMITORY REVENUE BONDS, SERIES 1955.

WHEREAS, the Board of Regents is authorized to enter into an agreement relating to the maintenance of a maximum percentage of occupancy and use of facilities whose net revenues are pledged to the payment of principal of and interest on bonds of said Board of Regents (hereinafter sometimes called the "Board"); and

WHEREAS, concurrently with the adoption of this resolution the Board has authorized the issuance of \$2,512,000.00 of Board of Regents of The University of Texas (Medical Branch) Dormitory Revenue Bonds, Series 1955, (Hereinafter sometimes called the "Bonds") for the purpose of providing on the campus of the Medical Branch of the University at Galveston, Galveston County, Texas: (1) a new women's dormitory building, designed to house and accommodate approximately 72 medical students, (2) two new women's dormitory buildings, designed to house and accommodate a total of approximately 144 student nurses (3) three new men's dormitory buildings, designed to house and accommodate a total of approximately 216 student residents and internes, (4) a new apartment building containing 30 apartments, designed to house and accommodate student residents and internes, and (5) a new combination cafeteria, lounge and housing building, designed to house approximately 38, and serve at any one meal approximately 432 medical students and student residents and internes (hereinafter collectively called the "Project") and has pledged the net revenues from said Project, and the services and facilities provided thereby, to the payment of the principal of and interest on the Bonds; and

WHEREAS, the Board has covenanted with the prospective holders of the aforesaid Bonds that it will at all times while the Bonds are outstanding, establish and maintain such parietal rules for the aforesaid Project as are necessary to assure maximum occupancy and use of said facilities;

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

1. That this Board hereby establishes and covenants to enforce so long as any of the Bonds are outstanding or unpaid these parietal rules and regulations that will assure maximum occupancy and use of the facilities and services afforded by the aforesaid Project.

2. That in the event more space or facilities should become available for dormitory, housing, cafeteria or dining purposes than are required by students applying for such space or facilities, the officers of the University are hereby directed to give preference and priority to the use of the aforesaid Project, resulting to the extent practicable in the occupancy and use of all the space and services of said Project, even if such preference results in the non-use of all or part of the space or facilities available at the Medical Branch of the University in any other dormitory, house, cafeteria, dining hall or any other building which may be suitable or usable for dormitory, housing, cafeteria or dining purposes.

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3. That to the extent that any surplus space or facilities shall ever become available in the said Project while any of the Bonds remain outstanding and unpaid, it shall be the duty of the officers of the University to enforce a rule requiring occupancy and use, to the extent practicable, of said Project by students attending the Medical Branch of the University, and this provision shall be considered as a rule for guidance of said officers.

4. That the officers of the University are hereby directed to utilize and to cause the utilization of said Project in such manner as it will yield the maximum revenues of which it is reasonably capable, to the end that the Bonds may be adequately serviced.

5. That such rules shall be amended from time to time as the conditions arise so as to meet changing conditions, better to assure the fulfillment of this pledge.

ADOPTED AND APPROVED this the 8th day of July, 1955.

/s/ Tom Sealy
Chairman, Board of Regents
The University of Texas

ATTEST:

/s/ Betty Anne Thedford
Secretary, Board of Regents
The University of Texas

Rental Rate Resolution. --

THE STATE OF TEXAS :

COUNTY OF TRAVIS :

The Board of Regents of The University of Texas convened in Regular Meeting on the 8th day of July, 1955, at the Main Building of The University of Texas, in Austin, Texas, at 9:00 o'clock, A. M., with the following members and officers of the Board of Regents present, to-wit:

Tom Sealy,	:	Chairman,
Claude W. Voyles,	:	Vice-Chairman,
Mrs. Charles Devall,	:	
Leroy Jeffers,	:	Members,
J. Lee Johnson, III,	:	
Lee Lockwood,	:	
Dr. Merton M. Minter	:	
J. R. Sorrell,	:	
Betty Anne Thedford,	:	Secretary,

with the following members of the Board of Regents absent, to-wit:

Doctor L. S. Oates,
constituting a quorum of the said Board, at which meeting the following among other business was transacted, to-wit:

Mr. Sealy introduced a resolution which was read by the Secretary. Mr. Jeffers moved that the resolution be adopted. Mr. Voyles seconded the motion.

The motion carrying with it the adoption of the resolution prevailed by the following vote:

AYES: Messrs. Sealy, Voyles, Jeffers, Johnson, Lockwood, Minter, and Sorrell, and Mrs. Devall.

NOES: None.

The resolution as adopted is as follows:

RESOLUTION

BY THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS FIXING THE RATES FOR SERVICES AND FACILITIES OF CERTAIN DORMITORIES, AN APARTMENT BUILDING AND A COMBINATION CAFETERIA, LOUNGE AND HOUSING BUILDING, THE NET REVENUES OF WHICH ARE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS (MEDICAL BRANCH) DORMITORY REVENUE BONDS, SERIES 1955.

WHEREAS, concurrently with the adoption of this resolution the Board of Regents of The University of Texas (hereinafter sometimes called the "Board") has authorized the issuance of \$2,512,000.00 of Board of Regents of The University of Texas (Medical Branch) Dormitory Revenue Bonds, Series 1955, (hereinafter sometimes called the "Bonds") for the purpose of providing on the campus of the Medical Branch of the University at Galveston, Galveston County, Texas: (1) a new women's dormitory building, designed to house and accommodate approximately 72 medical students, (2) two new women's dormitory buildings, designed to house and accommodate a total of approximately 144 student nurses, (3) three new men's dormitory buildings, designed to house and accommodate a total of approximately 216 student residents and internes, (4) a new apartment building containing 30 apartments, designed to house and accommodate student residents and internes, and (5) a new combination cafeteria, lounge and housing building, designed to house approximately 38, and serve at any one meal approximately 432 medical students and student residents and internes, (hereinafter collectively called the "Project") and has pledged the net revenues from said Project, and the services and facilities provided thereby, to the payment of the principal of and interest on the Bonds; and

WHEREAS, it is proper that before the actual issuance and delivery of said Bonds a schedule of rates and charges be fixed for the use of said facilities;

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

1. That the following rentals, rates and charges for the use of the facilities, the net revenues of which have been so pledged, are hereby established and shall remain in force and effect until and unless changed by this Board in accordance with covenants contained in the Resolution

authorizing the issuance of said Bonds, to-wit:

- (1) At the six new dormitories:
Persons Accommodated - approximately 432;
Charge per Person - \$32.50 per month.
- (2) At the new apartment building:
Number of apartments - 30;
Charge per Apartment - \$75.00 per month.
- (3) At the new combination cafeteria, lounge and housing building:
 - (a) Persons Accommodated for Housing - approximately 38;
Charge per Person - \$65.00 per month.
 - (b) Persons Accommodated at Cafeteria - approximately 432;
Charge per Person - Charges shall be made for food so as to cause the operation of the Cafeteria to yield the maximum net revenues of which it is reasonably capable.

2. That the rates thus fixed herein shall remain in force and effect until and unless changed by order of the Board of Regents, which reserves the right and has covenanted to alter said rates as and when considered by it necessary to make the payments it has covenanted to make in the Resolution authorizing the aforesaid Bonds.

3. That the administrative officers of the University be and they are hereby authorized, ordered and directed to do any and all things necessary and/or convenient to carry out and accomplish the purpose of this resolution.

ADOPTED AND APPROVED this the 8th day of July, 1955.

/s/ Tom Sealy
Chairman, Board of Regents,
The University of Texas

ATTEST:

/s/ Betty Anne Thedford
Secretary, Board of Regents
The University of Texas

TABULATION OF BIDS
\$2,512,000
BOARD OF REGENTS
THE UNIVERSITY OF TEXAS (MEDICAL BRANCH)
DORMITORY REVENUE BONDS, SERIES 1955
- PROPOSAL FOR PURCHASE OF BONDS -

(Bids opened Wednesday, July 6, 1955, at 10:00 A. M., Central Standard Time)

	Name of Syndicate Head or Bidder		
	White, Weld & Co. (J. C. Welch of Rauscher, Pierce & Co.)	Shields & Co. (John P. Hender- son of M. E. Allison Co.)	Blyth & Co. (John J. Fosdick of Eddleman - Pollok)
Coupon Rate for Bonds Maturing	1957 thru 1965 4%	1957 thru 1967 4%	1957 thru 1968 3%
Coupon Rate for Bonds Maturing	1966 thru 1988 3-1/4%	1968 thru 1973 3-3/4%	1969 thru 1982 3-1/4%
Coupon Rate for Bonds Maturing	1989 thru 1994 3.3%	1974 thru 1994 3-1/2%	1983 thru 1994 3-1/2%
Total Interest Cost	<u>\$ 1,991,735.00</u>	<u>\$ 2,143,835.00</u>	<u>\$ 2,048,520.00</u>
Cash Premium Bid	<u>\$ 4,142.29</u>	<u>\$ 155.74</u>	<u>\$ 200.00</u>
NET INTEREST COST	<u>\$ 1,987,592.71</u>	<u>\$ 2,143,679.26</u>	<u>\$ 2,048,320.00</u>
EFFECTIVE INTEREST RATE	<u>3.28968 %</u>	<u>3.54215 %</u> (3.54802)	<u>3.3901 %</u> (3.3902)
ATTACHED CHECK	No. <u>8658</u> Amt. <u>\$50,240.00</u> American National Bank Austin, Texas	No. <u>8657</u> Amt. <u>\$50,240.00</u> American National Bank Austin, Texas	No. <u>1125436</u> Amt. <u>\$50,240.00</u> First National Bank of Houston Houston, Texas

CENTRAL ADMINISTRATION

DEPOSITORY CONTRACTS, 1955-57 (RENEWALS). --President Wilson presented, and concurred in, the recommendation of Comptroller Sparenberg that all of the University's present bank depository contracts (as listed below) which expire August 31, 1955, with the exception of the Texas National Bank, Houston, be renewed for the two-year period beginning September 1, 1955.

The Texas National Bank, Houston (formerly the South Texas National Bank, Houston) was awarded the contract on the basis of advertised competitive bids at the time our Permanent University Bonds were sold and it continues in effect so long as the University has any part of the bond proceeds still on hand.

Depository Banks Whose Contracts Expire August 31, 1955

The American National Bank	:	
The Austin National Bank	:	
The Capital National Bank	:	Austin, Texas
City National Bank	:	
Texas State Bank	:	
First National Bank	:	
Mercantile National Bank	:	Dallas, Texas
Republic National Bank	:	
El Paso National Bank	:	
Southwest National Bank	:	El Paso, Texas
The State National Bank	:	
Hutchings-Sealy National Bank	:	Galveston, Texas
Fannin State Bank	:	
First National Bank	:	Houston, Texas
The Second National Bank	:	

Upon a motion duly made and seconded, the Board authorized Comptroller Sparenberg to negotiate renewal agreements with the banks as listed for the two-year period beginning September 1, 1955, and authorized the Chairman to sign the instruments.

MEDICAL BRANCH

PROGRESS REPORT re CONTRACT WITH CITY OF GALVESTON. -- Chairman Sealy reported that in reply to a letter he had written officials of the City of Galveston pursuant to instructions of the Board at the May meeting he had received a letter from the City Attorney. Mr. Phipps, City Attorney, stated that careful consideration is being given to the matter and that a committee will be named soon to work with a committee of the Board of Regents in arriving at a workable solution.

STUDENT UNION PROJECT, ALUMNI ASSOCIATION, MEDICAL BRANCH. -- Doctor Minter presented to the Board the following authorizations recommended by the Medical Affairs Committee which include and supple-

ment the recommendations approved by this committee at the May meeting:

1. Approval for continuation of previously approved program for completion of student activities facilities at the Medical Branch, Galveston, to include a gymnasium, locker and shower rooms, office and conference room facilities for student and alumni activities.
2. Approval for a fund raising campaign to raise \$250,000.00 - \$275,000.00 for the purposes of No. 1 above with anticipated sources to be approximately as follows:

(a) Alumni of Medical Branch	\$150,000.00-\$200,000.00
(b) City of Galveston	75,000.00- 100,000.00

This amount will be in addition to the \$100,000.00 now available from the previous alumni drive of 1950-51. The total estimated cost of the student activities building project is \$350,000.00.

3. Permission for the Alumni Association to negotiate and to enter into contract with a professional fund raising agency for assistance in the drives, such arrangements to be made at no cost to The University of Texas, but to be financed by the Alumni Association from proceeds of the previous and proposed drives.

It is agreed that the total costs of such professional services will not exceed 10% of the goal to be agreed upon.

4. Approval for any architect of their selection to assist in the preparation of preliminary sketches and floor plans of the proposed facility. The contract, however, to be submitted to President Wilson for approval by the Executive Committee.

These sketches and floor plans are to be available for use in publicity materials needed in connection with the fund raising campaign, it being specifically provided that all publicity material used during the campaign is to be submitted to President Wilson for approval.

These recommendations were approved by the Board upon motion of Doctor Minter, seconded by Vice-Chairman Voyles.

POSTGRADUATE SCHOOL OF MEDICINE

PLANS FOR CONTINUATION OF POSTGRADUATE SCHOOL OF MEDICINE. --Doctor Minter presented to the Board for consideration the following proposals of Doctor Grant Taylor concerning the Postgraduate School of Medicine which had been adopted as recommended to the Board by the Medical Affairs Committee:

1. It is proposed that the name of the school be retained in its present form, i. e., The University of Texas Postgraduate School of Medicine.
2. That the operational plan of the school continue as that outlined by the Board of Regents at their meeting, February 1, 1952.
3. That the headquarters of the school be maintained in Houston, Texas.

4. That the divisional structure of the school throughout the state be retained and broadened or restricted as indicated.

5. That the educational program of the divisions will be under the direction of volunteer directors, duly appointed and carrying the title of Director of the Medical Educational Program of The University of Texas, _____ Division.

6. That the faculty for this program will be selected from the faculties in the three teaching centers in the state, augmented by a carefully selected volunteer faculty with demonstrated ability.

7. That in order for this program to continue, approximately \$25,000 per year from outside sources will be required.

8. That the President of The University of Texas be authorized to meet with members of the Board of Directors of the M. D. Anderson Foundation requesting financial support as indicated in the following budget for a four-year period beginning September 1, 1955:

THE UNIVERSITY OF TEXAS
POSTGRADUATE SCHOOL OF MEDICINE
BUDGET ESTIMATES 1955-59

<u>Estimated Funds Available</u>	1955-56	1956-57	1957-58	1958-59
Estimated Balance, September 1, each fiscal year	\$17,500	\$12,568	\$10,436	\$ 8,084
Estimated Income from Tuition and Fees	16,000	18,000	18,000	18,000
Estimated Income by Grants from Private Sources*	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
<u>Total Estimated Funds Available</u>	<u>\$58,500</u>	<u>\$55,568</u>	<u>\$53,436</u>	<u>\$51,084</u>
<u>Estimated Expenditures</u>				
Central Administrative Office				
Dean and Professor of Pediatrics Grant Taylor	\$10,000	\$10,000	\$10,000	\$10,000
Assistant Dean _____ (Part-time)	7,000	7,000	7,000	7,000
Administrative Assistant Jacqueline McCord	4,760	4,760	4,980	4,980
Secretary (2 Part-time Secretaries)	3,360	3,480	3,480	3,600
Clerk-Typist	2,772	2,892	2,892	3,054

Central Administrative Office (continued)	1955-56	1956-57	1957-58	1958-59
Maintenance, Equipment Supplies and Travel	\$ 9,040	\$ 9,000	\$ 9,000	\$ 9,000
Total, Central Administrative Office	\$36,932	\$37,132	\$37,352	\$37,634
Teaching Aids Program				
Maintenance, Equipment, Supplies and Travel	\$ 3,000	\$ 2,000	\$ 2,000	\$ 2,000
Total Teaching Aids Program	\$ 3,000	\$ 2,000	\$ 2,000	\$ 2,000
Extension Teaching Program				
Maintenance, Equipment, Supplies and Travel	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
Total Extension Teaching Program	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
<u>Total Estimated Expenditures</u>	<u>\$45,932</u>	<u>\$45,132</u>	<u>\$45,352</u>	<u>\$45,634</u>
<u>Estimated Balance, Close of Fiscal Year</u>	<u>\$12,568</u>	<u>\$10,436</u>	<u>\$ 8,084</u>	<u>\$ 5,450</u>

*Proposed Source of Income from M. D. Anderson Foundation

Upon motion of Doctor Minter, duly seconded, the Board approved the foregoing recommendations of the Medical Affairs Committee. (A copy of Doctor Taylor's proposal is in Secretary's Files, Vol. II, Page 123)

MEDICAL BRANCH

PHYSICAL PLANT REORGANIZATION, MEDICAL BRANCH. --At the request of Chairman Sealy, Doctor Currie came into the meeting. He presented a report "Physical Plant Reorganization," the bulk of which had been prepared jointly with Comptroller Spareberg. Each member of the Board was furnished with a copy of the report together with suggested modifications by Comptroller Spareberg.

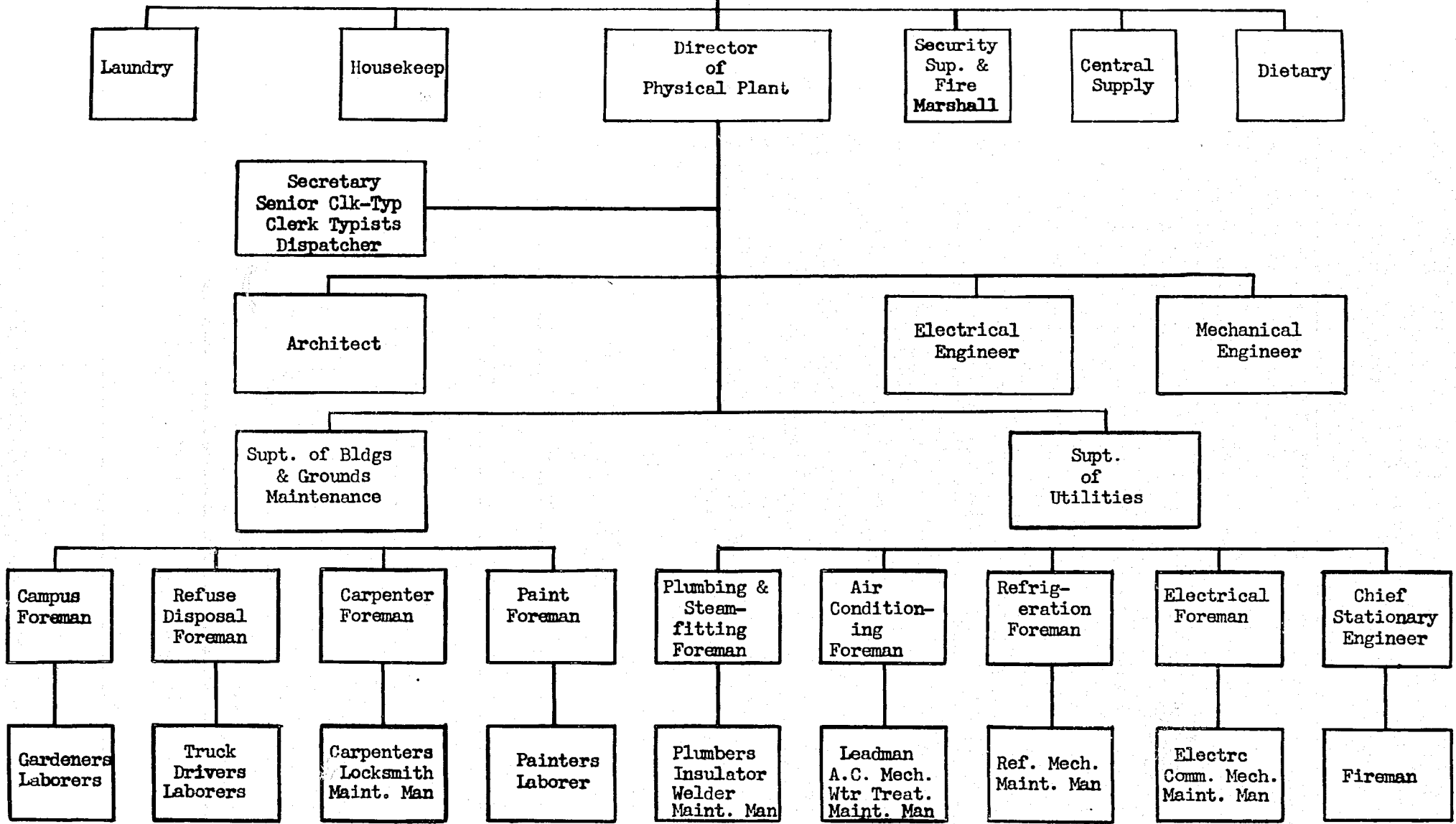
Briefly, the recommendations in the proposed reorganization are:

1. A change be made in the practice under which the Physical Plant operates so that the Physical Plant funds are used strictly for the maintenance and operation of the Physical Plant, and that all alterations, remodeling and renovation projects be handled as special projects to paid from a Special Projects Fund or from some other source.

2. Basic organizational chart under which the present Physical Plant Department is to operate. (Page 731 .)

3. The following sums be designated for the next fiscal year in lieu of the present operations and maintenance funds with Enclosure 3 being used as the details in support of the salaries:

Assistant Administrator
of
Plant & Services



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Salaries:	
Physical Plant	\$ 432,038
Security & Fire	40,080
Transfers to other departments	54,636
Total	<u>\$ 526,754</u>
M E & S and Utilities	\$ 403,000
Total	<u>\$ 929,754</u>

(For Enclosure 3 see Secretary's File, Vol. II, ~~Page~~ 159)

4. The appropriate amount of money be provided for and that recommendations 1, 2 & 3 to be adopted immediately.

5. Changes in job classification salary ranges and job descriptions be made in order to incorporate this proposal into the current personnel policies.

6. A Special Project Fund of \$200,000 per annum be established for minor alterations, remodeling and renovating projects. Expenditure of this money would require the approval of the Hospital and Facilities Administrator, the Comptroller, and the Board of Regents.

7. A definite long range program be inaugurated for renovating all of the non-centrally air conditioned buildings on special project basis. This program should determine the extent and schedule of the renovations to be made and the source of funds involved.

Upon motion of Vice-Chairman Voyles, seconded by Mrs. Devall, the Board adopted the Physical Plant Reorganization together with the suggested modifications presented and with the understanding that the reorganization plan is to be implemented in the 1955-56 Annual Budget for The University of Texas Medical Branch.

The report "Physical Plant Reorganization" together with the suggested (and adopted) modifications are in Secretary's Files, Vol. II, Page 147.

CHILDREN'S HOSPITAL, MEDICAL BRANCH. -- The following joint recommendation of President Wilson, Comptroller Sparenberg, and Hospital Director Currie with respect to the \$200,000 approved at the May meeting for the remodeling and repairing of the Children's Hospital at the Medical Branch were approved by the Board upon motion of Doctor Minter, seconded by Vice-Chairman Voyles:

1. One of the following architectural firms will be employed on a basis of not more than 5% of outside contracts awarded: Charles Zwiener, Galveston; if Mr. Zwiener is not available at that time, Cameron Fairchild and Associates, of Houston.

2. In view of the necessity of completing as much of this work as possible prior to September 1, 1955, authority was given to the Comptroller and the President to give final approval to the plans and specifications and to award contracts, in lieu of the usual approvals of the Regents' Committee on Developmental Affairs and Public Relations and the Board as a whole.

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3. If the Chairman of the Board is not available, the Vice-Chairman is authorized to sign contracts.

4. On work not done by the Physical Plant staff of the Medical Branch, competitive bids shall be called for as usual, but it was agreed by the Board that advertising in one Galveston newspaper and in one Houston newspaper for two weeks would be sufficient for this repair and remodeling job.

RECESS. --The Board recessed for lunch at 12:30 p. m.

The Board reconvened as a Committee of the Whole at 2 p. m. with Vice-Chairman Voyles presiding and the following in attendance:

- Regent Johnson
- Regent (Mrs.) Devall
- Regent Lockwood
- Regent Jeffers
- Regent Sorrell
- Secretary Thedford
- Consulting Architect Lemon

MAIN UNIVERSITY

APPROVAL OF SITE, R. O. T. C. BUILDING, MAIN UNIVERSITY. -- Mr. Lockwood, Chairman of the Developmental and Public Affairs Committee, reported that this committee had not taken any action on the location of the R. O. T. C. Building. The committee considered this as a part of the overall development and thought that the Board as a whole should pass on it.

(Chairman Sealy, Doctor Minter, President Wilson, and Comptroller Sparenberg came into the meeting.)

| See
 | Pages
 | 735 and
 | 759

Chairman Sealy presided.

Mr. Lockwood said that the majority of the Faculty Building Committee has proposed the following possible sites for the R. O. T. C. Building, listed in order of preference:

- No. 1. North of Gregory Gymnasium, East of Tom Green Street, extending across present 22nd Street, extending eastward to approximately the bluff line of Waller Creek, and facing the future extension of the East-West Mall.
- No. 2 North of Gregory Gymnasium, East of Speedway, South of Petroleum Engineering Building, extending across present 22nd Street.
- No. 3 South of Gregory Gymnasium, East of Speedway, West of the new Varsity Cafeteria, North of 21st Street.

President Wilson invited Vice-President Boner into the meeting to express his views on the location of this building. A general discussion ensued.

Mr. Lockwood moved that the Board approve choice No. 1 of the Faculty Building Committee and that the site of the R. O. T. C. Building be North of Gregory Gymnasium, East of Tom Green Street, extending across present 22nd Street, extending eastward to approximately the bluff line of Waller Creek, and facing the future extension of the East-West Mall. Mrs. Devall seconded this motion which carried.

HEIGHT AND SHAPE, R. O. T. C. BUILDING. --Mr. Lockwood pointed out that in all fairness to Consulting Architect Lemon, the height and general shape of the R.O.T.C. Building should be decided. Mr. Lockwood moved that the R.O.T.C. Building be three stories high and L shaped with the long end of the L facing the Mall. This motion was duly seconded and carried.

EXECUTIVE SESSION. --An Executive Session was called for and lasted fifteen minutes.

President Wilson and Secretary Thedford re-entered the meeting.

SELECTION OF ASSOCIATE ARCHITECT, R.O.T.C. BUILDING, MAIN UNIVERSITY. --Chairman Sealy instructed the Secretary to include in the report that Ayres and Ayres of San Antonio had been unanimously selected as Associate Architect for the R.O.T.C. Building with instructions that Doctor Minter so notify Ayres and Ayres. In the event this firm is not available Bartlett Cocke of San Antonio was selected as the second choice. (A complete list of architectural firms considered is in Secretary's Files, Vol. II, Page 215)

MEDICAL BRANCH

APPOINTMENT OF INTERIM EXECUTIVE OFFICER AND EXECUTIVE COMMITTEE, MEDICAL BRANCH. --Because it had been reported to the Board that Doctor Leake had accepted or was about to accept a post elsewhere and would probably leave during the month of August, the Board entered into a discussion as to the best means of assuring continuity of the administration until such time as a director could be named. Whereupon Doctor Minter moved that the Board ask Doctor Truman S. Blocker to serve as Interim Executive Officer of the Medical Branch at Galveston in conjunction with an Executive Committee, of which he is Chairman, composed of the following: Doctors G. A. W. Currie, Donald Duncan, Raymond Gregory, T. H. Harris, Robert M. Moore, and Charles T. Stone. This committee is to be effective from September 1, 1955, or upon the prior termination of the employment of Doctor Leake, and until a Director of the Medical Branch is appointed. If Doctor Leake's resignation is effective during Doctor Blocker's absence, Doctor Currie was named as the Interim Executive Officer until Doctor Blocker's return. Mr. Jeffers seconded this motion which carried.

The Board instructed President Wilson to notify all concerned of this action.

Doctor Blocker came into the meeting. Chairman Sealy on behalf of the Board expressed gratitude and appreciation to Doctor Blocker for his willingness to serve in the capacity of Interim Executive Officer and Chairman of the Executive Committee.

CENTRAL ADMINISTRATION

APPROPRIATION FROM ETTER ESTATE FUND. --Chairman Sealy

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instructed the Secretary that the Board had unanimously authorized the appropriation of \$5,000 from the Etter Estate Fund annually as a supplement to the salary of the President of The University of Texas, effective September 1, 1955.

ADOPTION OF REPORT OF EXECUTIVE COMMITTEE AS AMENDED; APPOINTMENT OF BUDGET OFFICER, MAIN UNIVERSITY; APPROVAL OF ANNUAL BUDGETS, 1955-56. --Chairman Sealy called on Vice-Chairman Voyles, who gave the following report of the Executive Committee and moved its adoption:

The Executive Committee of the Board of Regents met in Austin on Thursday, June 23, 1955. The following actions, unanimously adopted by the Executive Committee at that meeting, are submitted for ratification:

1. The Committee approved the recommendation of President Wilson and Vice-President Dolley for the appointment of Mr. Frank Graydon as Budget Officer in the Central Administration, effective July 1, 1955, at a twelve months' salary rate of \$9,000 to be paid from the Available Fund for the balance of the 1954-55 fiscal year. During 1955-56, Mr. Graydon will be paid at the same rate, but during the long session he will be one-third time in the Department of Accounting, with an appropriate allocation of his salary carried in that department.
2. Upon recommendation of President Wilson and Vice-President Dolley, and after discussion with Doctor Heflebower and Mr. Boyd, the proposed budget of the M. D. Anderson Hospital and Tumor Institute was approved with directions that the estimated income and budgeted expenditures for 140 pay patients should be integrated into the general budget.
3. Upon recommendation of President Wilson and Vice-President Dolley, the budget of the Dental Branch of The University of Texas was approved, including the fixing of fees for dental hygienists at \$25 a semester.
4. Upon recommendation of President Wilson and Vice-President Dolley, the budget of the Southwestern Medical School was approved.
5. Upon recommendation of President Wilson and Vice-President Dolley, the budget of Texas Western College of The University of Texas was approved, including a supplement from Cotton Estate Funds of \$1,000 for the President of the College.
6. Upon recommendation of President Wilson and Vice-President Boner, the budget of the Main University was approved with the following changes to be implemented by the Administration:
 - (a) Salaries for Associate Professors, Assistant Professors, and Instructors to be increased to the amounts recommended by the respective academic deans at a total cost of \$43,567.
 - (b) The average salaries of full Professors to be increased by 7-1/2 per cent, based on specific recommendations of the academic deans at a total cost of approximately \$120,710.

(c) An addition to the budget of an item in the amount of \$230,000 to cover an increase of average salaries of 7-1/2 per cent for Associate Professors, Assistant Professors, and Instructors. Early in the fall semester the budget councils and deans will recommend on a selective merit basis changes in salaries in the lower three ranks, based on their experience in recruiting new staff during the late spring and summer.

(d) In implementation of the above three steps, transfer an additional \$395,000 from the Available Fund in 1955-56, thereby increasing the total of the Available Fund transferred to General Budget from \$1,930,000 to \$2,325,000.

7. Upon recommendation of President Wilson and Vice-President Boner, the budget for Government Sponsored Research Projects for 1955-56 was approved.

8. Upon recommendation of President Wilson and Vice-President Dolley, the budget for Central Administration was approved with the changes which might occur by reason of the implementation of the changes authorized for Main University in Item 6 above.

9. The Executive Committee approved the following items as a basis of the completion of the Medical Branch budget, 1955-56:

(a) Instructions were given to carry Doctor Chauncey Leake as Professor in the Department of Pharmacology and Toxicology and in the Department of Preventive Medicine and Public Health at an annual salary of \$12,000 divided equally between each department.

(b) Upon recommendation of President Wilson and Vice-President Dolley, the operation of the Nurses' Dormitory as an auxiliary enterprise was approved.

(c) Upon recommendation of President Wilson, the establishment of a Current Restricted Fund budget for professional fees from the Department of Pathology, with a consequent reduction in general hospital funds of approximately \$70,000.00, was tentatively approved.

(d) Upon recommendation of President Wilson and Vice-President Dolley, authorization was given to:

(1) Increase the bed rates for all full-pay patients by not more than \$1.50 per bed, except for eight rooms to be increased a total of \$5, to produce an estimated increase of \$187,000 in hospital income.

(2) Establish a \$3 per day minimum charge for all part-pay, flat-pay and indigent patients to produce an estimated increase in hospital income of \$143,939 after reasonable allowance for reserve.

(e) Authorization was given to make necessary adjustments in expenditures occasioned by the implementation of the \$3 per day minimum authorized in (d) (2) above.

10. The deficit at the Medical Branch for 1954-55 was discussed, but action was deferred until the meeting of the Board on July 8.

Mr. Lockwood seconded the motion.

The Chairman called for discussions and comments.

Medical Branch Budget. --The Board ordered upon a motion duly made and seconded that the report of the Executive Committee be amended by:

1. Changing \$12,000 in Item 9 (a) to \$15,000. (Doctor Leake's salary.)
2. Adding to Item 9 a new section (f) to read as follows:
Authorization to substitute revised pages for the Departments of Pathology and Radiology with the understanding that it does not affect the totals.

Main University Budget. --Upon a motion by Vice-Chairman Voyles, seconded by Mr. Sorrell, the Board ordered the salary of George I. Sanchez, Professor of History and Philosophy of Education (Graduate Faculty) in the College of Education left at \$7,000 for nine months.

Upon motion of Mr. Sorrell, seconded by Mr. Lockwood, the Board authorized that the salary of Gordon Gunter, Director of the Marine Science Institute, Research Scientist, be set at \$9,600 for twelve months.

Upon motion of Mr. Johnson, seconded by Mr. Lockwood, the Board ordered the following transfers as presented by Vice-President Dolley and recommended by Comptroller Sparenberg:

1. Transfer \$1,500,000.00 from the Available University Fund Unappropriated Balance for 1955-56 for Expansion of Power Plant Facilities, Main University.
2. Reduce by \$436,000.00 the recommended appropriation from the Available University Fund to the Main University General Budget for 1955-56. (This reduction will bring the total of "Transfer from Available University Fund" from \$2,325,000 to \$1,889,000.)

Vice-Chairman Voyles and Mr. Lockwood accepted the amendments and the Board approved the report of the Executive Committee as amended and ratified the actions contained therein. (The budgets are bound separately and form a part of the minutes for July 8, 1955.) (Supporting material for Executive Committee report is in Secretary's Files, Vol. II, Page 167)

MEDICAL BRANCH

PUBLICATION OF NEW POLICY RATES, MEDICAL BRANCH. -- President Wilson called to the attention of the Board that the new policy concerning rates as contained in the report of the Executive Committee

should be publicized with a broad coverage in each county. It should be pointed out that the change in rates is not being made in an effort to place a charge on indigent patients. Because of inadequate funds the hospitals are not able to do the job as it has been done in the past, and the counties are being asked to help carry this burden of indigents by localities. Under the new policy, however, the hospital will still be helping to carry the greatest part of the cost.

The Board ordered that the publicity of this policy in its final form be approved by President Wilson.

MAIN UNIVERSITY AND MEDICAL BRANCH

APPROPRIATION \$550,000 FROM AVAILABLE UNIVERSITY FUND UNAPPROPRIATED BALANCE FOR 1954-55 TO CURRENT FUNDS GENERAL BUDGET, MEDICAL BRANCH, 1954-55. -- Upon recommendation of Comptroller Sparenberg and Vice-President Dolley, in which President Wilson concurred, and on motion of Mr. Lockwood, seconded by Mrs. Devall, the Board appropriated \$550,000 from the Available University Fund Unappropriated Balance for 1954-55 to the Current Fund General Budget of the Medical Branch for 1954-55, with the understanding that this money would be used to pay regular General Budget vouchers of the Medical Branch from now to August 31, 1955, for payrolls, supplies, equipment, etc., which would be handled in the usual way except that they would have to be recorded in the Main University Auditor's Office before they went to the State Board of Control and/or the State Comptroller. (Supporting material in Secretary's Files, Vol. II, Page 204)

In order to cover the appropriation just approved, the Board upon motion duly made and seconded, authorized the following actions:

1. Transfer \$145,000.00 from Plant Funds Unexpended Appropriation Account No. 9665, "Administration Building," to Available University Fund Unappropriated Balance for 1954-55.
2. Transfer \$200,000.00 from Account No. 9320, "R. O. T. C. Building," to Available University Fund Unappropriated Balance for 1954-55.
3. Appropriate \$200,000.00 from the Available University Fund Unappropriated Balance for 1955-56 to Account No. 9320, "R. O. T. C. Building."

MAIN UNIVERSITY

MODIFICATION OF AGREEMENT WITH UNIVERSITY CLUB. -- President Wilson presented, and concurred in, the recommendation of Vice-President Boner that the agreement of the Board of Regents with the University Club be modified to the extent that the University pay the gas, water and light bills and relieve the Club of paying rent on the building in the form of 10% of all dues collected. This recommendation to be effective immediately was approved upon motion of Vice-Chairman Voyles, duly seconded.

TEXAS WESTERN COLLEGE

AUTHORIZATION \$7,500 FROM INTERCOLLEGIATE FUNDS, TEXAS WESTERN COLLEGE. --President Wilson called attention to Item 13 in the docket of Texas Western College (Page 824) and presented this matter as a Special Item. In a separate motion by Vice-Chairman Voyles, seconded by Mr. Lockwood, the Board approved the expenditure of \$7,500 from Intercollegiate Athletics Funds for improvements to the football stadium to improve existing seats and provide additional saleable seats in accordance with the statement set out on Page 824.

MEDICAL BRANCH

EXCEPTION TO MODIFIED SERVICE, SAM PERUSSINA, MEDICAL BRANCH. --The Board, upon motion of Mr. Jeffers, seconded by Mrs. Devall waived the modified service regulation on a year-to-year basis in the case of Sam Perussina, a laboratory attendant of the Department of Bacteriology and Parasitology, The University of Texas Medical Branch.

M. D. ANDERSON HOSPITAL

EXCEPTION TO MODIFIED SERVICE, DOCTOR R. C. HEFLEBOWER, M. D. ANDERSON HOSPITAL. --President Wilson called to the attention of the Board, and concurred in, the recommendation of Doctor Clark that Doctor R. C. Heflebower be relieved of his administrative duties September 1, 1955, in accordance with the Regents' rules, but that he be continued as "Consultant in Special Projects and Grants in the Division of Education and Research" on a half time basis at \$5,000 for twelve months; the appointment to be on a year-to-year basis with salary payable from grant overhead funds, when applicable, and from local funds.

President Wilson explained that Doctor Heflebower, Assistant Director, M. D. Anderson Hospital, was employed after the age of 50 and will become 70 before September 1.

Mr. Jeffers moved that the recommendation as outlined above, which is in effect an exception to the Modified Service regulation, be approved. Mrs. Devall seconded this motion which carried with one dissenting vote.

CENTRAL ADMINISTRATION

AUTHORIZATION FOR AIR CONDITIONING, OFFICE OF THE SECRETARY OF THE BOARD OF REGENTS. --Upon motion of Mrs. Devall, duly seconded, the Board authorized immediate air conditioning of the Office of the Secretary of the Board of Regents, the funds for this to come from the Available University Fund Unappropriated Balance.

MAIN UNIVERSITY

AUTHORIZATION FOR AGREEMENTS re PATENT LICENSES. -- A recommendation from Doctor Shive of the Department of Chemistry

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explained that often because of the infrequency of Board meetings, there is delay in obtaining permission for agreements with commercial concerns whereby an exclusive patent license is granted to the concern over a limited period of three to five years in return for the concern's assistance in the work. The time lost results in greater chances of becoming a junior party in interference proceedings in the highly competitive field of vitamin research and chemotherapy.

President Wilson presented, and concurred in, the recommendation of Vice-President Boner that the Department of Chemistry be permitted to enter into agreements with commercial concerns thereby granting to the concerns an exclusive license over a limited period of three to five years in return for their assistance in large scale isolation work and in filing patent applications.

Doctor Minter moved that the recommendation be adopted with the provision that the Department of Chemistry report through the President to the Board each agreement into which the department enters and at the time the agreement is executed. This motion was duly seconded and carried.

APPOINTMENT, ASSISTANT FOOTBALL COACH, ROBERT C. SCHULZE, MAIN UNIVERSITY. --President Wilson presented the recommendation that had come through proper channels that Robert C. Schulze be appointed as Assistant Football Coach (Coordinating Freshman Football Program) at a salary of \$7,500 on a twelve months' basis, for the period July 11 -December 31, 1955.

The Board approved the appointment upon motion of Mrs. Devall, duly seconded.

AUTHORIZATION FOR REMODELING SPACE, NORTH WING OF PRESS BUILDING. --President Wilson called to the attention of the Board an existing appropriation of \$75,000 made by the Board for special equipment for Radio-Television; and he joined with Vice-President Boner in a recommendation that whatever portion of this appropriation that is necessary may be used for remodeling space in the north wing of the Press Building to accommodate expansion of Radio-Television.

This recommendation was adopted upon motion of Mr. Lockwood, seconded by Mr. Sorrell.

REDUCTION 25%, SUPPLEMENTAL FEES IN APPLIED ART, MAIN UNIVERSITY. --In view of the limited facilities spacewise in Art, President Wilson recommended that the supplemental fees in Applied Art at the Main University be reduced 25%. This recommendation was adopted upon motion of Mr. Lockwood, seconded by Mrs. Devall, effective September 1, 1955.

APPROVAL OF RENTAL SPACE, MUSIC DEPARTMENT. --President Wilson read a letter from Business Manager Landrum, under date of July 7, 1955, setting out the need of additional space for teaching studios, classrooms, and practice rooms for the Department of Music. He pointed out that at the present time there is no suitable space available on the Main University campus, but that space will probably be available after the completion of the R. O. T. C. Building.

The Board upon motion of Mr. Lockwood, seconded by Mr. Sorrell, authorized President Wilson to proceed, if proper space could be found, with negotiations for the required space for the Music Department for the next biennium.

APPROVAL, CHANGE IN BLANKET TAX, \$15.75. --President Wilson approved the recommendation of Dean Nowotny, approved by Dean McCown, that the Blanket Tax for 1955-56 be approved in the amount of \$15.75 for students registering in the full session and \$5.25 for students registering in the spring semester not having been in attendance in the fall semester; and that the refund, as listed in Catalogue No. 5508, be changed from \$5.20 to \$5.25 if a student withdraws between December 1 and January 31.

This recommendation was adopted upon motion of Mr. Lockwood, seconded by Mr. Jeffers.

PERMISSION TO SELL BOAT ATCHAFALAYA. --Pursuant to the provision of the present appropriation bill that no property of the State valued in excess of Five Hundred Dollars (\$500.00) shall be sold or disposed of without the consent of its governing board and pursuant to the rule of the Regents that prior approval must be given by the Regents to any sale of One Thousand Dollars (\$1,000.00) or more, President Wilson recommended the sale of the boat Atchafalaya, jointly owned by the University of Texas and A. & M. College, for \$1,000.00.

An offer of \$1,000.00 has been made by Mueller Plumbing Company of San Antonio, Texas, for the purchase of this boat and President Wilson has authorization from A. & M. College to sell this jointly owned boat.

The board upon motion of Mr. Lockwood, seconded by Mr. Johnson, approved the recommendation of President Wilson.

CENTRAL ADMINISTRATION

APPROVAL OF DOCKET. --President Wilson presented to the Board a docket under date of June 29, 1955, for Central Administration to which he had attached and incorporated as a part of his docket, together with his recommendation for approval, the dockets of the component institutions of The University of Texas; namely:

- Main University and Extramural Divisions -
submitted by Vice-President C. P. Boner, P. 778
- Texas Western College -
submitted by President Dysart E. Holcomb, P. 823
- Medical Branch -
submitted by Director Chauncey D. Leake, P. 827
- Dental Branch -
submitted by Dean John V. Olson, P. 838
- M. D. Anderson Hospital -
submitted by Director R. Lee Clark, Jr., P. 841
- Southwestern Medical School -
submitted by Dean A. J. Gill, P. 846
- Postgraduate School of Medicine -
submitted by Dean Grant Taylor, P. 852

The docket was approved upon motion of Mr. Sorrell, seconded by Mr. Johnson. (This docket is attached to and made a part of these minutes. Page 764.)

MEDICAL BRANCH

ELECTRON MICROSCOPE. --The Board heard the request of Doctor Donald Duncan, Chairman of the Department of Anatomy, The University of Texas Medical Branch, for the purchase of an electron microscope. No action was taken.

SOUTHWESTERN MEDICAL SCHOOL

REQUEST, LEAVE OF ABSENCE, DOCTOR ALLEN REED. -- President Wilson presented the request of Doctor Allen Reed, Professor of Biophysics, The University of Texas Southwestern Medical School, for a leave of absence to attend meetings of Gordon Research Conferences in New Hampton, New Hampshire, June 24 - July 11; to attend other sessions of the Gordon Research Conferences July 23 - August 14, with travel expenses and maintenance from the American Cancer Society grant; and to attend conferences at the University of Rochester July 12-15 at his own expense. This request was rejected.

TEXAS WESTERN COLLEGE

REPORT OF CLASSES WITH LESS THAN TWELVE STUDENTS IN FIRST TERM, SUMMER SESSION, 1955, TEXAS WESTERN COLLEGE. -- President Wilson presented the report, submitted to him by President Holcomb, of classes with less than twelve students in the First Term of the 1955 Summer Session at the Texas Western College which was prepared in accordance with Section 17 (h) of the Special Provisions in H. B. 111, 53rd Legislature, Regular Session. (A copy of this report is filed in the Office of the Board of Regents.)

Upon a motion by Mr. Lockwood, seconded by Mr. Sorrell, the Board approved the report.

MAIN UNIVERSITY

REPORT OF CLASSES WITH LESS THAN TWELVE STUDENTS IN FIRST TERM, SUMMER SESSION, 1955, MAIN UNIVERSITY. --President Wilson presented a report of classes with less than twelve students, both undergraduate and graduate, in the First Term of the 1955 Summer Session at the Main University which was prepared in accordance with the provision of Section 17 (h) of the Special Provisions of H. B. 111, 53rd Legislature, Regular Session. (A copy of this report is filed in the Office of the Board of Regents.) The general categories into which the small classes fell are:

1. Classes which cannot be larger because of equipment and/or space limitations.
2. Highly specialized courses required for professional degrees.
3. Courses in small departments which offer the minimum number of courses consistent with having at least an acceptable, balanced program.
4. Courses which a large department regards as necessary for a rounded program.
5. Courses for which students pay a supplementary fee for individualized Fine Arts instruction.
6. Miscellaneous.

Upon a motion by Mr. Lockwood, seconded by Mr. Sorrell, the Board approved the report.

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LAND AND INVESTMENT COMMITTEE MATTERS. --

Chairman Sealy called on Mr. Jeffers to present the reports of the Land and Investment Committee.

HOGG FOUNDATION: W. C. HOGG MEMORIAL FUND - FEDERAL DOCUMENTARY STAMP TAX. -- Based on its interpretation of the Internal Revenue Code, general custom throughout the State government, and inquiries directed to the local office of the Bureau of Internal Revenue, the University has considered all conveyances from the Board of Regents, either as to the Permanent University Fund Lands or as to Trust and Special Fund Lands, as being exempt from the Federal Documentary Stamp Tax. In 1954, three sales of real estate were made by the Board of Regents as trustee of the Hogg Foundation: W. C. Hogg Memorial Fund, these being a sale of the Gunter Property in San Antonio, Texas, for a consideration of \$1,120,000, a sale of the Negley Property in San Antonio, Texas, for a consideration of \$530,000, and a sale of the Varner Building in Houston, Texas, for a consideration of \$550,000. At the closing of each sale, the attorneys for the purchasers raised the question of Federal Documentary Stamps on the deeds, pointing out that in their opinion the Bureau of Internal Revenue might hold the purchasers liable for such stamps even though the University was exempt. In order to close the sales, the University agreed to indemnify each purchaser against such possible liability for Federal Documentary Stamps.

In recent months, Internal Revenue agents have notified the purchasers of the Varner Building that they must affix such Documentary Stamps to their deed from the Board of Regents, and these purchasers have in turn notified the University that they expect reimbursement for such stamps.

Vice-President for Fiscal Affairs Dolley, Land and Trust Attorney Gaines, and Endowment Officer Stewart have conferred with local representatives of the Bureau of Internal Revenue; and with their cooperation, a ruling was requested from the Commissioner of Internal Revenue, that request of March 25, 1955, and the Commissioner's reply of May 13, 1955, in Secretary's Files Vol. II, ^{Page 2084, Page 2111} The Commissioner ruled that, although the University is exempt, the transaction itself is not exempt and the purchasers in these situations are liable for the Documentary Stamps.

Chairman of the Board Sealy, by letter of June 13, 1955, requested an opinion from the Attorney General of the State of Texas regarding the liability of such purchasers for the Federal Documentary Stamp Tax and the legality of the University in reimbursing the purchasers in case they are required to affix such stamps to their deeds from the Board of Regents. An opinion from the Attorney General is expected shortly.

The Land and Investment Committee recommends that, if the opinion of the Attorney General is to the effect that the purchasers are liable and the three purchasers in question can be legally reimbursed from the Hogg Foundation: W. C. Hogg Memorial Fund if required to affix such Documentary Stamps, Endowment Officer Stewart, subject to the approval of Vice-President for Fiscal Affairs Dolley and Land and Trust Attorney Gaines, be authorized to make such reimbursements for the actual amount of Documentary Stamps affixed to the deeds. The

total amount of Documentary Stamps involved in the three transactions outlined above will be approximately \$2,372.50.

This report was received and approved upon motion of Mr. Jeffers, seconded by Mr. Sorrell.

At this point the administrative officials came into the meeting.

LAND AND INVESTMENT COMMITTEE REPORT (This report was adopted by the Board as reflected on Page 755 .)

Mr. Jeffers presented the following general report of the Land and Investment Committee:

PERMANENT UNIVERSITY FUND--INVESTMENT MATTERS. --

REPORT OF PURCHASES OF SECURITIES. -- The following purchases of securities have been made for the Permanent University Fund since the report of May 13, 1955. We ask that the Board ratify and approve these transactions:

UNITED STATES GOVERNMENT BONDS PURCHASED

Issue	Par Value	Purchase Price	Yield Basis*	Principal Cost	Date of Delivery
U.S. Treas., due 2/15/95	\$1,000,000	100.640625	2.97%	\$1,006,406.25	5/26/55
Ditto	1,000,000	100.484375	2.98	1,004,843.75	6/24/55
Totals	<u>\$2,000,000</u>			<u>\$2,011,250.00</u>	

Held to Maturity

TEXAS MUNICIPAL BONDS PURCHASED

Issue	Par Value	Purchase Price	Yield Basis#	Principal Cost	Date of Delivery
1/4% City of Weatherford, Elec. Lt. & Water Sys. Rev., due 2/1/85-88/70	<u>\$104,000</u>	101.754268	3.10%	<u>\$105,824.44</u>	6/1/55

Held to option date - 2/1/70.

AUTHORIZATION TO INVEST PART OF CASH ON HAND IN BOARD FOR LEASE OF UNIVERSITY LANDS ACCOUNT NO. 9976 - SPECIAL 1% FEE FUND. -- The Board for Lease of University Lands at its meeting held on Tuesday, June 28, 1955, approved the following resolution:

RESOLVED THAT Mr. Charles H. Sparenberg, Comptroller of the University of Texas, be authorized to invest,

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with the advice and counsel of Mr. William W. Stewart, Endowment Officer of The University of Texas, and the approval of the Land and Investment Committee of the Board of Regents of The University of Texas as to the specific investment to be made, part of the cash balance which will be on hand after July 15, 1955, in Account No. 9976, Board for Lease of University Lands - Special Fund, in short-term United States Government securities, with a cash reserve of not less than \$35,000.00 to remain in the account after taking into consideration possible expenses to be taken from the fund within the next two years.

This authorization is similar to that made by the Board for Lease of University Lands on June 19, 1953, at which time Mr. Sparenberg was authorized to invest, with the advice and counsel of the University's Endowment Officer, \$750,000.00 of the balance in Account No. 9976, Board for Lease of University Lands - Special Fund. The investment made under this authorization consisted of \$750,000.00 par value United States Treasury Savings Notes, Series B, due July 15, 1955, the total proceeds due July 15, 1955, including accrued interest, to be \$787,800.00. This amount, together with the cash balance on hand, will place approximately \$1,068,000.00 cash in the Special Fund account as of July 15, 1955. Upon advice of Endowment Officer Stewart, concurred in by Comptroller Sparenberg, it is the recommendation of the Land and Investment Committee that the Board of Regents concur in the above authorization to Mr. Sparenberg and approve the purchase of \$970,000.00 par value United States Treasury 2-3/8% Bonds, due June 15, 1958, which bonds were selling on July 1, 1955, at 99.8125 asked, to yield approximately 2.44% to maturity.

PERMANENT UNIVERSITY FUND -- LAND MATTERS. --

GRAZING LEASES INVOLVED IN RENTAL REDUCTION ON SEMIANNUAL PAYMENTS DUE JULY 1, 1955 - RATIFICATION OF LIST. --Pursuant to the action of the Board of Regents at its meeting held May 14, 1955, which granted a 50% reduction on grazing lease rentals due July 1, 1955, for the period July 1, 1955, through December 31, 1955, provided the lessee receiving such reduction should reduce by 25% the number of livestock units permitted to graze under his lease, and provided any payments in arrears should be paid up on July 1, 1955, the following reductions on grazing lease rentals have been made. Since the 50% reduction on semiannual rentals due July 1, 1955, would in effect amount to a 25% reduction on 1955 rentals, those lessees who paid a full year's rental on January 1, 1955, without reduction, were scheduled to receive a 25% reduction on annual rentals due January 1, 1956. The Land and Investment Committee recommends that the list as shown

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below be ratified and approved by the Board of Regents:

LEASES AFFECTED BY RENTAL REDUCTION ON SEMIANNUAL RENTAL
DUE 7/1/55

Lease No.	Lessee	Semiannual Rental	50% Semiannual Reduction(a)	Amount Due 7/1/55
		\$	\$	\$
561	Estate of Will P. Edwards	190.40	95.20	95.20
562	Lee Childress	4,309.20	2,154.60	2,154.60
563	H. F. Neal	1,241.21	620.60	620.61
564 (Pt.)	Scharbauer Cattle Company	11,078.30	5,539.15	5,539.15
564 (Pt.)	Arnold P. Scharbauer	528.00	264.00	264.00
565	Arnold P. Scharbauer	2,983.50	1,491.75	1,491.75
566	Hayden Miles	1,014.14	507.07	507.07
567	Jeff Owens (Pd. Annually January 1)	2,823.67	705.92*	(2,117.75) 1/1/56
568	J. W. Owens (Pd. Annually January 1)	1,848.32	462.08*	(1,386.24) 1/1/56
569	Ray Dunlap	272.46	136.23	136.23
570	W. E. Dunlap	693.50	346.75	346.75
572	Dow Puckett	512.12	256.06	256.06
573	Charles J. Cox	630.46	315.23	315.23
575	Lee Moor	1,630.32	815.16	815.16
576	M. F. King	7,893.50	3,946.75	3,946.75
579	K. H. Irwin	819.56	409.78	409.78
580	Clayton W. Williams	498.30	249.15	249.15
581	E. F. Noelke	1,786.86	893.43	893.43
582	E. F. Noelke	5,387.40	2,693.70	2,693.70
583	Mrs. Elta T. Murphey (Pd. Annually July 1)	135.28	33.82#	101.46
584	H. F. Neal	1,518.26	759.13	759.13
585	A. C. Hinde	612.80	306.40	306.40
586	J. E. Hill	1,629.89	814.94	814.95
587	Mrs. R. C. Ferguson and Son	3,359.54	1,679.77	1,679.77
588	George Blackstone & F. M. Elkins	2,895.22	1,447.61	1,447.61
590	Troy Williams	1,788.50	894.25	894.25
591	Sara Mann	1,347.82	673.91	673.91
593	Mrs. S. M. Owens	2,780.14	1,390.07	1,390.07
594	Fleet Coates	2,356.40	1,178.20	1,178.20
595	W. R. Bissett	1,010.78	505.39	505.39

Lease No.	Lessee	Semiannual Rental \$	50%	Amount Due 7/1/55 \$
			Semiannual Reduction(a) \$	
596	Bissett and Hemphill	3,568.08	1,784.04	1,784.04
597 (Pt.)	W. R. Bissett	132.73	66.36	66.37
598	E. H. Linthicum and Son	1,610.75	805.37	805.38
599	Mrs. L. W. Anderson	6,526.14	3,263.07	3,263.07
600	A. B. Connell (Pd. Annually January 1)	352.00	88.00*	(264.00) 1/1/56
601	Mrs. N. D. Blackstone	2,135.63	1,067.81	1,067.82
603	P. D. "Val" Gohmert	1,234.12	617.06	617.06
604	Mrs. Ida Kight Rhyne	1,067.30	533.65	533.65
605	J. F. Oglesby	2,919.21	1,459.60	1,459.61
606	P. D. "Val" Gohmert	1,228.66	614.33	614.33
607	Lacy D. Way	1,257.42	628.71	628.71
608	J. B. Pettit	671.82	335.91	335.91
609	Herbert E. Smith	1,097.94	548.97	548.97
610	Johnnie O'Bryan, Sr.	153.60	76.80	76.80
611	E. G. Branch	1,369.32	684.66	684.66
612	J. B. Ratliff, Jr., & Lester Ratliff	1,404.25	702.12	702.13
613	Norman Elrod	1,473.53	736.76	736.77
614	Max Schneemann	1,679.75	839.87	839.88
615	Mrs. Mary Mitchell	1,896.37	948.18	948.19
616	Fred H. Boggs	401.45	200.72	200.73
617	J.A. Queen	1,225.16	612.58	612.58
618	Virgil Powell	7,392.82	3,696.41	3,696.41
621	Joe Strauss & Carl Pfluger (Pd. Annually July 1)	496.88	124.22#	372.66
622	C. R. McKenzie, Roy Neal McKenzie, Virginia Lee Chapman, Richard Gregg McKen- zie, Bill Ed McKenzie, Lawrence Byron McKen- zie, and Bruce Thomson McKenzie	3,381.04	1,690.52	1,690.52
623	Mrs. Velma C. Rounsaville	1,397.75	698.87	698.88
624	P. H. Coates	1,771.12	885.56	885.56
625	Ralph Pembroke	3,903.04	1,951.52	1,951.52
626	Mrs. Minnie Friend	1,231.92	615.96	615.96
627	Max Schneemann	1,873.65	936.82	936.83

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Lease No.	Lessee	Semiannual Rental \$	Semiannual Reduction(a) \$	Amount Due 7/1/55 \$
628	Mrs. Lula Young	845.56	422.78	422.78
630	Louis Brooks	2,053.29	1,026.64	1,026.65
631	Langford Bros. (Pd. Annually January 1)	272.49	68.12*	(204.37) 1/1/56
632	McElroy Ranch Co. (Pd. Annually July 1)	7,945.30	1,986.33#	5,958.97
633	C. G. Van Court	1,011.06	505.53	505.53
634	Mack L. VanCourt	1,011.08	505.54	505.54
635	W. W. Adams	1,275.49	637.74	637.75
636	B. G. Owens	3,254.40	1,627.20	1,627.20
637	Bill Wyche	1,331.57	665.78	665.79
638	Mrs. Lillian Kathleen St. Clair	1,422.63	711.31	711.31
639	Hugh Ratliff	1,503.96	751.98	751.98
640	Mrs. Mary Lea McKenzie & Sons	1,186.47	593.23	593.24
641	Mrs. Laro B. McKenzie (Agent), Blevins and Eugene, Jr., McKen- zie, and Laro McKenzie Thompson	2,608.89	1,304.44	1,304.45
642	C. R. McKenzie	485.35	242.67	242.68
643	L. D. and Clifton B. Brooks	4,042.29	2,021.14	2,021.15
644	Hugh Ratliff	861.36	430.68	430.68
645	Louis Brooks	569.35	284.67	284.68
646	Mrs. Madge M. Preston	4,952.59	2,476.29	2,476.30
647	Fred H. Boggs	768.00	384.00	384.00
648	G. W. DeLong	1,151.57	575.78	575.79
649	Aubrey De Long	1,437.38	718.69	718.69
650	S. M. Oglesby, Jr.	2,043.27	1,021.63	1,021.64
651	O. L. Woodward	955.47	477.73	477.74
652	E. H. Linthicum and Son	2,166.52	1,083.26	1,083.26
653	Mrs. G. N. Hodge	860.80	430.40	430.40
654	Mrs. Lillian Kathleen St. Clair	274.45	137.22	137.23
655	P. H. and W. M. Jackson	4,415.95	2,207.97	2,207.98

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Lease No.	Lessee	50%		Amount Due 7/1/56
		Semiannual Rental	Semiannual Reduction(a)	
		\$	\$	\$
656	O. W. Parker, Jr.	2,826.62	1,413.31	1,413.31
657	J. B. and Lester Ratliff	601.61	300.80	300.81
658	Ashby McMullan	1,007.42	503.71	503.71
659	L. E. Lloyd	343.80	171.90	171.90
660	P. L., Jr., and John Childress	1,607.08	803.54	803.54
662	Tom Elrod	2,340.98	1,170.49	1,170.49
663	J. C. Cunningham	4,200.40	2,100.20	2,100.20
664	G. W. Cunninham	2,131.32	1,065.66	1,065.66
665	Waco Cattle Co.	9,666.69	4,833.34	4,833.35
666	Mrs. Doc Turk (Pd. Annually January 1)	165.45	41.36*	(124.09) 1/1/56
667	Nip D. Blackstone, II	3,402.90	1,701.45	1,701.45
669	Jay Kerr and Sons	5,178.60	2,589.30	2,589.30
670	J. E. Baylor	8,253.53	4,126.76	4,126.77
672	John Dublin, Jr.	1,967.91	983.95	983.96
673	George Ratliff and H. G. Bedford	871.01	435.50	435.51
675	Mrs. F. A. Bird and Son	2,058.00	1,029.00	1,029.00
677	Ellison Tom	2,133.90	1,066.95	1,066.95
678	Marion Flynt	249.14	124.57	124.57
679	Theron Weatherby (b)	242.09	121.04	(121.05) 1/1/56
680	R. L. Walker and Harris G. Eastham (Pd. Annually July 1)	1,170.89	292.72#	878.17
682	Floyd R. Henderson	1,671.08	835.54	835.54
683	P. L. Childress, Jr.	1,777.60	888.80	888.80
684	Mrs. Addie Clayton	1,796.00	898.00	898.00
685	J. W. Henderson, Jr.	1,408.00	704.00	704.00
686	Roy Henderson	1,768.68	884.34	884.34
687	Jim Thornton and Son	1,037.73	518.86	518.87
688	Mrs. Jean Scheuber and Sam Scheuber	588.26	294.13	294.13
689	Mrs. Lucille Russell and Claude Russell as Guardian and Trustee for Use and Benefit of John Lee Henderson, Jr., and Helen Henderson	491.16	245.58	245.58
690	Mrs. Alice McMullan and Ashby McMullan	480.52	240.26	240.26

Lease No.	Lessee	Semiannual	50%	Amount Due
		Rental	Semiannual Reduction	7/1/55
		\$	\$	\$
691	Mrs. Helen Wilkins and Jack Wilkins	556.74	278.37	278.37
693	Troy Williams	86.00	43.00	43.00
694	Blackstone and Elkins	757.18	378.59	378.59
695	Mrs. Mary Lea McKenzie and Sons	2,676.41	1,338.20	1,338.21
696	Charles T. Harris	3,248.46	1,624.23	1,624.23
697	Leasel A. Harris	3,379.70	1,689.85	1,689.85
698	T. Wayne Harris	3,314.66	1,657.33	1,657.33
699	R. L. Walker	3,519.94	1,759.97	1,759.97
700	J. Farris Baker	2,212.07	1,106.03	1,106.04
701	N. E. Johnson	240.56	120.28	120.28
Totals		<u>\$252,565.93</u>	<u>\$122,480.21</u>	<u>\$125,868.22</u>

(a) Equivalent to 25% reduction on 1955 rental.

(b) Mr. Weatherby paid the entire rental for 1955 on 1/1/55, although only semiannual rental was due at that time. Accordingly, his semiannual rental due 1/1/56 will be reduced by 50%.

25% reduction on annual payment due 7/1/55.

* 25% reduction on annual payment due 1/1/56.

LEASES AND EASEMENTS. --The Land and Investment Committee has given consideration to the following applications for various leases and easements on University Lands. All are at the standard rate unless otherwise stated, are on the University's standard forms, and have been approved as to form by the University Land and Trust Attorney and as to content by the University Endowment Officer. The Land and Investment Committee asks that the Board approve these applications and authorize the Chairman of the Board to execute the instruments involved:

APPLICATION FOR GRAZING LEASE NO. 702 TO WILL P. EDWARDS ESTATE, CRANE AND ECTOR COUNTIES, TEXAS. --This application for renewal of a grazing lease to the estate of Will P. Edwards, of which E. E. Ellis and Merle J. Stewart are executors and trustees, covers 5,440 acres in Block 35, Sections 6, 8 through 14 and the E/2 of Section 7, Crane and Ector Counties, Texas, for a period of 5 years beginning July 1, 1955, and ending June 30, 1960, with an option to renew the lease for another period of 5 years at negotiated terms. Rental is at the rate of 7¢ per acre per year for the first 1-1/2 years, and 10¢ per acre per year for the following 3-1/2 years, aggregate sum of which is in the amount of \$2,475.20, to be paid in semiannual installments as follows: \$190.40 on July 1, 1955, January 1, 1956, and July 1, 1956; \$272.00 on the first day of January and July of each succeeding year until and including January 1, 1960. (Renewal of Grazing Lease No. 561.)

PIPE LINE EASEMENT NO. 714, TO PHILLIPS PETROLEUM COMPANY, ANDREWS COUNTY, TEXAS. --This application for a pipe line easement to Phillips Petroleum Company covers a total of 4,668.3 (more or less) rods of pipe line in Andrews County, Texas, University Lands, as

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follows: Block 10, Sections 19, 30, 31; Block 11, Sections 1, 12, 13, 24; Block 12, Sections 15, 16, 17, 21, 22, 23, 25, 26, 36. The size of the line will be: 854.5 rods of 12-inch line at \$1.50 per rod, 2,147.7 rods of 10-inch line at \$1.00 per rod, 594.6 rods of 8-inch line at \$1.00 per rod, and 853.3 rods of 3-inch and 4-inch line at 25¢ per rod. This easement is for a period of 10 years beginning May 1, 1955, and ending April 30, 1965. The full consideration for the 10-year period in the amount of \$4,237.38 has been tendered with the application.

BUSINESS SITE EASEMENT NO. 715, TO BANKS AND RUMBAUGH, REAGAN COUNTY, TEXAS. --This application for a business site easement to Banks and Rumbaugh covers a site 200' by 200' in Block 11, Section 7, University Lands, Reagan County, Texas, to be used as a construction company yard. This easement is for a 1-year period beginning July 1, 1955, and ending June 30, 1956, with option to extend and renew from year to year, not to exceed a total period of 10 years from and after July 1, 1955, by payment of annual rental, in advance, in the amount of \$150.00. The consideration for the first year's rental in the amount of \$150.00 has been tendered with the application.

PIPE LINE EASEMENT NO. 716, TO PHILLIPS PETROLEUM COMPANY, ANDREWS COUNTY, TEXAS. --This application for a pipe line easement to Phillips Petroleum Company covers 83.9 rods of 4-inch oil pipe line at 25¢ per rod in Block 8, Section 12, University Lands, Andrews County, Texas, for a period of 10 years beginning May 1, 1955, and ending April 30, 1965. The full consideration for the 10-year period in the amount of \$50.00 has been tendered with the application.

PIPE LINE EASEMENT NO. 717, TO EL PASO NATURAL GAS COMPANY, REAGAN COUNTY, TEXAS. --This application for a pipe line easement to El Paso Natural Gas Company covers 222.061 rods of 4-1/2" natural gas pipe line at 50¢ per rod in Block 11, Sections 3, 9, 10, University Lands, Reagan County, Texas, for a period of 10 years beginning July 1, 1955, and ending June 30, 1965. The full consideration for the 10-year period in the amount of \$111.03 has been tendered with the application.

PIPE LINE EASEMENT NO. 718, TO GULF OIL CORPORATION, CRANE COUNTY, TEXAS. --This application for a pipe line easement to Gulf Oil Corporation covers 2,749 rods of 8-inch water pipe line at \$1.00 per rod in Block 31, Sections 1 and 12, and Block 30, Sections 7, 18, 19, 29, 30, 32, 40, 41, and 45, University Lands, Crane County, Texas, for a period of 10 years beginning June 1, 1955, and ending May 31, 1965. The full consideration for the 10-year period in the amount of \$2,749.00 has been tendered with the application. (Renewal of Easement No. 245.)

CALICHE PERMIT NO. 76, TEXAS STATE HIGHWAY DEPARTMENT, ANDREWS COUNTY, TEXAS. --This application for a caliche permit to the Texas State Highway Department provides for the taking and removal of caliche from a 15.55-acre tract in Block 11, Section 10, University Lands, Andrews County, Texas. This caliche source is to be used for construction and maintenance of F. M. Highway No. 703. No consideration is involved in this easement.

PIPE LINE EASEMENT NO. 719, TO GULF REFINING COMPANY, ECTOR COUNTY, TEXAS. --This application for a pipe line easement to Gulf Refining Company covers 238 rods of 6-inch pipe line at \$0.50 per rod in Block 35, Section 1, University Lands in Ector County, Texas, for a period of ten years beginning June 1, 1955, and ending May 31, 1965. The full consideration for the 10-year period in the amount of \$119.00 has been tendered with the application.

HIGHWAY RIGHT-OF-WAY EASEMENT NO. 720, TO TEXAS STATE HIGHWAY COMMISSION, TERRELL COUNTY, TEXAS. --This application for a highway right-of-way easement to the Texas State Highway Commission covers a strip of land containing 26.090 acres, more or less, in Block 34, Sections 2, 3, and 4, University Lands in Terrell County, Texas for use as right-of-way for F. M. Highway No. 1217 between end of present F. M. 1217 South of Pecos County Line and end of present F. M. 1217 North of Dryden. In addition, the easement covers borrow sources containing 1.836 acres, more or less, in Block 34, Sections 3 and 4, Terrell County, Texas. No consideration is involved in the easement.

BUSINESS SITE EASEMENT NO. 680, WARD COUNTY, TEXAS - ASSIGNMENT FROM R. E. WILSON TO V. A. WADE. --Business Site Easement No. 680, beginning July 1, 1954, and ending June 30, 1955, with an option to extend and renew from year to year not to exceed a total period of 10 years by payment in advance of the annual rental in the amount of \$100.00, has been held by R. E. Wilson, who desires to assign his interest therein to V. A. Wade, beginning July 1, 1955. The rental for the year beginning July 1, 1955, has been tendered by V. A. Wade together with a \$1.00 filing fee due to General Land Office. The terms of the easement provide that it may be assigned without other consideration than that tendered with the application for assignment.

TRUST AND SPECIAL FUNDS -- INVESTMENT MATTERS. --

REPORT OF PURCHASES AND SALE OF SECURITIES. -- The following purchases and sale of securities have been made for the Trust and Special Funds since the report of May 13, 1955. We ask that the Board ratify and approve these transactions:

PURCHASES

Date	Security	Total Cost
3/21/55	\$14,000 par value U. S. Savings Bonds, Series K, due March 1, 1967 (Advance Rental Payment - McAshan Property, Frank G. Cadena)	\$14,000.00
6/1/55	\$85,000 par value U. S. Treasury 3% Bonds, due February 15, 1995, purchased at 101.15625 Net to yield 2.95% to maturity (W. J. McDonald Observatory Fund)	85,982.81
	8,000 par value Ditto (Student Property Deposit Scholarship Fund)	8,092.50
	30 Shares American Telephone & Telegraph Company Capital Stock purchased at 184-1/8 per share (Funds Grouped for Investment)	5,555.55

TRUST AND SPECIAL FUNDS -- REAL ESTATE MATTERS. --

HOGG FOUNDATION: W. C. HOGG FUND - VARNER PROPERTIES - REPORT ON SALE OF CENTRAL COMPANY PROPERTY IN SAN ANTONIO, TEXAS. --Pursuant to approval given by the Board of Regents at its meeting held in Galveston, Texas, on May 14, 1955, the Endowment Officer notified the Groos National Bank that the Board of Regents had authorized him to make a firm counter offer of \$250,000.00 cash for the Central Company Property in San Antonio subject to acceptance or rejection by the Bank within thirty days. On June 10, 1955, Mr. Ernest M. Groos, Sr., President of the Groos National Bank, delivered to the Endowment Office the bank's check for \$25,000.00 as earnest money for acceptance of the counter offer of \$250,000 cash. Contract for purchase and sale at this price is being prepared, the delay being due to absence of the Bank's Attorney, and will be submitted in due course to Chairman Sealy for execution.

HOGG FOUNDATION: THOMAS E. HOGG ESTATE - PROPOSED JOINDER BY BOARD OF REGENTS IN AMENDMENT TO MINERAL LEASE TO W. T. JONES, MONTGOMERY COUNTY, TEXAS, SO AS TO EXTEND TIME FOR COMMENCEMENT OF ACTUAL DRILLING. --The Board of Regents at its meeting held on May 14, 1955, approved the joinder in a mineral lease to W. T. Jones covering five tracts of land in the Thomas E. Hogg Estate out of the Mary Corner League in Montgomery County, Texas, the total acreage for the purpose of calculating payments and royalties being estimated to comprise 1,368.6 acres, more or less. The lease is for a primary term of three years from May 1, 1955, and provides that unless actual drilling shall commence on or before July 1, 1955, that the lease shall be terminated. Due to unavoidable delay in delivering a fully executed instrument, an amendment to the lease has been applied for which would extend the time in which the lessee must commence actual drilling of a well from July 1, 1955, to September 1, 1955. This amendment instrument has been executed by Miss Ina Hogg, Mrs. Alice N. Hanszen, and Mrs. Margaret Wells Hogg. The Land and Investment Committee recommends that the Board of Regents approve this amendment to the original lease and authorize the Chairman of the Board to execute the amendment instrument upon its approval as to form by Land and Trust Attorney Gaines and as to content by Endowment Officer Stewart.

HOGG FOUNDATION: W. C. HOGG FUND - VARNER PROPERTIES - PROPOSED PREPAYMENT OF REMAINDER OF COMMISSION DUE GILBERT S. JACKSON ON SALE OF VARNER BUILDING. --When the Varner Building in Houston was sold to the Pappas Company, Inc., in July, 1954, it was agreed with Mr. Gilbert S. Jackson, realtor who handled the sale, that his commission of \$27,500.00 would be paid \$12,500 upon closing of the sale and \$5,000.00 annually over the next three years. The 1955 installment of \$5,000.00 has recently been paid to Mr. Jackson, and he has proposed that the Board of Regents pay him \$9,000.00 at this time in settlement of the two remaining installments of \$5,000.00 each. When the sale was closed, it was understood with Mr. Jackson by letter agreement that (1) he would indemnify the Board of Regents against any claims from other agents for commission on this sale and (2) the installment commission payments to Mr. Jackson would be contingent on payments being made on the Pappas note accepted as part of the purchase price. Payments on the Pappas note have been made as agreed; and though inquiries were received from two other agents about commission around the time of the sale, there has been no indication of any claim since that time. If Mr. Jackson's proposal for settlement of \$9,000.00 is accepted, he will execute an indemnity agreement covering the two points

stated above, such agreement to be approved as to content by the Endowment Officer and as to form by the Land and Trust Attorney. Mr. Jackson's bank reference in Houston gives a favorable report on him and indicates that he has received unsecured credit up to approximately \$10,000.00 from the bank. It is recommended that Mr. Jackson's proposal be accepted and that Endowment Officer Stewart be authorized to make payment in the amount of \$9,000.00 in full settlement of his remaining commission claim of \$10,000 on the sale of the Varner Building

Adoption of Report. --Mr. Jeffers moved that the recommendations and actions in the foregoing report be approved and ratified. Mr. Sorrell seconded this motion which carried.

REPORT OF DEVELOPMENTAL AFFAIRS AND PUBLIC RELATIONS COMMITTEE. -- (This report was adopted by the Board as reflected on Page 763 .)

Mr. Lockwood, Chairman of the Developmental Affairs and Public Relations Committee, presented the following report:

RATIFICATION OF CONTRACT AWARD FOR AN ELEVATOR IN WAGGENER HALL AT THE MAIN UNIVERSITY. --At the Regents' meeting held May 14, 1955, authorization was given for Comptroller Sparenberg to receive bids and award a contract for a new automatic elevator in Waggener Hall in an amount not to exceed \$24,515.50, the sum available for this purpose. Bids were received for this elevator on June 23, 1955, as shown on the tabulation sheet (Page 762). In accordance with the authorization referred to above, an award has been made to the low bidder, as follows:

Hunter-Hayes Elevator Company,	
Austin, Texas, Base Bid	\$22,992.00
Deduction No. 1	<u>1,590.00</u>
Net Contract Award	<u>\$21,402.00</u>

It is recommended that the contract award as made by Comptroller Sparenberg be ratified by the Board.

RATIFICATION OF CONTRACT AWARDS FOR HOUSING AND HOME FINANCE AGENCY PROJECT AT MEDICAL BRANCH, UNIT B. --In accordance with authorization given at the Regents' meeting held May 14, 1955, bids were received June 21, 1955 for the construction of three additional dormitories, addition to the small power plant, and building to be used for a Cafeteria, Lounge, and Faculty Housing at the Medical Branch. After the bids had been considered by the Consulting Architect, Mark Lemon; the Associate Architect, Cameron Fairchild; Doctor G. A. W. Currie, representing the Medical Branch; Mr. R. W. Anderson, representing the Housing and Home Finance Agency; Comptroller Sparenberg; and Vice-President Dolley, recommendations for contract awards were made to the Executive Committee of the Board of Regents on June 23, 1955, the total of the recommended contract awards being within the amount of money available for this project.

The Executive Committee awarded contracts as recommended and as set out in the following resolution, which was adopted by the Executive Committee:

WHEREAS, the Board of Regents of The University of Texas has

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advertised for bids for the construction of three additional Dormitories, an addition to the Power Plant, and a building to be used for a Cafeteria, Lounge, and Faculty Housing at The University of Texas Medical Branch, Galveston, Texas; and

WHEREAS, bids have been received as shown on the tabulation sheet (Page 760); and

WHEREAS, the Board of Regents of The University of Texas is of the opinion that the bids as listed below are the lowest and best bids:

General Contract, Southwestern Construction Company, Houston, Texas, Base Bid	\$715,700.00	
Add Alternates Nos. 1-A, 1-B, 1-C, 1-D, 1-E, 1-F, 1-G, 1-H, 1-I, 1-M, 1-N, 1-P, 1-Q and 1-R	<u>21,990.00</u>	\$737,690.00
Plumbing, Heating, Ventilating, and Air Conditioning Contract, Straus-Frank Company, Houston, Texas, Base Bid	279,970.00	
Add Alternates Nos. 2, 3, 4, and 5	<u>17,861.00</u>	297,831.00
Electrical Contract, Muhl Electric Limited, Houston, Texas, Base Bid	65,000.00	
Add Alternates Nos. 1, 2 and 3	5,860.00	
Deduct Alternate No. 4	<u>- 175.00</u>	70,685.00
Built-In Furniture and Venetian Blinds Contract, Suniland Furniture Company, Houston, Texas, Base Bid		56,195.00
Kitchen Equipment Contract, Metal Arts Company, Houston, Texas, Base Bid		30,168.00

(In accordance with the specifications, Suniland Furniture Company and Metal Arts Company shall become subcontractors under Southwestern Construction Company, the General Contractor, and their bids shall be added to the bid of the General Contractor and shall become a part of the General Contract so far as The University of Texas is concerned.)

NOW, THEREFORE, BE IT RESOLVED by the Board of Regents of The University of Texas

SECTION 1. That the Contractors as listed above have submitted the lowest and best bids for the construction of said project;

SECTION 2. That the bids as listed above are hereby accepted;

SECTION 3. That the officials of The University of Texas upon whom such duty properly devolves shall, and they are hereby directed to prepare and execute in behalf of said The University of Texas all necessary contracts and documents relating thereto.

It is recommended that the Board ratify the award of contracts as set out above, with authority to the Chairman of the Board to sign the contract documents; it is further recommended that the Board also ratify the adoption of the resolution which is required by Housing and Home Finance Agency.

FINAL PLANS AND SPECIFICATIONS FOR NEW ADMINISTRATION BUILDING AT TEXAS WESTERN COLLEGE. --At the Regents' meeting held March 12, 1955, authorization was given to Davis and Foster, Architects, to prepare final plans and specifications for a new Administration Building at Texas Western College. It was thought that these plans would be ready to present for approval at this meeting of the Board; however, a letter has been received from Doctor Holcomb indicating that he has recommended a change in the site of the building, which delayed the completion of the plans.

It is recommended that the proposed new site of the building and the preliminary plans as revised thereby, as shown on the new plot plan prepared by Davis and Foster, Architects, be approved by the Board. Since it is desirable that bids be received on the construction of the building at the October meeting of the Board, it is recommended that a Committee be appointed, consisting of the Chairman of the Regents' Committee on Developmental Affairs and Public Relations, Doctor Logan Wilson, Doctor Dysart Holcomb, and Comptroller Sparenberg, to approve the final plans and specifications for the Administration Building at Texas Western College. It is further recommended that authorization be given to Comptroller Sparenberg, upon approval of the plans and specifications, to advertise for bids to be considered at the October meeting of the Board of Regents.

APPROVAL OF REMOVAL OF CERTAIN TEMPORARY BUILDINGS AT OLD SITE OF SOUTHWESTERN MEDICAL SCHOOL. --A request has been received from Dean Gill of Southwestern Medical School for permission to remove all or parts of certain temporary buildings on the old site of Southwestern Medical School as more fully set out on a drawing which has been prepared at the School. It is believed that bids can be received covering this work at no cost and possibly some gain to the University. It is contemplated that the Physical Plant Staff at the Southwestern Medical School can do the work necessary to place the remaining buildings in condition for continued use.

It is recommended that the Board authorize advertising for bids for the removal of the buildings as specified by Dean Gill, with contracts to be awarded for this work with the concurrence of Dean Gill and Comptroller Sparenberg.

RATIFICATION OF SALE OF CERTAIN TEMPORARY BUILDINGS AT FORMER SITE OF DENTAL BRANCH. --At the Regents' meeting held March 12, 1955, authorization was given to Doctor Olson to sell the temporary buildings on the former site of the Dental Branch to the highest bidder, with concurrence of Comptroller Sparenberg and President Wilson. The following letter covering the sale of temporary buildings on the leased property has been received from Doctor Olson:

With reference to the minutes of the Board of Regents, Meeting No. 546 dated March 11, 1955, as pertains to the disposition of University of Texas, Dental Branch

property - Old Campus, I wish to recommend that the buildings on the leased property be sold to W. H. Randolph for the sum of three hundred fifty one dollars (\$351.00) with the provision that the purchaser will pay all costs incident to moving said buildings and restoring grounds to original condition.

These buildings were advertised for bids for sale and removal through the local newspaper, the Houston Chronicle, on four consecutive Sundays, May 15th, 22nd, 29th and June 5th, 1955, bids to be opened June 15th, 1955. Only one acceptable bid was submitted, one bid had to be rejected because the terms were altered by the bidder. A copy of the invitation to bid and a copy of a map which indicates the location of the buildings are attached hereto, together with a copy of each of the bids that were submitted. A copy of the contract that we expect to ask Mr. Randolph to sign is enclosed.

It is recommended that the recommendation made by Doctor Olson in the letter quoted above and concurred in by Comptroller Sparenberg and President Wilson be ratified by the Board

PLANS AND SPECIFICATIONS FOR AIR CONDITIONING THE MAIN BUILDING AT THE MAIN UNIVERSITY. --At the Regents' meeting held April 9, 1954, Zumwalt and Vinther, Consulting Engineers, Dallas, Texas, were authorized to proceed, along with other work, with the "preliminary phase" and the "Design phase" for Air Conditioning the Main Building at the Main University, and at the meeting held September 18, 1954, an appropriation was set up to cover Engineer's Fees for this work; no appropriation, however, has been made to cover the air conditioning work itself. The plans and specifications for the work as outlined have now been completed by Zumwalt and Vinther and have been reviewed by various people on the Physical Plant staff of the Main University and in the Comptroller's Office. It is the consensus of opinion of all concerned that the plans and specifications are well prepared and should be accepted by the University in order that the fees due the Engineers may be paid, although when and if air conditioning the Main Building is authorized, there will be certain modifications to be made in the plans and specifications because of air conditioning work which has been done in the Main Building since the Engineers were authorized to prepare these plans and specifications.

The contract with Zumwalt and Vinther states that the fees for this work shall be 5% of the total costs of the work as determined by contract awards, or, in the absence of contract awards within a sixty-day period, the fee shall be 5% of the estimated costs of the work as determined by qualified estimators less certain fees already paid. Since it is known that this work will not be put out for bids in the near future, it is recommended that the plans and specifications as prepared by Zumwalt and Vinther for Air Conditioning the Main Building at the Main University be accepted and approved for purposes of paying the engineering fees now due, that is, 5% of the total costs of the work as determined by qualified estimators. It is understood that the total fees to be paid to Zumwalt and Vinther by the Comptroller at this time will not exceed 5% of \$750,000.00, the original estimate of the cost of the work made by Zumwalt and Vinther.

COMMITTEE FOR APPROVAL OF PRELIMINARY PLANS, R. O. T. C. BUILDING AT MAIN UNIVERSITY. -- It was pointed out that after the selection of the site and the decision as to the number of stories and the general shape were determined, the preliminary plans could be completed very quickly by the Consulting Architect, and it was desirable that work be started on the working drawings, etc., as soon as possible, preferably before the next meeting of the Board. It is, therefore, recommended that a Committee be appointed, consisting of the Chairman of the Regents' Committee on Developmental Affairs and Public Relations, President Logan Wilson, Vice-President C. Paul Boner, and Comptroller Sparenberg to approve the preliminary plans for the R. O. T. C. Building at the Main University.

PLANS FOR UNION BUILDING EXPANSION AT THE MAIN UNIVERSITY. -- The Chairman of the Special Committee on the Union Building Expansion at the Main University appeared before the Regents' Developmental Affairs and Public Relations Committee to answer questions and to make any explanations necessary concerning the report on this expansion which was sent to the Regents in advance of this meeting. After discussion of the matter, both as to the need for the expansion and the financing thereof, Doctor Dolley recommended that the following actions be taken by the Regents' Committee, and these recommendations were approved:

1. Refer the project formally to the Faculty Building Committee for routine processing.
2. Request the administration to determine the legality of the proposed required Union Fee and to present a possible definite plan of financing that the Committee could consider at a later meeting of the Board.
3. Request the Special Committee to go ahead with such additional preliminary planning as is possible.

PROPOSED TRADE OF PROPERTY BY TEXAS WESTERN COLLEGE AND CITY OF EL PASO. -- At the Regents' meeting of May 14, 1955, Acting President Smith was authorized to negotiate with the City of El Paso for an even trade of land, acre for acre, between Texas Western College and the City of El Paso. Also at this same meeting, a Committee was appointed to obtain appraisals of the land involved in the proposed trade. Three appraisal reports by Real Estate men in El Paso were presented by President Holcomb, Mr. Smith, and Comptroller Sparenberg to the Regents' Developmental Affairs and Public Relations Committee, and a discussion was held as to the merits of the trade. According to the reports obtained, the properties owned by the College and the City appear to be practically equal in value, with perhaps a slightly higher value being on the City owned property which the College will acquire in the trade. There is a small tract of approximately 1-1/2 acres included in the City property which was deeded to the City for park purposes, but which has never been used for this purpose. There is a possibility that in order to use this 1-1/2 acres, it will be necessary for the College to take certain steps to get the title cleared on it; however, it was thought that this land should be included in the trade, since it was property which the College would like to have, and it was not thought the College could lose anything by accepting it along with the rest of the property involved.

It is recommended that approval be given by the Board to make the trade of property as shown on certain plats presented by Texas Western College, prior to September 1, 1955, subject to approval of the deeds

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TABULATION OF BIDS FOR THE UNIVERSITY OF TEXAS
 HHFA PROJECT NO. TEX. 41-CH-11; UNIT 8
 Completion Time - 365 Calendar Days

Received June 21, 1955, Austin, Texas
 Prepared by Mark Lemmon, Consulting Architect

- Part I Three Dormitories and Additions to Power Plants (45, 063 Square feet; 502, 853 Cubic feet)
- Part II Cafeteria, Lounge, and Faculty Housing Building (30, 721 Square feet; 383, 928 Cubic feet)
- Part III Part I and II Combined

General Bid

Alternate Bids:

- 1-A Vinalux Tile, 3 Dormitories, 1st and 2nd Floor Corridors, Stair Halls, Entrance Hall and Room 100
- 1-B Vinalux Tile, Part II, First-Floor Lobby, Halls and Rooms 103, 104
- 1-C Vinalux Tile, Part II, Rooms 122, 128
- 1-D Vinalux Tile, Part II, Corridor, Stair Hall, 2nd Floor
- 1-E Folding Door Unit No. 2 in Part II
- 1-F Folding Door Unit No. 3 in Part II
- 1-G Folding Door Unit No. 4 in Part II
- 1-H Folding Door Unit No. 5 in Part II
- 1-I Part II, Terrazzo in Stairway No. 1 in lieu of Cement
- 1-J Wood Windows in lieu of Aluminum Windows, Part I
- 1-K Wood Windows in lieu of Aluminum Windows, Part II
- 1-L Wood Windows in lieu of Aluminum Windows, Part III
- 1-M Electric Dumb Waiter in lieu of Mechanical Dumb Waiter, Part II
- 1-N Top Soil and Grass Sprigging
- 1-P Paved Parking Lot
- 1-Q Circular Drive
- 1-R Extension of Avenue "B"

General Contractors (Construction Co.)	Part I	Part II	Part III	1-A	1-B	1-C	1-D
Chambers	\$472, 831	\$339, 356	\$798, 603	+\$1, 100	+\$950	+\$625	+\$310
Farnsworth	470, 120	323, 290	775, 125	+1, 065	+975	+700	+300
Fisher	465, 000	324, 700	766, 000	+1, 100	+1, 000	+650	+300
Gulf	485, 533	334, 205	815, 738	+1, 100	+1, 000	+700	+400
Knutson	487, 000	342, 000	795, 000	+1, 160	+1, 000	+660	+325
O'Rourke	488, 700	322, 900	803, 000	+1, 338	+1, 158	+761	+377
Schneider	455, 000	303, 000	731, 341	+1, 146	+1, 032	+690	+320
Southwestern	437, 000	314, 000	715, 700	+1, 140	+1, 100	+650	+330
Tellepsen	476, 500	323, 175	797, 700	+1, 200	+1, 000	+700	+300
Texas Gulf	458, 525	315, 131	757, 665	+1, 052	+948	+633	+294
Van Cleve	467, 000	322, 000	770, 000	+1, 075	+945	+680	+310

1-E	1-F	1-G	1-H	1-I	1-J	1-K	1-L
\$-675	\$+1,550	\$+465	\$+465	\$ - -	\$ - -	\$ - -	\$ - -
+650	+1,580	+460	+480	+1,050	- -	- -	- -
+700	+1,600	+500	+500	+1,240	+6,670	+3,100	+9,770
+600	+1,500	+500	+500	+1,300	+5,673	+2,816	+8,489
+750	+1,660	+500	+500	+1,000	- -	- -	- -
+746	+1,663	+503	+503	+1,362	- -	- -	- -
+730	+1,690	+530	+530	+1,400	- -	- -	- -
+690	+1,650	+490	+490	+1,000	+5,600	+2,700	+8,300
+750	+1,700	+500	+500	+1,500	+4,000	+1,700	+5,700
+632	+1,542	+445	+445	+1,000	- -	- -	- -
+675	+1,600	+475	+475	+1,100	- -	- -	- -

1-M	1-N	1-P	1-Q	1-R	Remarks
\$+1,775	\$+4,290	\$+3,520	\$+3,230	\$+2,850	Bond 5%
+1,340	+3,700	+3,850	+1,950	+3,500	Bond 5%
+1,550	+3,500	+4,000	+2,000	+3,600	Bond 5%
+1,300	+4,200	+4,000	+1,500	+3,500	Bond 5%
+1,900	+4,900	+4,400	+2,050	+3,950	Bond 5%
+1,312	+5,399*	+4,084	+1,755	+4,237	# Bond 5%
+134	+4,600	+3,764	+1,714	+3,448	Bond 5%
+1,250	+4,000	+4,000	+1,700	+3,500	Bond 5%
+1,300	+8,500	+5,000	+2,700	+5,000	Bond 5%
+1,232	+3,490	+3,557	+1,878	+3,312	Bond 5%
+1,300	+3,550	+3,700	+2,000	+3,420	Bond 5%

Part I - \$3,162, Part II - \$2,237, Part III - \$5,399
 Telegram modifying bid: Bid I - Part II - Deduct \$6,300; Part II, \$4000; Part III, \$10,300.

Kitchen Equipment (in Rooms 118, 119, 121, and 122 of Part II)

Contractor	Bid	Remarks
Commercial Kitchens	\$29,927.00 *	Bond not signed by Bidder
Gardner Hotel Supply	- - -	
Joske's Houston	33,139.70 **	Bond 5%
Metal Arts	30,168.00	Bond \$2,000; Signed letter
Southland Equipment Company	30,197.00 ***	Bond \$1,650

* Alt. #1 Add \$1,237; Alt. #2 Add \$2,100; Alt. #3 No change in bid price

Proposal not signed. Letter attached.

** Alt. 1-N Add \$950

*** Alt. 1-N Add \$2,345

Built-In Furniture and Venetian Blinds

Company	Bid	Remarks
Rockford Furniture Associates	\$74,349.35	Bond 5%
Joske's Houston	70,000.00	Bond 5%
Suniland Furniture Company	56,195.00	Bond 5%

Bid No. 3 - Electrical Work

Alternate Bids:

1. Television Antenna System Part II
2. Cove Lighting Part II
3. Wiring and Equipment for Second Chiller Water Pump Part II
4. Wiring for Single Centrifugal Compressor

Contractor (Electric Company)	Part I	Part II	Part III	Alt. 1	Alt. 2	Alt. 3	Alt. 4
* Britain	\$38,000	\$28,300	\$65,727	+\$4,375	+\$1,692	+\$287	-\$ 550
* Foley	39,012	28,252	65,947	+2,856	+2,059	+794	-250
* Muhl	36,700	29,300	65,000	+3,560	+1,850	+450	-175
* Pfeiffer	38,900	30,100	69,000	+3,500	+1,750	+115	-125
*Bond 5%							

Bid No. 4 - Mechanical Work - Heating, Ventilating, & Air Conditioning

Alternate Bids:

1. Non-Specified Air Conditioning Equipment and Machinery Part I
2. Dual Piping Part II
3. Centrifugal Compressor in lieu of Two Reciprocating Compressors
4. Re-Heat Provision Part II
5. Dampers in Ducts to Three Reading Rooms Part II

Contractor	Part I	Part II	Part III	Alt. 1	Alt. 2	Alt. 3	Alt. 4	Alt. 5
Chas. G. Heyne Co.	\$ - -	\$ - -	\$ - -	\$ - -	+\$11,030	+\$3,728	+\$1,280	+\$ 575 *
Natkin Co.	117,412	58,162	174,574	-2000	+ 5,673	+3,110	+1,144	+ 582 *
Straus Frank Co.	- -	- -	- -	- -	+10,641	+5,613	+1,031	+ 576 *
May Eng. Co.	113,322	49,390	160,712	- -	+9,900	+5,650	+1,500	+ 590 *
*Bond 5%								

Combined Bids - Plumbing and Mechanical Work

Contractor	Part I	Part II	Part III
Chas. G. Heyne Co.	\$210,823	\$135,029	\$342,500
Natkin Co.	191,534	118,805	308,839
Straus Frank Co.	155,966	104,056	279,970

**TABULATION OF BIDS FOR ELEVATOR IN WAGGENER HALL
PROJECT NO. 4-1955**

Received June 23, 1955, 10:00 a.m.

Elevator Co.	Bond or Check	Base Bid	Deduction No. 1	Deduction No. 2	Deduction No. 3	Deduction No. 4
Munter Hayes	Bond 5%	\$22,992	\$1,590	\$437	\$1,721	\$1,099
Otis	Bond 5%	24,175	377	- -	- -	- -

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involved by Judge Scott Gaines, University Attorney, with authority to the Chairman of the Board to execute whatever deeds to the City are necessary.

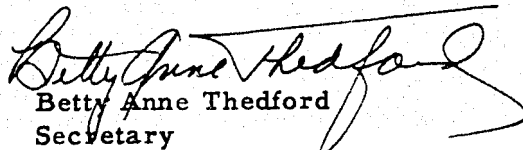
Adoption of Report. --Mr. Lockwood moved the adoption of the report and the approval and ratification of the recommendations and actions contained therein. This motion was seconded by Mrs. Devall and carried.

CENTRAL ADMINISTRATION

MEETINGS, BOARD OF REGENTS. -- It was announced that the next meeting of the Board of Regents would be held in El Paso, Texas, October 14 and 15, with committee meetings on the afternoon of October 13. It is planned that the Board members will go to the McDonald Observatory on Saturday afternoon, October 15, and spend the night in that area.

It was further announced that the December meeting of the Board of Regents would probably be December 2 and 3 in Houston.

ADJOURNMENT. -- The Board adjourned at 5:00 p. m.


Betty Anne Thedford
Secretary