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minutes.)

Mr. Humphrey noted that Dr. Anderson had signed the agreement upon his recommendation with the assurance that the contract would be held in the control of the University until such time as there was agreement by the Board of Regents.

Mr. Humphrey requested that President Miller proceed with the explanation concerning the contract.

President Miller stated that contract was substantially the same as drawn by Dan Walsh, providing up to \$300,000 a year for 20 years however, two items in the contract need additional clarification from the Hughes organization.

He noted that on page 2, the first paragraph speaks of the first payment "commencing the date the Medical School has been constructed and opened for academic session." President Miller stated that this appears to impose a time limit since the contract further stated that the agreement will "remain valid for a period not to exceed three years (3) years from the date hereof." If the School must have opened for academic session within three years

31, 1968, it would, in effect, require the Schoo

Clarification is necessary before the University could seek resolution of the contract.

Mr. Walsh stated that as the University's Counsel, he felt it important that the Regents be fully advised on their legal position. There is presently, he said, a possibility that the people who signed the contract could say that a full Medical School must be constructed to satisfy conditions of the agreement. This possibility could be eliminated by striking the words, "construction" or "constructed". Mr. Walsh also pointed out that prior to this time funds have been expended in reliance of the pledge that money would be forthcoming for the operation of the Medical School. In granting money for construction, the Federal agencies and foundation people would consider two things to be legally binding: (1) a written contract, and (2) an interpretation of that contract by a court of law.

Mr. Walsh said that if a court should conclude that there was an offer for the operation of a Medical School, one could imply from that that you have a reasonable time to construct the facilities. Once the document is fully executed this possibility would be waived. He also stated

mentioned and it placed a tremendous burden on the University to work within this time limit. He stated that it would appear impossible to be in a position to accept students in 2 1/4 years as required by the present wording of the contract. He suggested the University attempt to find out why this restriction had been introduced.

Mr. Grant suggested that Mr. Hughes be requested to amend the contract to allow for 5 years following acceptance of the feasibility study by the State Legislature. Mr.

Seeliger stated it was most important not to assume that any road blocks were intended.

Mr. Humphrey agreed and added that both he and President Miller recommend proceeding on the assumption that no one gives a major gift to the University without having the University's best interests at heart. He said that he was confident that the donor would wish to understand the problems and work with the University to resolve them. He requested that the Board authorize the Administration to contact Mr. Gray, or other representatives of Mr. Hughes, explain the problems which appear in the proposed contract and request that the changes be made. Mr. Humphrey further recommended that in the event that amend-

ment of the contract is not acceptable to Mr. Hughes, the contract be executed without amendment and the University's ability to comply with its terms be determined within one year.

Mr. Grant suggested that the negotiations with Hughes include the request for a 5-year period following acceptance of the feasibility study.

Mr. Hug pointed out that the University has been proceeding on the basis of a previous announcement which contained no time limitation and has expended money which might have been spent otherwise.

Mr. Humphrey noted that Mr. Ronzone had telephoned to say that he would not be present for the meeting and expressed himself as being in favor of authorizing the Administration to

Mr. Jacobsen asked if the offer could be withdrawn if the contract were not immediately completed or if the contract could be accepted as it is and then amendments requested.

Mr. Walsh stated that we would not be in a good position to request amendment once the contract had been fully executed.

Motion by Mr. Grant, seconded by Mr. Jacobsen, carried without dissent that the Board authorize Chancellor Humphrey, President Miller and Dan Walsh to proceed with negotiations with Mr. Hughes and his representatives to the end that the suggested changes might be made in the contract.

Chancellor Humphrey stated that if the negotiations were successful the contract would be brought back to the next meeting of the Board of Regents.

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the Hancock Foundation who have together pledged more than
\$7 million for this purpose.

The meeting adjourned at 3:15 P.M.

06-11-1968