MINUTES OF SPECIAL MEETING OF THE
STATE BOARD OF HIGHER EDUCATION HELD
AUGUST 21, 1987

<table>
<thead>
<tr>
<th>State of Oregon, State Board of Higher Education Building Bonds, Article XI-F(1) Series 1987A $25,410,000; &amp; Series B $3,980,000</th>
<th>423</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reaffirmation of Acquisition of Marian Hall, Northwest Christian College for Dormitory, UO</td>
<td>424</td>
</tr>
<tr>
<td>ADJOURNMENT</td>
<td>425</td>
</tr>
<tr>
<td>Supplement A - Series 1987A</td>
<td>426</td>
</tr>
<tr>
<td>Supplement B - Series 1987B</td>
<td>442</td>
</tr>
</tbody>
</table>
At the call of the President of the Board, a special meeting of the State Board of Higher Education was held by conference telephone connection.

The meeting was called to order at 11:05 a.m., August 21, 1987, by the President of the Board, Mr. James C. Petersen. On roll call, the following answered present:

- Miss Kasey K. Brooks
- Mr. Gene Chao
- Mr. Mark S. Dodson
- Mr. Richard F. Hensley
- Mrs. Janet S. Nelson
- Mr. James C. Petersen

Absent: Mr. Adams was absent for personal reasons, Mr. Alltucker was absent for business reasons, Mr. Hermens was unable to reach home prior to the call, Mr. Richardson was out of the state, and Mrs. Schnitzer indicated she could not be available at the time set for the call.

OTHERS PRESENT

- Centralized Activities—Secretary Wilma L. Foster; Executive Vice Chancellor W. T. Lemman; Larry Pierce, Vice Chancellor for Academic Affairs; Ross Hall, Controller; Kimberly Carnegie, Public Affairs Assistant.
- Media Representatives—Stacy Waters, KMIR-TV.
- Others—Richard Roberts, Bond Counsel, with the firm of Lindsay, Hart, Neil, Weigler.

Staff Recommendation to the Board

Bond funds are needed to proceed with the construction of fifteen projects, plus the acquisition of patient-related equipment for the hospital, as previously approved by the Board. The proceeds will be used for the purchase of land and a dormitory and construction of track facilities at the University of Oregon; rehabilitation of the hospital, improvement of utilities, additional parking, office space, and construction of the Eye Center at the Oregon Health Sciences University; completion of parking and tennis courts at Eastern Oregon State College; general campus improvements at Western Oregon State College; student housing at Portland State University; and an energy project at Southern Oregon State College. The bonds will be issued in two series:

State of Oregon, State Board of Higher Education Building Bonds, Article XI-F(1)
Series 1987A & Series B
$25,410,000; & $3,980,000
with a par value of $25,410,000 for Series A and $3,980,000 for Series B. It is necessary to segregate the Series B issue because of the provisions of the Tax Reform Act of 1986 as they apply to the operation by Portland Student Services of Housing facilities at Portland State University.

Authorization for the sale is granted by Article XI-F(1) of the Constitution of the State of Oregon; Chapter 640, Oregon Laws 1985; Chapters 866 and 595, Oregon Laws 1987; and applicable provisions of Oregon Revised Statutes, Chapters 286, 288, and 351.

Staff Recommendation to the Board

The staff recommended that the Board authorize the sale of the Series 1987A and 1987B bond issues through the approval of the appropriate resolutions by roll call vote. The resolutions appear as Supplements A and B to these minutes.

Board Discussion and Action

There was a brief discussion of the interest rate anticipated at the time of the bond sale in late September.

Upon motion by Mr. Hensley and second by Mr. Chao, the Board approved the staff recommendation and adopted the resolution for the Series 1987A issue on roll call vote. The following voted in favor: Directors Brooks, Chao, Dodson, Hensley, Nelson, and Petersen. Those voting no: None.

Upon motion by Mr. Hensley and second by Mr. Chao, the Board approved the staff recommendation and adopted the resolution for the Series 1987B issue on roll call vote. The following voted in favor: Directors Brooks, Chao, Dodson, Hensley, Nelson, and Petersen. Those voting no: None.

Reaffirmation of Acquisition of Marian Hall Northwest Christian College for Dormitory, UO

Staff Report to the Board

Mr. Lemman reported the Board had authorized at its February meeting an amendment to the 1987-1989 Capital Construction request in the amount of $2,170,000 for the acquisition of Marian Hall. Marian Hall is a 150-bed dormitory acquired in 1972 by Northwest Christian College. The acquisition was included in the capital construction request and approved.

The action of the Board in February reflected the Board's intent to acquire the property but was not an explicit authorization to make the purchase. The Board's attorneys have requested that the Board reaffirm its February action and approve specifically the acquisition of this property.
Staff Recommendation to the Board

The staff recommended that the Board authorize the University of Oregon and appropriate Board officials from Northwest Christian College to purchase the Marian Hall Dormitory at the appraised value, not to exceed that approved by the Legislative Assembly.

The Board approved the staff recommendation as presented, with the following voting in favor: Directors Brooks, Chao, Dodson, Hensley, Nelson, and Petersen. Those voting no: None.

ADJOURNMENT

The Board meeting was adjourned at 11:25 a.m.

James C. Petersen, President

Wilma L. Foster, Secretary
WHEREAS, THE STATE BOARD OF HIGHER EDUCATION OF THE STATE OF OREGON (the "State") deems it necessary, pursuant to law, including Article XI-F(1) of the Constitution of the State of Oregon, Chapter 640, Oregon Laws 1985, Chapter 866 and Chapter 595, Oregon Laws 1987, and applicable provisions of Oregon Revised Statutes Chapters 286, 288 and 351, to sell State Board of Higher Education General Obligation Building Bonds, 1987 Series A, of the State of Oregon, in the principal amount of $25,410,000 to provide for the acquisition of land and for the planning, constructing, altering, repairing, furnishing and equipping of buildings and facilities of the Department of Higher Education (the "Projects"), and for payment of costs incident to the sale and issuance of the bonds; and

WHEREAS, THE STATE, as required by ORS 351.160, has determined conservatively that said bonds issued under authority of Article XI-F(1) of the Oregon Constitution will be wholly self-liquidating from revenues to accrue from the operation of the Projects and other facilities or from gifts, grants or building fees, or from other unobligated revenues as shall be allocated by the State; and

WHEREAS, THE STATE is authorized and directed by ORS 351.170 to establish for projects financed from Article XI-F(1) bonds such rates, charges and fees for use of such buildings, structures or projects, including revenue-producing buildings and structures already constructed, as, in the judgment of the State, shall provide the required revenues to make the new buildings, structures, or projects self-liquidating and self-supporting, and as shall provide the funds with which to amortize the principal of and pay the interest on bonds issued to finance such buildings, structures or projects; now, therefore,

BE IT RESOLVED BY THE STATE BOARD OF HIGHER EDUCATION OF THE STATE OF OREGON AS FOLLOWS:

Section 1. Issue. For the above purposes, the State of Oregon shall issue its State Board of Higher Education General Obligation Building Bonds, 1987 Series A, in the amount of Twenty-Five Million Four Hundred Ten Thousand Dollars ($25,410,000), to be dated October 1, 1987, to be in denominations of Five Thousand Dollars ($5,000) or integral multiples thereof, to bear interest payable on April 1 and October 1 of each year until maturity or prior redemption, commencing April 1, 1988, and to mature serially on October 1 of each year as follows:
Meeting #553
August 21, 1987

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1988</td>
<td>$665,000</td>
<td>2003</td>
<td>$1,270,000</td>
</tr>
<tr>
<td>1989</td>
<td>715,000</td>
<td>2004</td>
<td>1,360,000</td>
</tr>
<tr>
<td>1990</td>
<td>825,000</td>
<td>2005</td>
<td>1,450,000</td>
</tr>
<tr>
<td>1991</td>
<td>895,000</td>
<td>2006</td>
<td>1,585,000</td>
</tr>
<tr>
<td>1992</td>
<td>965,000</td>
<td>2007</td>
<td>1,710,000</td>
</tr>
<tr>
<td>1993</td>
<td>1,040,000</td>
<td>2008</td>
<td>315,000</td>
</tr>
<tr>
<td>1994</td>
<td>1,110,000</td>
<td>2009</td>
<td>335,000</td>
</tr>
<tr>
<td>1995</td>
<td>700,000</td>
<td>2010</td>
<td>360,000</td>
</tr>
<tr>
<td>1996</td>
<td>770,000</td>
<td>2011</td>
<td>390,000</td>
</tr>
<tr>
<td>1997</td>
<td>815,000</td>
<td>2012</td>
<td>425,000</td>
</tr>
<tr>
<td>1998</td>
<td>885,000</td>
<td>2013</td>
<td>450,000</td>
</tr>
<tr>
<td>1999</td>
<td>930,000</td>
<td>2014</td>
<td>480,000</td>
</tr>
<tr>
<td>2000</td>
<td>1,020,000</td>
<td>2015</td>
<td>515,000</td>
</tr>
<tr>
<td>2001</td>
<td>1,090,000</td>
<td>2016</td>
<td>555,000</td>
</tr>
<tr>
<td>2002</td>
<td>1,180,000</td>
<td>2017</td>
<td>605,000</td>
</tr>
</tbody>
</table>

Section 2. Optional Designation of Term Bonds and Mandatory Redemption. Bidders may designate one or more term bonds. Term Bonds must consist of two or more consecutive maturities, and must mature on the maturity date of the last of the consecutive maturities in an amount equal to the sum of the consecutive maturities. Term bonds shall be subject to mandatory redemption at par and by lot, in the amounts and on the dates of the consecutive maturities shown in the preceding section. If no term bonds are designated in the successful bid, the bonds will mature serially on the schedule indicated above.

Section 3. Optional Redemption. The bonds maturing on or after October 1, 1998 are subject to redemption prior to maturity at the option of the State in whole on any date and in part on any interest payment date on or after October 1, 1997, at a price of par plus accrued interest to the date of redemption.

Section 4. Extraordinary Redemption. The bonds are subject to extraordinary redemption at par plus accrued interest, on October 1, 1990, solely from, and to the extent of, any proceeds of the bonds which remain unexpended on that date.

Section 5. Notice of Redemption.

(a) Unless waived by any holder of bonds to be redeemed, official notice of any such redemption shall be given by the State's paying agent and registrar (the "Registrar") on behalf of the State by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the bond or bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Registrar.
(b) In the case where the Depository Trust Company ("DTC") is acting as securities depository for the bonds and less than all bonds of a maturity are to be redeemed, the Registrar shall notify DTC not more than 45 days prior to the date fixed for redemption of the maturity to be redeemed. DTC shall determine by lot the principal of the maturity of bonds to be redeemed of each DTC participant's interest in such maturity to be redeemed.

(c) All official notices of redemption shall be dated and shall state:

(i) the redemption date,

(ii) the redemption price,

(iii) if less than all outstanding bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the bonds to be redeemed,

(iv) that on the redemption date the redemption price will become due and payable upon each such bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and

(v) the place where such bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Registrar.

Prior to any redemption date, the State shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the bonds or portions of bonds which are to be redeemed on that date.

(d) Official notice of redemption having been given as aforesaid, the bonds or portions of bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the State shall default in the payment of the redemption price) such bonds or portions of bonds shall cease to bear interest. Upon surrender of such bonds for redemption in accordance with said notice, such bonds shall be paid by the Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any bond, there shall be prepared for the registered owner a new bond or bonds of the same maturity in the amount of the unpaid principal. All bonds which have been redeemed shall be cancelled and destroyed by the Registrar and shall not be reissued.
Meeting #553
August 21, 1987

(e) In addition to the foregoing notice, further notice shall be given by the Registrar as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

(i) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all bonds being redeemed; (B) the date of issue of the bonds as originally issued; (C) the rate of interest borne by each bond being redeemed; (D) the maturity date of each bond being redeemed; and (E) any other descriptive information needed to identify accurately the bonds being redeemed.

(ii) Each such further notice shall be published one time in The Bond Buyer of New York, New York or, if such publication is impractical or unlikely to reach a substantial number of the holders of the bonds, in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the bonds, such publication to be made at least 30 days prior to the date fixed for redemption.

(iii) Upon the payment of the redemption price of bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the bonds being redeemed with the proceeds of such check or other transfer.

Section 6. Security. The full faith and credit of the State are pledged to the successive owners of each of the bonds for the punctual payment of such obligations, when due. The State shall levy annually, as provided by law, a direct ad valorem tax upon all of the taxable property within the State in sufficient amount, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes and all other monies reasonably available for the payment of debt service on the bonds, to pay the bonds promptly as they mature, and that the State covenants with the owners of its bonds to levy such a tax annually during each year that any of the bonds, or bonds issued to refund them, are outstanding.

Section 7. Form of Registered Bonds. The State may issue the bonds as one or more typewritten, temporary bonds which shall be exchangeable for definitive bonds when definitive bonds are available. The bonds shall be in substantially the following form:

-429-

Page 4 - Resolution
THE STATE OF OREGON (the "State"), for value received acknowledges itself indebted and hereby promises to pay to the registered holder named above, or registered assigns, the principal amount on the above maturity date together with interest thereon from the date hereof at the rate per annum indicated above. Interest is payable semiannually on the first day of April and the first day of October in each year until maturity or prior redemption, commencing April 1, 1988. Interest upon this bond is payable through the fiscal agency of the State of Oregon in the City and State of New York (the "Registrar") by check or draft; checks or drafts will be mailed on the interest payment date (or the next business day if the interest payment date is not a business day) to the name and address of the registered owner as they appear on the bond register as of the fifteenth day of the month prior to the interest payment date. Bond principal is payable upon presentation and surrender of this bond to the Registrar.

ADDITIONAL PROVISIONS OF THIS BOND APPEAR ON THE REVERSE SIDE; THESE PROVISIONS HAVE THE SAME EFFECT AS IF THEY WERE PRINTED HEREIN.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all conditions, acts, and things required to exist, to happen, and to be performed precedent to and in the issuance of this bond have existed, have happened, and have been performed in due time, form, and manner as required by the Constitution and Statutes of the State of Oregon; that the issue of which this bond is a part, and all other obligations of such State, are within every debt limitation and other limit prescribed by such Constitution and Statutes; and that the State shall provide for the levying annually of a direct ad valorem tax upon all the property within the State so taxable for its purposes, in an amount sufficient with other available funds, to pay the interest on and the principal of the bonds of such issue as such obligations become due and payable.

IN WITNESS WHEREOF, the State of Oregon has caused this bond to be signed by facsimile signatures of its Governor and its Secretary of State, and its State Treasurer, and sealed with a
Meeting #553
August 21, 1987

printed facsimile seal of the State, as of this first day of October, 1987.

Governor

Secretary of State

State Treasurer

THIS BOND SHALL NOT BE VALID UNLESS PROPERLY AUTHENTICATED BY THE REGISTRAR IN THE SPACE INDICATED BELOW.

DATED:

CERTIFICATE OF AUTHENTICATION

This is one of the State of Oregon's State Board of Higher Education General Obligation Building Bonds, 1987 Series A, issued pursuant to the Resolution described herein.

THE CHASE MANHATTAN BANK, N.A., as Registrar
By
Authorized Officer

Note to Printer: The following language should be used for OR bonds:

CERTIFICATE OF AUTHENTICATION

This is one of the State of Oregon's State Board of Higher Education General Obligation Building Bonds, 1987 Series A, issued pursuant to the Resolution described herein.

OREGON STATE TREASURY
Authenticating Agent
By
State Treasurer or Deputy

Page 6 - Resolution
Note to Printer: The following language should be printed on the reverse of the bond:

This bond is one of the State Board of Higher Education General Obligation Building Bonds, 1987 Series A, of the State, and is issued in full and strict accordance and compliance with all of the provisions of the Constitution and Statutes of the State of Oregon.

The bonds maturing on or after October 1, 1998 are subject to redemption prior to maturity at the option of the State in whole on any date and in part on any interest payment date on or after October 1, 1997, at a price of par plus accrued interest to the date of redemption.

The bonds are subject to extraordinary redemption at par plus accrued interest, on October 1, 1990, solely from, and to the extent of, any proceeds of the bonds which remain unexpended on that date.

Notice of any call or redemption, unless waived by the holders of the bonds, shall be mailed not less than thirty days and not more than sixty days prior to such call to the registered owners of the bonds, and otherwise given as required by law and the authorizing bond resolution (the "Resolution"); however, any failure to give notice shall not invalidate the redemption of the bonds. All bonds called for redemption shall cease to bear interest from the date designated in the notice.

Note to Printer: Insert if applicable:

The bonds maturing in __________ shall be subject to redemption at par, by lot, in the following years and amounts:

Bonds maturing in __________:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
</table>

Bonds optionally redeemed by the State may be credited against the mandatory redemption by lot as determined by the Registrar.

The bonds are issuable in the form of registered bonds without coupons in the denominations of $5,000 or any integral multiple thereof. Bonds may be exchanged for bonds of the same aggregate principal amount, but different authorized denominations.
Any transfer of this bond must be registered, as provided in the Resolution, upon the bond register kept for that purpose by the Registrar. The Registrar and the State Treasurer may treat the person in whose name this bond is registered as its absolute owner for all purposes, as provided in the Resolution.

The bondowner may exchange or transfer any bond only by surrendering it, together with a written instrument of exchange or transfer which is satisfactory to the Registrar or the State Treasurer and duly executed by the registered owner or his duly authorized attorney, at the principal corporate trust office of the Registrar or the State Treasurer in the manner and subject to the conditions set forth in the Resolution.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto ___________________________________________

Please insert social security or other identifying number of assignee

the within bond and does hereby irrevocably constitute and appoint ___________________________________________ as attorney to transfer this bond on the books kept for registration thereof with the full power of substitution in the premises.

Dated: __________________________

______________________________

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed

______________________________

(Bank, Trust Company or Brokerage Firm)

Authorized Officer

The following abbreviations, when used in the inscription on the face of the within bond, shall be construed as though they were written out in full according to applicable laws or regulations.
TEN COM -- tenants in common
TEN ENT -- as tenants by the entireties
JT TEN -- as joint tenants with right of survivorship
and not as tenants in common
OREGON CUSTODIANS use the following

as custodian
CUST UL OREG MIN
(name of minor)
OR UNIF TRANS MIN ACT
under the Oregon Uniform Transfer to Minors Act

Additional abbreviations may also be used though not in
the list above.

Section 8. Authentication, Registration and Transfer.

(a) No bond shall be entitled to any right or benefit
under this resolution (the "Resolution") unless it shall have
been authenticated by an authorized officer of the fiscal agency
of the State of Oregon in the City and State of New York (the
"Registrar") or the State Treasurer. The Registrar or the State
Treasurer shall authenticate all bonds to be delivered at closing
of this bond issue, and shall additionally authenticate all bonds
properly surrendered for exchange or transfer pursuant to this
Resolution. A successor Registrar may be appointed for the bonds
by resolution of the State. The Registrar shall provide notice
to bondowners of any change in the Registrar not later than the
bond payment date following the change in Registrar.

(b) The ownership of all bonds shall be entered in the
bond register maintained by the Registrar, and the State and the
Registrar may treat the person listed as owner in the bond
register as the owner of the bond for all purposes.

(c) The Registrar shall mail each interest payment on the
interest payment date (or the next business day if the interest
payment date is not a business day) to the name and address of
the bondowner as they appear on the bond register as of the
fifteenth day of the month preceding an interest payment date
(the "Record Date"). If payment is so mailed, neither the State
nor the Registrar shall have any further liability to any party
for such payment.

(d) Bonds may be exchanged for an equal principal amount
of bonds of the same maturity which are in different
denominations, and bonds may be transferred to other owners if
the bondowner submits the following to the Registrar or the State
Treasurer:

(i) written instructions for exchange or transfer
satisfactory to the Registrar or the State Treasurer, signed
by the bondowner or his attorney in fact and guaranteed or
witnessed in a manner satisfactory to the Registrar or the State Treasurer; and

(ii) the bonds to be exchanged or transferred.

(e) The Registrar or State Treasurer shall not be required to exchange or transfer any bonds submitted to it during any period beginning with a Record Date and ending on the next following payment date; however, such bonds shall be exchanged or transferred promptly following that payment date.

(f) The Registrar or State Treasurer shall note the date of authentication on each bond. The date of authentication shall be the date on which the bondowner's name is listed on the bond register.

(g) For purposes of this section, bonds shall be considered submitted to the Registrar on the date the Registrar or the State Treasurer actually receives the materials described in subsection (d) of this section.

(h) The State may alter these provisions regarding registration and transfer by mailing notification of the altered provisions to all bondowners. The altered provisions shall take effect on the date stated in the notice, which shall not be earlier than 45 days after notice is mailed.

Section 9. Maintenance of Tax-Exempt Status. The State covenants for the benefit of the owners of the bonds to comply with all provisions of the Internal Revenue Code of 1986 (the "Code") which are required for bond interest to be exempt from gross income for federal income taxation (except for taxes on corporations), unless the State obtains an opinion of nationally recognized bond counsel that such compliance is not required in order for the interest paid on the bonds to be so exempt. The State makes the following specific covenants with respect to the Code:

(a) The State shall take no action or omit any action if it would cause the bonds to become "arbitrage bonds" under Section 148 of the Code, and shall pay to the United States all "rebates" on "gross proceeds" earnings which are required under Section 148 of the Code.

(b) The State shall operate the facilities financed with the bonds so that the bonds are not "private activity bonds" within the meaning of Section 141 of the Code.

(c) The State shall comply with all applicable reporting requirements.
(d) Covenants of the State in its tax certificate for the bonds shall be enforceable to the same extent as if contained herein.

Section 10. Sale of Bonds. The Executive Vice Chancellor, or his designee, shall cause to be published in the Daily Journal of Commerce Portland Business Today, Portland, Oregon, and The Bond Buyer, New York, New York, notices of sale of the bonds in the form substantially as shown on Exhibit A attached hereto and by this reference incorporated herein, or summaries, as provided by law. The bonds shall be sold upon the terms provided in the attached Exhibit A, subject to such revisions as may be made by the Executive Vice Chancellor, or his designee, to enhance the marketability, sale or registration of the bonds. The bonds shall be sold on the date and at the time and place stated in Exhibit A, unless the Executive Vice Chancellor, or his designee, establishes a different date, time, or place.
NOTICE IS HEREBY GIVEN that sealed bids will be received on behalf of the State of Oregon (the "State") for the purchase of the State Board of Higher Education General Obligation Building Bonds, 1987 Series A (the "bonds"), until 9:00 o'clock a.m. (Prevailing Pacific Time) on Tuesday, September 29, 1987, at Suite 1000, Orbanco Building, 10th floor, 1001 S.W. Fifth Avenue, Portland, Oregon 97204, at which time they will be publicly opened and announced.

The bids shall be considered and acted upon by the Treasurer of the State of Oregon within four (4) hours after bid opening.

ISSUE: The issue shall be in the aggregate principal amount of TWENTY-FIVE MILLION FOUR HUNDRED TEN THOUSAND DOLLARS ($25,410,000) consisting of registered bonds in denominations of FIVE THOUSAND DOLLARS ($5,000) or integral multiples thereof, as specified by the successful bidder, all dated October 1, 1987, and all subject to the terms and conditions of this Notice. Interest is payable on the 1st days of October and April of each year until maturity or prior redemption, commencing on April 1, 1988.

INTEREST RATES AND BASIS OF AWARD: Unless all bids are rejected, the bonds will be awarded to the bidder submitting the lowest true interest cost determined by doubling the semi-annual interest rate, compounded semi-annually, necessary to discount the debt service payments to the date of the bonds (October 1, 1987) and to the price bid, excluding interest accrued to the date of delivery. The purchaser must pay accrued interest, computed on a 360-day basis, from the date of the bonds to the date of delivery. The cost of printing the bonds will be borne by the State. Bidders are requested to name the rate or rates of interest which the bonds are to bear in multiples of one-eighth.
Meeting #553 August 21, 1987

(1/8) or one-twentieth (1/20) of one percent (1%). Each bidder must specify the amount and maturity of the bonds of each rate named pursuant to the maturities listed below. All of said bonds maturing on the same date must bear interest at the same single rate. Bidders are requested to state the total interest cost to the State under the terms of the bid, and the true interest rate which shall be considered informative only. The interest rate named for the bonds of any maturity shall not be less than the interest rate named for the bonds of any earlier maturity. In addition, State law requires that bonds may not be sold at a net effective rate of interest of more than thirteen percent (13%).

MATURITIES: The bonds shall mature serially on the first day of October each year as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1988</td>
<td>$665,000</td>
<td>2003</td>
<td>$1,270,000</td>
</tr>
<tr>
<td>1989</td>
<td>715,000</td>
<td>2004</td>
<td>1,360,000</td>
</tr>
<tr>
<td>1990</td>
<td>825,000</td>
<td>2005</td>
<td>1,450,000</td>
</tr>
<tr>
<td>1991</td>
<td>895,000</td>
<td>2006</td>
<td>1,585,000</td>
</tr>
<tr>
<td>1992</td>
<td>965,000</td>
<td>2007</td>
<td>1,710,000</td>
</tr>
<tr>
<td>1993</td>
<td>1,040,000</td>
<td>2008</td>
<td>315,000</td>
</tr>
<tr>
<td>1994</td>
<td>1,110,000</td>
<td>2009</td>
<td>335,000</td>
</tr>
<tr>
<td>1995</td>
<td>700,000</td>
<td>2010</td>
<td>360,000</td>
</tr>
<tr>
<td>1996</td>
<td>770,000</td>
<td>2011</td>
<td>390,000</td>
</tr>
<tr>
<td>1997</td>
<td>815,000</td>
<td>2012</td>
<td>425,000</td>
</tr>
<tr>
<td>1998</td>
<td>885,000</td>
<td>2013</td>
<td>450,000</td>
</tr>
<tr>
<td>1999</td>
<td>930,000</td>
<td>2014</td>
<td>480,000</td>
</tr>
<tr>
<td>2000</td>
<td>1,020,000</td>
<td>2015</td>
<td>515,000</td>
</tr>
<tr>
<td>2001</td>
<td>1,090,000</td>
<td>2016</td>
<td>555,000</td>
</tr>
<tr>
<td>2002</td>
<td>1,180,000</td>
<td>2017</td>
<td>605,000</td>
</tr>
</tbody>
</table>

OPTIONAL DESIGNATION OF TERM BONDS AND MANDATORY REDEMPTION: Bidders may designate one or more term bonds. Term bonds must consist of two or more consecutive maturities, and must mature on the maturity date of the last of the consecutive maturities in an amount equal to the sum of the consecutive maturities. Term bonds shall be subject to mandatory redemption at par and by lot, in the amounts and on the dates of the consecutive maturities shown in the preceding section. If no term bonds are designated in the successful bid, the bonds will mature serially on the schedule indicated above.

OPTIONAL REDEMPTION: The bonds maturing on or after October 1, 1998 are subject to redemption prior to maturity at the option of the State in whole on any date and in part on any interest payment date on or after October 1, 1997, at a price of par plus accrued interest to the date of redemption.

EXTRAORDINARY REDEMPTION: The bonds are subject to extraordinary redemption at par plus accrued interest, on
October 1, 1990, solely from, and to the extent of, any proceeds of the bonds which remain unexpended on that date.

NOTICE OF REDEMPTION: Notice of any call or redemption, unless waived by the holder of the bonds to be redeemed, shall be published not less than thirty days and not more than sixty days prior to such call in one issue of a business and financial newspaper published in the City of Portland, Oregon, and in the City of New York, New York, and by mailing such notice to the State's paying agent and registrar, and otherwise given as required by law and the authorizing bond resolution; however, any failure to give notice shall not invalidate the redemption of the bonds. All bonds called for redemption shall cease to bear interest from the date designated in the notice.

REGISTRATION: The bonds will be issued in fully registered form, and may be exchanged at the expense of issuer for similar bonds of different authorized denominations. Bonds may not be converted to bearer form.

PAYMENT: Principal and interest are payable, either at maturity or upon earlier redemption, by check through the office of the fiscal agent of the State, which is currently the principal corporate trust office of The Chase Manhattan Bank, N.A., New York, New York.

PURPOSE: The bonds are being issued for the purposes of providing for the acquisition of land and for the planning, constructing, altering, repairing, furnishing and equipping of buildings and facilities of the Department of Higher Education. The bonds are authorized pursuant to Article XI-F(1) of the Constitution of the State of Oregon, Chapter 640, Oregon Laws 1985, Chapter 866 and Chapter 595, Oregon Laws 1987, and Oregon Revised Statutes, Chapters 286, 288 and 351.

SECURITY: The bonds are general obligations of the State. The State has covenanted to levy an ad valorem tax annually which, with other available funds, will be sufficient to pay bond principal and interest as they come due.

LEGAL OPINION: The approving opinion of Lindsay, Hart, Neil & Weigler, Lawyers of Portland, Oregon, will be provided at no cost to the purchaser, and will be printed on the bonds at the expense of the State.

TAX-EXEMPT STATUS: In the opinion of bond counsel, assuming compliance by the State with its covenants relating to the tax-exempt status of the bonds, interest on the bonds is not includible in gross income under present federal income tax laws (except for certain taxes on corporations) and is exempt from personal income taxation by the State of Oregon under present state law.
The State has the legal authority to comply with its covenants. The Bonds are not "private activity bonds" under Section 141 of the Internal Revenue Code of 1986 (the "Code").

FORM OF BID: All bids must be for not less than all the bonds hereby offered for sale, and for not less than ninety-eight percent (98%) of the par value thereof and accrued interest to the date of delivery. Each bid together with bidder's check as herein specified must be enclosed in a sealed envelope addressed to the State and designated "Proposal for Bonds, State of Oregon, State Board of Higher Education Building Bonds, 1987 Series A.

BID CHECK: All bids must be unconditional and accompanied by a certified or cashier's check on a bank doing business in the State of Oregon of Five Hundred Thousand Dollars ($500,000) payable to the order of the State to secure the State from any loss resulting from the failure of the bidder to comply with the terms of its bid. Checks will be forfeited to the State as liquidated damages in case the bidder to whom the bonds are awarded withdraws its bid or fails to complete its purchase in accordance with the terms thereof. No interest shall be allowed on the deposit but the check of the successful bidder will be retained as part payment of the bonds or for liquidated damages as described above. Checks of the unsuccessful bidders will be returned by the State promptly.

RIGHT OF REJECTION: The State Treasurer and the State Board of Higher Education reserve the right to reject any or all bids, and to waive any irregularities.

REOFFERING PRICE; LIMITATION The successful bidder must certify the initial reoffering price to the public (excluding bond houses and brokers) for each maturity of the bonds to the State's bond counsel not less than three business days prior to closing. This certification shall constitute the agreement of the bidder to offer all bonds in each maturity for sale at a price no greater than the certified reoffering price until at least ten percent of the principal amount of each maturity is sold at a price less than or equal to the certified reoffering price. Failure to honor this agreement may result in cancellation of the sale and forfeiture of the bidder's good faith deposit.

DELIVERY: Delivery of the bonds will be made without cost to the successful bidder in New York, New York, on or about October 22, 1987, or at such other city at the request and expense of the purchaser. Payment for the bonds must be made in funds immediately available to the State.

OFFICIAL STATEMENT: The State has prepared an official statement relating to the bonds, a copy of which will be furnished upon request to the financial advisor to the Oregon
Department of Higher Education, Seattle-Northwest Securities, 1300 S.W. Fifth Avenue, Suite 3030, Portland, Oregon 97201, telephone (503) 242-1481; or to the Office of the State Treasurer, Municipal Bond Division, Room 60-A, State Capitol, Salem, Oregon 97310, telephone (503) 378-4930.

POTENTIAL BID: The financial consultant may submit a bid or participate in a bidding syndicate.

CUSIP: CUSIP numbers will be imprinted upon all bonds of this issue at the State's expense. Failure to print, or improperly imprinted numbers will not constitute basis for the purchaser to refuse to accept delivery.

NO LITIGATION: At the time of payment for the delivery of said bonds, the State will furnish the successful bidder a certificate that there is no litigation pending affecting the validity of the bonds.

FURTHER INFORMATION: Additional information regarding the State and this sale may be obtained from the Office of the State Treasurer, Municipal Bond Division, Room 60-A, State Capitol, Salem, Oregon 97310, telephone (503) 378-4930.

ANTHONY MEEKER,
Treasurer
State of Oregon
WHEREAS, THE STATE BOARD OF HIGHER EDUCATION OF THE STATE OF OREGON (the "State") deems it necessary, pursuant to law, including Article XI-F(1) of the Constitution of the State of Oregon, Chapter 640, Oregon Laws 1985, Chapter 866 and Chapter 595, Oregon Laws 1987, and applicable provisions of Oregon Revised Statutes Chapters 286, 288 and 351, to sell State Board of Higher Education General Obligation Building Bonds, 1987 Series B, of the State of Oregon, in the principal amount of $3,980,000 to provide for the planning, constructing, altering, repairing, furnishing and equipping of housing facilities of the Department of Higher Education (the "Project"), and for payment of costs incident to the sale and issuance of the bonds; and

WHEREAS, THE STATE, as required by ORS 351.160, has determined conservatively that said bonds issued under authority of Article XI-F(1) of the Oregon Constitution will be wholly self-liquidating from revenues to accrue from the operation of the Projects and other facilities or from gifts, grants or building fees, or from other unobligated revenues as shall be allocated by the State; and

WHEREAS, THE STATE is authorized and directed by ORS 351.170 to establish for projects financed from Article XI-F(1) bonds such rates, charges and fees for use of such buildings, structures or projects, including revenue-producing buildings and structures already constructed, as, in the judgment of the State, shall provide the required revenues to make the new buildings, structures, or projects self-liquidating and self-supporting, and as shall provide the funds with which to amortize the principal of and pay the interest on bonds issued to finance such buildings, structures or projects; now, therefore,

BE IT RESOLVED BY THE STATE BOARD OF HIGHER EDUCATION OF THE STATE OF OREGON AS FOLLOWS:

Section 1. Issue. For the above purposes, the State of Oregon shall issue its State Board of Higher Education General Obligation Building Bonds, 1987 Series B in the amount of Three Million Nine Hundred Eighty Thousand Dollars ($3,980,000), to be dated October 1, 1987, to be in denominations of Five Thousand Dollars ($5,000) or integral multiples thereof, to bear interest payable on April 1 and October 1 of each year until maturity or prior redemption, commencing April 1, 1988, and to mature serially on October 1 of each year as follows:
August 21, 1987

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>$45,000</td>
<td>2004</td>
<td>$125,000</td>
</tr>
<tr>
<td>1991</td>
<td>50,000</td>
<td>2005</td>
<td>135,000</td>
</tr>
<tr>
<td>1992</td>
<td>50,000</td>
<td>2006</td>
<td>145,000</td>
</tr>
<tr>
<td>1993</td>
<td>55,000</td>
<td>2007</td>
<td>155,000</td>
</tr>
<tr>
<td>1994</td>
<td>60,000</td>
<td>2008</td>
<td>165,000</td>
</tr>
<tr>
<td>1995</td>
<td>65,000</td>
<td>2009</td>
<td>180,000</td>
</tr>
<tr>
<td>1996</td>
<td>70,000</td>
<td>2010</td>
<td>195,000</td>
</tr>
<tr>
<td>1997</td>
<td>75,000</td>
<td>2011</td>
<td>210,000</td>
</tr>
<tr>
<td>1998</td>
<td>80,000</td>
<td>2012</td>
<td>225,000</td>
</tr>
<tr>
<td>1999</td>
<td>85,000</td>
<td>2013</td>
<td>240,000</td>
</tr>
<tr>
<td>2000</td>
<td>95,000</td>
<td>2014</td>
<td>255,000</td>
</tr>
<tr>
<td>2001</td>
<td>100,000</td>
<td>2015</td>
<td>275,000</td>
</tr>
<tr>
<td>2002</td>
<td>110,000</td>
<td>2016</td>
<td>300,000</td>
</tr>
<tr>
<td>2003</td>
<td>115,000</td>
<td>2017</td>
<td>320,000</td>
</tr>
</tbody>
</table>

**Section 2. Optional Designation of Term Bonds and Mandatory Redemption.** Bidders may designate one or more term bonds. Term Bonds must consist of two or more consecutive maturities, and must mature on the maturity date of the last of the consecutive maturities in an amount equal to the sum of the consecutive maturities. Term bonds shall be subject to mandatory redemption at par and by lot, in the amounts and on the dates of the consecutive maturities shown in the preceding section. If no term bonds are designated in the successful bid, the bonds will mature serially on the schedule indicated above.

**Section 3. Optional Redemption.** The bonds maturing on or after October 1, 1998 are subject to redemption prior to maturity at the option of the State in whole on any date and in part on any interest payment date on or after October 1, 1997, at a price of par plus accrued interest to the date of redemption.

**Section 4. Extraordinary Redemption.** The bonds are subject to extraordinary redemption at par plus accrued interest, on October 1, 1990, solely from, and to the extent of, any proceeds of the bonds which remain unexpended on that date.

**Section 5. Notice of Redemption.**

a. Unless waived by any holder of bonds to be redeemed, official notice of any such redemption shall be given by the State's paying agent and registrar (the "Registrar") on behalf of the State by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the bond or bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Registrar.
b. In the case where the Depository Trust Company ("DTC") is acting as securities depository for the bonds and less than all bonds of a maturity are to be redeemed, the Registrar shall notify DTC not more than 45 days prior to the date fixed for redemption of the maturity to be redeemed. DTC shall determine by lot the principal of the maturity of bonds to be redeemed of each DTC participant's interest in such maturity to be redeemed.

c. All official notices of redemption shall be dated and shall state:

(1) the redemption date,

(2) the redemption price,

(3) if less than all outstanding bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the bonds to be redeemed,

(4) that on the redemption date the redemption price will become due and payable upon each such bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and

(5) the place where such bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Registrar.

Prior to any redemption date, the State shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the bonds or portions of bonds which are to be redeemed on that date.

d. Official notice of redemption having been given as aforesaid, the bonds or portions of bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the State shall default in the payment of the redemption price) such bonds or portions of bonds shall cease to bear interest. Upon surrender of such bonds for redemption in accordance with said notice, such bonds shall be paid by the Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any bond, there shall be prepared for the registered owner a new bond or bonds of the same maturity in the amount of the unpaid principal. All bonds which have been redeemed shall be cancelled and destroyed by the Registrar and shall not be reissued.
e. In addition to the foregoing notice, further notice shall be given by the Registrar as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

(1) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all bonds being redeemed; (B) the date of issue of the bonds as originally issued; (C) the rate of interest borne by each bond being redeemed; (D) the maturity date of each bond being redeemed; and (E) any other descriptive information needed to identify accurately the bonds being redeemed.

(2) Each such further notice shall be published one time in The Bond Buyer of New York, New York or, if such publication is impractical or unlikely to reach a substantial number of the holders of the bonds, in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the bonds, such publication to be made at least 30 days prior to the date fixed for redemption.

(3) Upon the payment of the redemption price of bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the bonds being redeemed with the proceeds of such check or other transfer.

Section 6. Security. The full faith and credit of the State are pledged to the successive owners of each of the bonds for the punctual payment of such obligations, when due. The State shall levy annually, as provided by law, a direct ad valorem tax upon all of the taxable property within the State in sufficient amount, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes and all other monies reasonably available for the payment of debt service on the bonds, to pay the bonds promptly as they mature, and that the State covenants with the owners of its bonds to levy such a tax annually during each year that any of the bonds, or bonds issued to refund them, are outstanding.

Section 7. Form of Registered Bonds. The State may issue the bonds as one or more typewritten, temporary bonds which shall be exchangeable for definitive bonds when definitive bonds are available. The bonds shall be in substantially the following form:
UNIVERSITY OF AMERICA
STATE OF OREGON
STATE BOARD OF HIGHER EDUCATION
GENERAL OBLIGATION BUILDING BOND
1987 SERIES B

MATURITY DATE
INTEREST RATE PER ANNUM
REGISTERED HOLDER
PRINCIPAL SUM

THE STATE OF OREGON (the "State"), for value received
acknowledges itself indebted and hereby promises to pay to the
registered holder named above, or registered assigns, the
principal amount on the above maturity date together with
interest thereon from the date hereof at the rate per annum
indicated above. Interest is payable semiannually on the first
day of April and the first day of October in each year until
maturity or prior redemption, commencing April 1, 1988. Interest
upon this bond is payable through the fiscal agency of the State
of Oregon in the City and State of New York (the "Registrar") by
check or draft; checks or drafts will be mailed on the interest
payment date (or the next business day if the interest payment
date is not a business day) to the name and address of the
registered owner as they appear on the bond register as of the
fifteenth day of the month prior to the interest payment date.
Bond principal is payable upon presentation and surrender of this
bond to the Registrar.

ADDITIONAL PROVISIONS OF THIS BOND APPEAR ON THE REVERSE
SIDE; THESE PROVISIONS HAVE THE SAME EFFECT AS IF THEY WERE
PRINTED HEREIN.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all
conditions, acts, and things required to exist, to happen, and to
be performed precedent to and in the issuance of this bond have
existed, have happened, and have been performed in due time,
form, and manner as required by the Constitution and Statutes of
the State of Oregon; that the issue of which this bond is a part,
and all other obligations of such State, are within every debt
limitation and other limit prescribed by such Constitution and
Statutes; and that the State shall provide for the levying
annually of a direct ad valorem tax upon all the property within
the State so taxable for its purposes, in an amount sufficient
with other available funds, to pay the interest on and the
principal of the bonds of such issue as such obligations become
due and payable.

IN WITNESS WHEREOF, the State of Oregon has caused this
bond to be signed by facsimile signatures of its Governor and its
Secretary of State, and its State Treasurer, and sealed with a
printed facsimile seal of the State, as of this first day of October, 1987.

Governor

Secretary of State

State Treasurer

THIS BOND SHALL NOT BE VALID UNLESS PROPERLY AUTHENTICATED BY THE REGISTRAR IN THE SPACE INDICATED BELOW.

DATED:

CERTIFICATE OF AUTHENTICATION

This is one of the State of Oregon's State Board of Higher Education General Obligation Building Bonds, 1987 Series B, issued pursuant to the Resolution described herein.

THE CHASE MANHATTAN BANK, N.A., as Registrar

By ____________________________

Authorized Officer

Note to Printer: The following language should be used for OR bonds:

CERTIFICATE OF AUTHENTICATION

This is one of the State of Oregon's State Board of Higher Education General Obligation Building Bonds, 1987 Series B, issued pursuant to the Resolution described herein.

OREGON STATE TREASURY
Authenticating Agent

By ____________________________

State Treasurer or Deputy
Note to Printer: The following language should be printed on the reverse of the bond:

This bond is one of the State Board of Higher Education General Obligation Building Bonds, 1987 Series B, of the State, and is issued in full and strict accordance and compliance with all of the provisions of the Constitution and Statutes of the State of Oregon.

The bonds maturing on or after October 1, 1998 are subject to redemption prior to maturity at the option of the State in whole on any date and in part on any interest payment date on or after October 1, 1997, at a price of par plus accrued interest to the date of redemption.

The bonds are subject to extraordinary redemption at par plus accrued interest, on October 1, 1990, solely from, and to the extent of, any proceeds of the bonds which remain unexpended on that date.

Notice of any call or redemption, unless waived by the holders of the bonds, shall be mailed not less than thirty days and not more than sixty days prior to such call to the registered owners of the bonds, and otherwise given as required by law and the authorizing bond resolution (the "Resolution"); however, any failure to give notice shall not invalidate the redemption of the bonds. All bonds called for redemption shall cease to bear interest from the date designated in the notice.

Note to Printer: Insert if applicable:

The bonds maturing in _________ shall be subject to redemption at par, by lot, in the following years and amounts:

Bonds maturing in _________:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
</table>

Bonds optionally redeemed by the State may be credited against the mandatory redemption by lot as determined by the Registrar.

The bonds are issuable in the form of registered bonds without coupons in the denominations of $5,000 or any integral multiple thereof. Bonds may be exchanged for bonds of the same aggregate principal amount, but different authorized denominations.
Any transfer of this bond must be registered, as provided in the Resolution, upon the bond register kept for that purpose by the Registrar. The Registrar and the State Treasurer may treat the person in whose name this bond is registered as its absolute owner for all purposes, as provided in the Resolution.

The bondowner may exchange or transfer any bond only by surrendering it, together with a written instrument of exchange or transfer which is satisfactory to the Registrar or the State Treasurer and duly executed by the registered owner or his duly authorized attorney, at the principal corporate trust office of the Registrar or the State Treasurer in the manner and subject to the conditions set forth in the Resolution.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto ____________________________ .

Please insert social security or other identifying number of assignee

the within bond and does hereby irrevocably constitute and appoint ____________________________ as attorney to transfer this bond on the books kept for registration thereof with the full power of substitution in the premises.

Dated: ____________________________

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed

(Bank, Trust Company or Brokerage Firm)

Authorized Officer

The following abbreviations, when used in the inscrip-
tion on the face of the within bond, shall be construed as though they were written out in full according to applicable laws or regulations.
Meeting #553
August 21, 1987

TEN COM -- tenants in common
TEN ENT -- as tenants by the entireties
JT TEN -- as joint tenants with right of survivorship
and not as tenants in common
OREGON CUSTODIANS use the following

_________________________   _________  MIN
as custodian for               (name of minor)
OR UNIF TRANS MIN ACT
under the Oregon Uniform Transfer to Minors Act

Additional abbreviations may also be used though not in
the list above.

Section 8. Authentication, Registration and Transfer.

a. No bond shall be entitled to any right or benefit
under this resolution (the "Resolution") unless it shall have
been authenticated by an authorized officer of the fiscal agency
of the State of Oregon in the City and State of New York (the
"Registrar") or the State Treasurer. The Registrar or the State
Treasurer shall authenticate all bonds to be delivered at closing
of this bond issue, and shall additionally authenticate all bonds
properly surrendered for exchange or transfer pursuant to this
Resolution. A successor Registrar may be appointed for the bonds
by resolution of the State. The Registrar shall provide notice
to bondowners of any change in the Registrar not later than the
bond payment date following the change in Registrar.

b. The ownership of all bonds shall be entered in the
bond register maintained by the Registrar, and the State and the
Registrar may treat the person listed as owner in the bond
register as the owner of the bond for all purposes.

c. The Registrar shall mail each interest payment on the
interest payment date (or the next business day if the interest
payment date is not a business day) to the name and address of
the bondowner as they appear on the bond register as of the
fifteenth day of the month preceding an interest payment date
(the "Record Date"). If payment is so mailed, neither the State
nor the Registrar shall have any further liability to any party
for such payment.

d. Bonds may be exchanged for an equal principal amount
of bonds of the same maturity which are in different
denominations, and bonds may be transferred to other owners if
the bondowner submits the following to the Registrar or the State
Treasurer:

(1) written instructions for exchange or transfer
satisfactory to the Registrar or the State Treasurer, signed
by the bondowner or his attorney in fact and guaranteed or
(2) the bonds to be exchanged or transferred.

e. The Registrar or State Treasurer shall not be required to exchange or transfer any bonds submitted to it during any period beginning with a Record Date and ending on the next following payment date; however, such bonds shall be exchanged or transferred promptly following that payment date.

f. The Registrar or State Treasurer shall note the date of authentication on each bond. The date of authentication shall be the date on which the bondowner's name is listed on the bond register.

g. For purposes of this section, bonds shall be considered submitted to the Registrar on the date the Registrar or the State Treasurer actually receives the materials described in subsection (d) of this section.

h. The State may alter these provisions regarding registration and transfer by mailing notification of the altered provisions to all bondowners. The altered provisions shall take effect on the date stated in the notice, which shall not be earlier than 45 days after notice is mailed.

Section 9. Maintenance of Tax-Exempt Status. The State covenants for the benefit of the owners of the bonds to comply with all provisions of the Internal Revenue Code of 1986 (the "Code") which are required for bond interest to be exempt from gross income for federal income taxation (except for taxes on corporations), unless the State obtains an opinion of nationally recognized bond counsel that such compliance is not required in order for the interest paid on the bonds to be so exempt. The State makes the following specific covenants with respect to the Code:

a. The State shall take no action or omit any action if it would cause the bonds to become "arbitrage bonds" under Section 148 of the Code, and shall pay to the United States all "rebates" on "gross proceeds" earnings which are required under Section 148 of the Code.

b. The State shall own and operate the facilities financed with the bonds so that the bonds are "qualified 501(c)(3) bonds", or so that the bonds are not "private activity bonds", within the meaning of Section 141 of the Code. The State shall cause any user or lessee of the facilities to covenant to use the facilities in a manner that will not adversely affect the tax-exempt status of the Bonds.
c. The State shall comply with all applicable reporting requirements.

d. Covenants of the State in its tax certificate for the bonds shall be enforceable to the same extent as if contained herein.

Section 10. Sale of Bonds. The Executive Vice Chancellor, or his designee, shall cause to be published in the Daily Journal of Commerce Portland Business Today, Portland, Oregon, and The Bond Buyer, New York, New York, notices of sale of the bonds in the form substantially as shown on Exhibit A attached hereto and by this reference incorporated herein, or summaries, as provided by law. The bonds shall be sold upon the terms provided in the attached Exhibit A, subject to such revisions as may be made by the Executive Vice Chancellor, or his designee, to enhance the marketability, sale or registration of the bonds. The bonds shall be sold on the date and at the time and place stated in Exhibit A, unless the Executive Vice Chancellor, or his designee, establishes a different date, time, or place.
EXHIBIT A

NOTICE OF BOND SALE

$3,980,000

STATE OF OREGON

STATE BOARD OF HIGHER EDUCATION

GENERAL OBLIGATION BUILDING BONDS

1987 SERIES B

NOTICE IS HEREBY GIVEN that sealed bids will be received on behalf of the State of Oregon (the "State") for the purchase of the State Board of Higher Education General Obligation Building Bonds, 1987 Series B (the "bonds"), until 9:00 o'clock a.m. (Prevailing Pacific Time) on Tuesday, September 29, 1987 at Suite 1000, Orbanco Building, 10th floor, 1001 S.W. Fifth Avenue, Portland, Oregon 97204, at which time they will be publicly opened and announced.

The bids shall be considered and acted upon by the Treasurer of the State of Oregon within four (4) hours after bid opening.

ISSUE: The issue shall be in the aggregate principal amount of THREE MILLION NINE HUNDRED EIGHTY THOUSAND DOLLARS ($3,980,000) consisting of registered bonds in denominations of FIVE THOUSAND DOLLARS ($5,000) or integral multiples thereof, as specified by the successful bidder, all dated October 1, 1987, and all subject to the terms and conditions of this Notice. Interest is payable on the 1st days of October and April of each year until maturity or prior redemption, commencing on April 1, 1988.

INTEREST RATES AND BASIS OF AWARD: Unless all bids are rejected, the bonds will be awarded to the bidder submitting the lowest true interest cost determined by doubling the semi-annual interest rate, compounded semi-annually, necessary to discount the debt service payments to the date of the bonds (October 1, 1987) and to the price bid, excluding interest accrued to the date of delivery. The purchaser must pay accrued interest, computed on a 360-day basis, from the date of the bonds to the date of delivery. The cost of printing the bonds will be borne by the State. Bidders are requested to name the rate or rates of
interest which the bonds are to bear in multiples of one-eighth (1/8) or one-twentieth (1/20) of one percent (1%). Each bidder must specify the amount and maturity of the bonds of each rate named pursuant to the maturities listed below. All of said bonds maturing on the same date must bear interest at the same single rate. Bidders are requested to state the total interest cost to the State under the terms of the bid, and the true interest rate which shall be considered informative only. The interest rate named for the bonds of any maturity shall not be less than the interest rate named for the bonds of any earlier maturity. In addition, State law requires that bonds may not be sold at a net effective rate of interest of more than thirteen percent (13%).

Maturities: The bonds shall mature serially on the first day of October each year as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>$45,000</td>
<td>2004</td>
<td>$125,000</td>
</tr>
<tr>
<td>1991</td>
<td>50,000</td>
<td>2005</td>
<td>135,000</td>
</tr>
<tr>
<td>1992</td>
<td>50,000</td>
<td>2006</td>
<td>145,000</td>
</tr>
<tr>
<td>1993</td>
<td>55,000</td>
<td>2007</td>
<td>155,000</td>
</tr>
<tr>
<td>1994</td>
<td>60,000</td>
<td>2008</td>
<td>165,000</td>
</tr>
<tr>
<td>1995</td>
<td>65,000</td>
<td>2009</td>
<td>180,000</td>
</tr>
<tr>
<td>1996</td>
<td>70,000</td>
<td>2010</td>
<td>195,000</td>
</tr>
<tr>
<td>1997</td>
<td>75,000</td>
<td>2011</td>
<td>210,000</td>
</tr>
<tr>
<td>1998</td>
<td>80,000</td>
<td>2012</td>
<td>225,000</td>
</tr>
<tr>
<td>1999</td>
<td>85,000</td>
<td>2013</td>
<td>240,000</td>
</tr>
<tr>
<td>2000</td>
<td>95,000</td>
<td>2014</td>
<td>255,000</td>
</tr>
<tr>
<td>2001</td>
<td>100,000</td>
<td>2015</td>
<td>275,000</td>
</tr>
<tr>
<td>2002</td>
<td>110,000</td>
<td>2016</td>
<td>300,000</td>
</tr>
<tr>
<td>2003</td>
<td>115,000</td>
<td>2017</td>
<td>320,000</td>
</tr>
</tbody>
</table>

Optional Designation of Term Bonds and Mandatory Redemption: Bidders may designate one or more term bonds. Term Bonds must consist of two or more consecutive maturities, and must mature on the maturity date of the last of the consecutive maturities in an amount equal to the sum of the consecutive maturities. Term bonds shall be subject to mandatory redemption at par and by lot, in the amounts and on the dates of the consecutive maturities shown in the preceding section. If no term bonds are designated in the successful bid, the bonds will mature serially on the schedule indicated above.

Optional Redemption: The bonds maturing on or after October 1, 1998 are subject to redemption prior to maturity at the option of the State in whole on any date and in part on any interest payment date on or after October 1, 1997, at a price of par plus accrued interest to the date of redemption.

Extraordinary Redemption: The bonds are subject to extraordinary redemption at par plus accrued interest, on
October 1, 1990, solely from, and to the extent of, any proceeds of the bonds which remain unexpended on that date.

NOTICE OF REDEMPTION: Notice of any optional or extraordinary redemption, unless waived by the holder of the bonds to be redeemed, shall be published not less than thirty days and not more than sixty days prior to such call in one issue of a business and financial newspaper published in the City of Portland, Oregon, and in the City of New York, New York, and by mailing such notice to the State's paying agent and registrar, and otherwise given as required by law and the authorizing bond resolution; however, any failure to give notice shall not invalidate the redemption of the bonds. All bonds called for redemption shall cease to bear interest from the date designated in the notice.

REGISTRATION: The bonds will be issued in fully registered form, and may be exchanged at the expense of issuer for similar bonds of different authorized denominations. Bonds may not be converted to bearer form.

PAYMENT: Principal and interest are payable, either at maturity or upon earlier redemption, by check through the office of the fiscal agent of the State, which is currently the principal corporate trust office of The Chase Manhattan Bank, N.A., New York, New York.

PURPOSE: The bonds are being issued for the purposes of providing for the planning, constructing, altering, repairing, furnishing and equipping of student housing facilities of the Department of Higher Education. The bonds are authorized pursuant to Article XI-F(1) of the Constitution of the State of Oregon, Chapter 640, Oregon Laws 1985, Chapter 886 and Chapter 595, Oregon Laws 1987, and Oregon Revised Statutes, Chapters 286, 288 and 351.

SECURITY: The bonds are general obligations of the State. The State has covenanted to levy an ad valorem tax annually which, with other available funds, will be sufficient to pay bond principal and interest as they come due.

LEGAL OPINION: The approving opinion of Lindsay, Hart, Neil & Weigler, Lawyers of Portland, Oregon, will be provided at no cost to the purchaser, and will be printed on the bonds at the expense of the State.

TAX-EXEMPT STATUS: In the opinion of bond counsel, assuming compliance by the State with its covenants relating to the tax-exempt status of the bonds, interest on the bonds is not includible in gross income under present federal income tax laws (except for certain taxes on corporations) and is exempt from personal income taxation by the State of Oregon under present state law.
The State has the legal authority to comply with its covenants. The Bonds are "qualified 501(c)(3) bonds" under Section 141 of the Internal Revenue Code of 1986 (the "Code").

FORM OF BID: All bids must be for not less than all the bonds hereby offered for sale, and for not less than ninety-eight and one-half percent (98.5%) of the par value thereof and accrued interest to the date of delivery. Each bid together with bidder's check as herein specified must be enclosed in a sealed envelope addressed to the State and designated "Proposal for Bonds, State of Oregon, State Board of Higher Education Building Bonds, 1987 Series B.

BID CHECK: All bids must be unconditional and accompanied by a certified or cashier's check on a bank doing business in the State of Oregon of Eighty Thousand Dollars ($80,000) payable to the order of the State to secure the State from any loss resulting from the failure of the bidder to comply with the terms of its bid. Checks will be forfeited to the State as liquidated damages in case the bidder to whom the bonds are awarded withdraws its bid or fails to complete its purchase in accordance with the terms thereof. No interest shall be allowed on the deposit but the check of the successful bidder will be retained as part payment of the bonds or for liquidated damages as described above. Checks of the unsuccessful bidders will be returned by the State promptly.

RIGHT OF REJECTION: The State Treasurer and the State Board of Higher Education reserve the right to reject any or all bids, and to waive any irregularities.

REOFFERING PRICE; LIMITATION The successful bidder must certify the initial reoffering price to the public (excluding bond houses and brokers) for each maturity of the bonds to the State's bond counsel not less than three business days prior to closing. This certification shall constitute the agreement of the bidder to offer all bonds in each maturity for sale at a price no greater than the certified reoffering price until at least ten percent of the principal amount of each maturity is sold at a price less than or equal to the certified reoffering price. Failure to honor this agreement may result in cancellation of the sale and forfeiture of the bidder's good faith deposit. Underwriter's spread (the difference between the price bid and the certified reoffering price) may not be more than one and fifty hundredths percent (1.50%) of the principal amount of the bonds.

DELIVERY: Delivery of the bonds will be made without cost to the successful bidder in New York, New York, on or about October 22, 1987, or at such other city at the request and expense of the purchaser. Payment for the bonds must be made in funds immediately available to the State.

Page 4 - Exhibit A to Resolution (Notice of Sale)
OFFICIAL STATEMENT: The State has prepared an official statement relating to the bonds, a copy of which will be furnished upon request to the financial advisor to the Oregon Department of Higher Education, Seattle-Northwest Securities, 1300 S.W. Fifth Avenue, Suite 3030, Portland, Oregon 97201, telephone (503)242-1481; or to the Office of the State Treasurer, Municipal Bond Division, Room 60-A, State Capitol, Salem, Oregon 97310, telephone (503) 378-4930.

POTENTIAL BID: The financial consultant may submit a bid or participate in a bidding syndicate.

CUSIP: CUSIP numbers will be imprinted upon all bonds of this issue at the State's expense. Failure to print, or improperly imprinted numbers will not constitute basis for the purchaser to refuse to accept delivery.

NO LITIGATION: At the time of payment for the delivery of said bonds, the State will furnish the successful bidder a certificate that there is no litigation pending affecting the validity of the bonds.

FURTHER INFORMATION: Additional information regarding the State and this sale may be obtained from the Office of the State Treasurer, Municipal Bond Division, Room 60-A, State Capitol, Salem, Oregon 97310, telephone (503) 378-4930.

ANTHONY MEEKER,
Treasurer
State of Oregon