### MINUTES OF SPECIAL MEETING OF THE
STATE BOARD OF HIGHER EDUCATION HELD
SEPTEMBER 29, 1987

<table>
<thead>
<tr>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acceptance of Bid for $25,410,000 State of Oregon, State Board of Higher Education Building Bonds, Series 1987A, Article XI-F(1)</td>
</tr>
<tr>
<td>Acceptance of Bid for $3,980,000 State of Oregon, State Board of Higher Education Building Bonds, Series 1987B, Article XI-F(1)</td>
</tr>
<tr>
<td>Adjournment</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 11:00 a.m., September 29, 1987, by the President of the Board, Mr. James C. Petersen. On roll call, the following answered present:

- Mr. Robert R. Adams
- Mr. Richard F. Hensley
- Mr. John W. Alltucker
- Mrs. Janet S. Nelson
- Miss Kasey K. Brooks
- Mr. George E. Richardson, Jr.
- Mr. Mark S. Dodson
- Mr. James C. Petersen

Absent: Mr. Chao was absent for business reasons; Mr. Hermens was absent to attend class; and Mrs. Schanzer was absent for personal reasons.

OTHERS PRESENT

Centralized Activities—Executive Vice Chancellor W. T. Lemman; Secretary Wilma L. Foster; Controller Steven Katz; and Kimberly Carnegie, Public Affairs Assistant.

Others—Richard Roberts, Bond Counsel, with the firm of Lindsay, Hart, Neil, Weigler.

Acceptance of Bid for $25,410,000 State of Oregon, State Board of Higher Education Building Bonds, Series 1987A, Article XI-F(1)

The Executive Vice Chancellor reported that at 9:00 a.m., prevailing Pacific Time, on September 29, 1987, six sealed bids were received, pursuant to an advertisement authorized by the Board of Higher Education at its meeting on August 21, 1987, for the proposed sale of $25,410,000 State of Oregon, State Board of Higher Education Building Bonds, Series 1987A. Present were Mr. Richard Roberts of Lindsay, Hart, Neil, and Weigler, Bond Attorneys, and W. T. Lemman, Steven Katz, and Ron LeCouvre. The bonds were to be sold at a price of not less than $98 for each $100 par value thereof. Bids received for the bonds were as follows:

<table>
<thead>
<tr>
<th>Name of Bidder</th>
<th>Total True Interest Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clayton Brown &amp; Associates, Inc.</td>
<td>8.27657</td>
</tr>
<tr>
<td>Harris Trust &amp; Savings Bank</td>
<td>8.1249</td>
</tr>
<tr>
<td>Merrill Lynch Capital Markets</td>
<td>8.28207</td>
</tr>
<tr>
<td>Morgan Stanley &amp; Co., Inc.</td>
<td>8.10299</td>
</tr>
<tr>
<td>Shearson Lehman Bros.</td>
<td>8.141398</td>
</tr>
<tr>
<td>U. S. National Bank/Chase Manhattan Bank</td>
<td>8.2109</td>
</tr>
</tbody>
</table>
Following the reading of the bids, the Executive Vice Chancellor indicated that the most favorable bid was that of Morgan Stanley & Company, Inc., with a total interest cost of $29,352,290.60 and an effective true interest rate of 8.10299 percent per annum. He stated also that the bonds were to be in denominations of $5,000 or integral multiples thereof and be issued in fully registered form.

It was proposed that the recommended bid be accepted by adoption of the following resolution:

RESOLUTION

BE IT RESOLVED that the TWENTY FIVE MILLION FOUR HUNDRED TEN THOUSAND DOLLARS ($25,410,000) STATE OF OREGON, STATE BOARD OF HIGHER EDUCATION BUILDING BONDS, SERIES 1987 A, sold to Morgan Stanley & Co., Inc., at $98.0008 per $100 of par value, on the 29th day of September 1987, be issued to bear date of the first day of October 1987; to mature on the first day of October in each year in the amounts and at the interest rates as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>Year</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1988</td>
<td>$ 665,000</td>
<td>5.500</td>
<td>2003</td>
<td>$1,270,000</td>
<td>8.100</td>
</tr>
<tr>
<td>1989</td>
<td>715,000</td>
<td>6.000</td>
<td>2004</td>
<td>1,360,000</td>
<td>8.125</td>
</tr>
<tr>
<td>1990</td>
<td>825,000</td>
<td>6.300</td>
<td>2005</td>
<td>1,450,000</td>
<td>8.125</td>
</tr>
<tr>
<td>1991</td>
<td>895,000</td>
<td>6.600</td>
<td>2006</td>
<td>1,585,000</td>
<td>8.125</td>
</tr>
<tr>
<td>1992</td>
<td>965,000</td>
<td>6.750</td>
<td>2007</td>
<td>1,710,000</td>
<td>8.125</td>
</tr>
<tr>
<td>1993</td>
<td>1,040,000</td>
<td>6.900</td>
<td>2008</td>
<td>315,000</td>
<td>8.125</td>
</tr>
<tr>
<td>1994</td>
<td>1,110,000</td>
<td>7.000</td>
<td>2009</td>
<td>335,000</td>
<td>8.125</td>
</tr>
<tr>
<td>1995</td>
<td>700,000</td>
<td>7.150</td>
<td>2010</td>
<td>360,000</td>
<td>8.125</td>
</tr>
<tr>
<td>1996</td>
<td>770,000</td>
<td>7.300</td>
<td>2011</td>
<td>390,000</td>
<td>8.125</td>
</tr>
<tr>
<td>1997</td>
<td>815,000</td>
<td>7.450</td>
<td>2012</td>
<td>425,000</td>
<td>8.125</td>
</tr>
<tr>
<td>1998</td>
<td>885,000</td>
<td>7.600</td>
<td>2013</td>
<td>450,000</td>
<td>8.125</td>
</tr>
<tr>
<td>1999</td>
<td>930,000</td>
<td>7.700</td>
<td>2014</td>
<td>480,000</td>
<td>8.125</td>
</tr>
<tr>
<td>2000</td>
<td>1,020,000</td>
<td>7.800</td>
<td>2015</td>
<td>515,000</td>
<td>8.125</td>
</tr>
<tr>
<td>2001</td>
<td>1,090,000</td>
<td>7.900</td>
<td>2016</td>
<td>555,000</td>
<td>8.125</td>
</tr>
<tr>
<td>2002</td>
<td>1,180,000</td>
<td>8.000</td>
<td>2017</td>
<td>605,000</td>
<td>8.125</td>
</tr>
</tbody>
</table>

BE IT FURTHER RESOLVED that the bonds be issued to mature serially on the dates provided in the resolution of the Board duly adopted at its special meeting on August 21, 1987; and that the principal and interest, either at maturity or upon earlier redemption, be paid by check through the Fiscal Agency of the State of Oregon, in the City and State of New York; and

BE IT FURTHER RESOLVED that the bonds be the direct general obligations of the State of Oregon, and that they be in the form prepared by the State Treasurer and approved by the Attorney General of the State of Oregon in accordance with CRS 286.041; and
BE IT FURTHER RESOLVED that the bonds be in denominations of $5,000 or integral multiples thereof and be issued in fully registered form as provided in the resolution adopted by the Board at the August 21, 1987, meeting; and

BE IT FURTHER RESOLVED that the August 21, 1987, resolution of the Board, authorizing the issuance of said bonds, and all acts performed by the Board in adopting the said resolution, and by the Secretary of the Board and the Executive Vice Chancellor in connection with the issuance and sale of the said bonds, including the notice of bond sale and its publication in New York and Oregon on September 17, 1987, be and they hereby are fully approved, ratified, and confirmed.

Board Discussion and Action

Mr. Adams inquired how favorable the interest rate was in comparison to the going interest rate. Mr. Roberts indicated that the fact six bids were received would suggest there was a good market response to the Series A issue. The rate was almost identical to the projections so it would appear to be typical.

In response to a question, it was stated the bonds were callable and the first call date was October 1, 1998.

On motion by Director Richardson and second by Director Hensley, the Board approved the staff recommendation as presented and adopted the above resolution on roll call vote. The following voted in favor: Directors Adams, Alttucker, Brooks, Dodson, Hensley, Nelson, Richardson, and Petersen. Those voting no: None.

Acceptance of Bid for $3,980,000 State of Oregon, State Board of Higher Education Building Bonds, Series 1987B, Article XI-F(1) The Executive Vice Chancellor reported that at 9:00 a.m., Prevailing Pacific Time, on September 29, 1987, two sealed bids were received, pursuant to an advertisement authorized by the Board of Higher Education Building Bonds, Series 1987B. Present were Mr. Richard Roberts of Lindsay, Hart, Neil, and Weigler, Bond Attorneys, and W. T. Leeman, Steven Katz, and Ron LeCouvre. The bonds were to be sold at a price of not less than $98.50 for each $100 par value thereof. Bids received for the bonds were as follows:

<table>
<thead>
<tr>
<th>Name of Bidder</th>
<th>Total True Interest Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shearson Lehman Bros.</td>
<td>8.4496187</td>
</tr>
<tr>
<td>U. S. National Bank/Chase Manhattan Bank</td>
<td>8.5392</td>
</tr>
</tbody>
</table>

Staff Recommendation to the Board
Following the reading of the bids, the Executive Vice Chancellor indicated that the most favorable bid was that of Shearson Lehman Bros., with a total interest cost of $7,022,692.50 and an effective true interest rate of 8.4496187 percent per annum. He stated also that the bonds were to be in denominations of $5,000 or integral multiples thereof and be issued in fully registered form.

It was proposed that the recommended bid be accepted by adoption of the following resolution:

RESOLUTION

BE IT RESOLVED that the THREE MILLION NINE HUNDRED EIGHTY THOUSAND DOLLARS ($3,980,000) STATE OF OREGON, STATE BOARD OF HIGHER EDUCATION BUILDING BONDS, SERIES 1987 B, sold to Shearson Lehman Bros., at $98.5 per $100 of par value, on the 29th day of September 1987, be issued to bear date the first day of October 1987; to mature on the first day of October in each year in the amounts and at the interest rates as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>Year</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>$45,000</td>
<td>6.25%</td>
<td>2004</td>
<td>$125,000</td>
<td>8.20%</td>
</tr>
<tr>
<td>1991</td>
<td>$50,000</td>
<td>6.50%</td>
<td>2005</td>
<td>$135,000</td>
<td>8.30%</td>
</tr>
<tr>
<td>1992</td>
<td>$50,000</td>
<td>6.70%</td>
<td>2006</td>
<td>$145,000</td>
<td>8.30%</td>
</tr>
<tr>
<td>1993</td>
<td>$55,000</td>
<td>6.80%</td>
<td>2007</td>
<td>$155,000</td>
<td>8.40%</td>
</tr>
<tr>
<td>1994</td>
<td>$60,000</td>
<td>7.00%</td>
<td>2008</td>
<td>$165,000</td>
<td>8.50%</td>
</tr>
<tr>
<td>1995</td>
<td>$65,000</td>
<td>7.10%</td>
<td>2009</td>
<td>$180,000</td>
<td>8.50%</td>
</tr>
<tr>
<td>1996</td>
<td>$70,000</td>
<td>7.25%</td>
<td>2010</td>
<td>$195,000</td>
<td>8.50%</td>
</tr>
<tr>
<td>1997</td>
<td>$75,000</td>
<td>7.40%</td>
<td>2011</td>
<td>$210,000</td>
<td>8.50%</td>
</tr>
<tr>
<td>1998</td>
<td>$80,000</td>
<td>7.50%</td>
<td>2012</td>
<td>$225,000</td>
<td>8.50%</td>
</tr>
<tr>
<td>1999</td>
<td>$85,000</td>
<td>7.60%</td>
<td>2013</td>
<td>$240,000</td>
<td>8.50%</td>
</tr>
<tr>
<td>2000</td>
<td>$95,000</td>
<td>7.70%</td>
<td>2014</td>
<td>$255,000</td>
<td>8.50%</td>
</tr>
<tr>
<td>2001</td>
<td>$100,000</td>
<td>7.80%</td>
<td>2015</td>
<td>$275,000</td>
<td>8.50%</td>
</tr>
<tr>
<td>2002</td>
<td>$110,000</td>
<td>7.90%</td>
<td>2016</td>
<td>$300,000</td>
<td>8.50%</td>
</tr>
<tr>
<td>2003</td>
<td>$115,000</td>
<td>8.00%</td>
<td>2017</td>
<td>$320,000</td>
<td>8.50%</td>
</tr>
</tbody>
</table>

BE IT FURTHER RESOLVED that the bonds be issued to mature serially on the dates provided in the resolution of the Board duly adopted at its special meeting on August 21, 1987; and that the principal and interest, either at maturity or upon earlier redemption, be paid by check through the Fiscal Agency of the State of Oregon, in the City and State of New York; and
BE IT FURTHER RESOLVED that the bonds be the direct general obligations of the State of Oregon, and that they be in the form prepared by the State Treasurer and approved by the Attorney General of the State of Oregon in accordance with CRS 286.041; and

BE IT FURTHER RESOLVED that the bonds be in denominations of $5,000 or integral multiples thereof and be issued in fully registered form as provided in the resolution adopted by the Board at the August 21, 1987, meeting; and

BE IT FURTHER RESOLVED that the August 21, 1987, resolution of the Board, authorizing the issuance of said bonds, and all acts performed by the Board in adopting the said resolution, and by the Secretary of the Board and the Executive Vice Chancellor in connection with the issuance and sale of the said bonds, including the notice of bond sale and its publication in New York and Oregon on September 17, 1987, be and they hereby are fully approved, ratified, and confirmed.

Board Discussion and Action

On motion by Director Hensley and second by Director Richardson, the Board approved the staff recommendation as presented and adopted the above resolution on roll call vote. The following voted in favor: Directors Adams, Alltucker, Brooks, Dodson, Hensley, Nelson, Richardson, and Petersen. Those voting no: None.

ADJOURNMENT The Board meeting was adjourned at 11:15 a.m.

James C. Petersen, President  Wilma L. Foster, Secretary