STATE BOARD OF HIGHER EDUCATION
MINUTES OF SPECIAL MEETING HELD AT
BENSON HOTEL, PORTLAND, OREGON
October 7, 1948
10:00 A.M.

MEETING # 179 In accordance with action taken at the September 18, 1948 meeting of the Board, a special meeting of the State Board of Higher Education of the State of Oregon was held at the Benson Hotel, Portland, Oregon at 10:00 A.M. on October 7, 1948.

ROLL CALL The meeting was called to order by the President of the Board, Edgar W. Smith, and on roll call the following answered present:

Henry F. Cabell
George F. Chambers
Leif S. Finseth
A. S. Grant

R. E. Kleinsorge
Cheryl S. MacNaughton
Phil Metschan
Herman Oliver

Edgar W. Smith

Absent: None

There were also present: Chancellor Paul C. Packer; Dr. Charles D. Byrne, Secretary of the Board; J. O. Lindstrom, representing the University of Oregon.

FINANCING OF ERB MEMORIAL UNION Bldg AT US OF O AND ATHLETIC IMPROVEMENTS

Mr. Henry F. Cabell, Chairman of the Finance Committee, made the following report on financing the Donald M. Erb Memorial Union Building and improvements in McArthur Court and Hayward Field at the University of Oregon:

"The Finance Committee met yesterday at 2:00 P.M. to receive and open bids for the bond issue on the Student Union Building and athletic improvements at the University. Three bids were received as follows:

Blyth & Co., Inc. of Portland and Associates, for coupon interest rates of 3-1/8%, 3-1/2%, and 3.4% and $80 premium, an average net interest cost of $3,4076% or $906,907.51;

John Nuveen & Co., of Chicago, for a 3-1/2% coupon interest rate and $5,350 premium, an average net interest cost of 3.4799%, or 926,145.83;

A. C. Allyn and Company, of Chicago, for a 3-1/2% coupon interest rate and $1,313 premium, an average net interest cost of 3.4951%, or 930,182.83.

"A careful check of the bids indicates that the bid of Blyth and Company, Inc. and Associates, is the most favorable and, therefore, the Finance Committee recommends to the Board the acceptance of the offer of Blyth and Company, Inc. and Associates,"
The Board voted to accept the bid of Blyth and Company, Inc. and Associates, on the $1,900,000 University of Oregon Student Union and Athletic Facilities bond issue.

Thereupon, Mr. Stanley R. Darling, Attorney for the Board, presented the following resolution:

RESOLUTION

A resolution providing for the issuance and sale of $1,900,000 University of Oregon Student Union and Athletic Facilities Bonds, being special obligation bonds of the State of Oregon by the Department of Higher Education of the State of Oregon, acting through the State Board of Higher Education, providing the method of payment for such bonds, the maturities therefor, and other related matters.

WHEREAS, the Legislature of the State of Oregon in Chapter 27, Oregon Laws 1933, Second Special Session, as amended by Chapter 29, Oregon Laws 1937 (O.C.L.A. sections 111-3631 to 111-3636 inclusive), and as further amended by Chapter 92, Oregon Laws 1945, has created a building fund for each of the higher educational institutions of the State of Oregon, and has empowered the State Board of Higher Education, (herein called the "Board"), to collect student fees for building purposes, to construct or to cause buildings to be constructed, to apply for and to accept loans from any person to defray the costs of constructing, equipping and furnishing new buildings and the costs of altering existing buildings on the campuses of the higher educational institutions of the State of Oregon, to finance the construction and alteration of said buildings by the issuance of bonds of the State payable out of said building funds and out of the rentals and other income derived from said buildings, and to issue bonds to refund said bonds or obligations issued by the Board, and to pledge said building funds and said students' fees and the rentals to be charged and other income for any of said buildings to secure the payment of said bonds; and

WHEREAS, the above mentioned statutes give the Board full power and authority to enter into any contract, covenant, or lease in respect to the construction, use, maintenance or rental of any building, with its equipment and furnishings, including physical education and athletic facilities; and

WHEREAS, The University of Oregon at Eugene, Oregon (herein called the "University"), is one of the institutions of higher education of the State of Oregon under the supervision and control of said Board; and

WHEREAS, said University is in need of a Student Union Building and athletic building facilities consisting of improved or increased seating facilities in its football stadium, hereinafter referred to by its name, Hayward Field, and improved seating facilities in its basketball pavilion, hereinafter referred to by its name McArthur Court, because the present buildings and facilities of the University are inadequate to meet its cultural and physical development needs; and

WHEREAS, said Board deems it necessary for the operation of the University that said Student Union Building and said improved or increased facilities in Hayward Field and McArthur Court be constructed, equipped, furnished and effected at a total cost of approximately $2,058,137; and
WHEREAS, said Board has issued and there are now outstanding bonds designated as "University of Oregon Refunding Building Bonds" secured by a pledge of $4 of the $5 per term student Building fee authorized to be collected from the students of the University by the statutes above mentioned, the balance of which is unencumbered; and

WHEREAS, the Board proposes to call and redeem all the outstanding Refunding Building Bonds on November 1, 1948, in accordance with conditions contained in said bonds, and the Board will need for this purpose a total of approximately $299,000 from the sale of the bonds herein authorized plus approximately $11,213 from available funds now on hand; and

WHEREAS, the Board deems it necessary and advisable in connection with the sale of the bonds herein authorized to immediately establish for debt service a Bond Reserve Account in the amount of $50,000 from available funds now on hand; and

WHEREAS, the total funds required for the above-listed purposes approximate the sum of $2,418,350, and of this amount the Board has on hand the sum of $518,350 available for said purposes, leaving approximately $1,900,000 to be otherwise obtained; and

WHEREAS, the Board deems it necessary and advisable to issue Student Union and Athletic Facilities Bonds in the principal sum of $1,900,000 in order to provide moneys for the purposes above set forth; and

WHEREAS, the Board has duly and regularly advertised for proposals for the purchase of said Student Union and Athletic Facilities Bonds, and has received a proposal to purchase such bonds bearing interest at the rates of 3 1/8%, 3 1/2% and 3 4/10% per annum;

NOW THEREFORE, be it resolved by the Department of Higher Education of the State of Oregon, acting through the State Board of Higher Education, as follows:

SECTION 1. For the purpose of providing funds with which to pay for the construction, equipping, and furnishing a Student Union Building on the campus of the University, for the construction, erection and installation of athletic building facilities at the University of Oregon consisting of increased seating facilities in Hayward Field and improved seating facilities in McArthur Court, and for the call and redemption of the Refunding Building Bonds now outstanding as set forth in the following Section 18, there are hereby authorized to be issued and sold bonds of the State of Oregon by the Department of Higher Education of the State of Oregon, acting through the State Board of Higher Education, in the aggregate principal amount of $1,900,000.

SECTION 2. Said Bonds shall be revenue coupon bonds, designated "University of Oregon Student Union and Athletic Facilities Bonds" (hereinafter referred to as the "Bonds"); shall be dated as of October 15, 1948; shall be of the denomination of $1000 each; shall be numbered consecutively from 1 to 1,900, both inclusive; bonds numbered 1 through 250, inclusive, shall bear interest at the rate of 3 1/8 per cent per annum; bonds numbered 251 through 800, both inclusive, at the rate of 3 1/2 per cent per annum; bonds numbered 801 through 1900, both inclusive, at the rate of 3 4/10 per cent per annum; interest payable semiannually on April 15 and October 15 of each year and shall be payable both as to principal and interest in lawful money of the United States of America at the office of the Treasurer of the State of Oregon in Salem, Oregon (sometimes hereinafter referred to as the "Paying Agent").
The Bonds shall mature in numerical order on the dates and in the amounts following, to wit:

<table>
<thead>
<tr>
<th>Bond Numbers</th>
<th>Principal Amount</th>
<th>Maturity Date</th>
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<tbody>
<tr>
<td>1 to 250 incl.</td>
<td>$250,000</td>
<td>October 15, 1958</td>
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<tr>
<td>251 to 800 incl.</td>
<td>$550,000</td>
<td>October 15, 1968</td>
</tr>
<tr>
<td>801 to 1900 incl.</td>
<td>$1,100,000</td>
<td>October 15, 1978</td>
</tr>
</tbody>
</table>

SECTION 3. All of the Bonds shall be redeemable at the option of the Board in whole or in part on any interest date on or after October 15, 1951 and prior to the respective dates on which the Bonds are hereinafter provided to be redeemable at par, upon payment of the redemption price thereof and accrued interest thereon to the date of redemption, as follows:

103 1/2 on or before April 15, 1956, thereafter at 103
102 1/2 on or before April 15, 1960, thereafter at 102
101 1/2 on or before April 15, 1965, thereafter at 101
100 1/2 on or before April 15, 1969, thereafter at 100

provided that any of the Bonds so called for redemption shall be redeemed in the order of their maturities and if less than an entire maturity is so called then the Bonds of such maturity to be redeemed shall be redeemed in the inverse order of their numbers within such maturity; provided however, that the following Bonds, indicated by the numbers hereinbelow set forth, shall be callable in their numerical order at par and accrued interest to date of redemption on the following dates or any interest payment date thereafter, to wit:

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<thead>
<tr>
<th>Dates</th>
<th>Numbers</th>
<th>Dates</th>
<th>Numbers</th>
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<tr>
<td>April 15, 1952</td>
<td>1-35</td>
<td>April 15, 1961</td>
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<td>176-210</td>
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<td>April 15, 1955</td>
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<td>October 15, 1955</td>
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<td>April 15, 1956</td>
<td>291-330</td>
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<td>1321-1375</td>
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<td>621-665</td>
<td>April 15, 1969</td>
<td>1556-1615</td>
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<tr>
<td>October 15, 1960</td>
<td>666-710</td>
<td>October 15, 1969</td>
<td>1616-1900</td>
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In the event that the Board shall determine to redeem all or any part of the Bonds prior to the maturity thereof, notice of such redemption shall be given by publication of a notice of redemption in a daily newspaper printed in the English language and published and of general circulation in the City of Portland, County of Multnomah, State of Oregon and also in the Daily Bond Buyer, City of New York, New York, or a daily newspaper printed in the English language and published and of general circulation in the City of New York, New York, such publications to be made at least once in each of two consecutive calendar weeks on the same day of each week, the date of the first publication thereof to be not less than 30 or more than 45 days prior to the date fixed for redemption, and by mailing a copy of such notice to the original purchaser or purchasers of the Bonds.

Notice of redemption having been given by publication and mailing as above provided, the Bonds so called for redemption shall, on the date specified in such notice, become due and payable at the applicable redemption prices herein provided, and from and after the date so fixed for redemption (unless the Board shall default in the payment of the Bonds so called for redemption) interest on such bonds so called for redemption shall cease to accrue.

If funds sufficient to pay the principal thereof and interest to the date of redemption, and any premium due upon the redemption thereof, shall have been irrevocably deposited with the Paying Agent for the payment of such principal and interest, and any premium on redemption, and if such funds shall be available for the redemption thereof on the date so fixed for redemption, the Bonds so called for redemption shall not be entitled to the benefit or security of the bond resolution but shall rely solely for payment upon the funds so deposited. All bonds so redeemed shall be cancelled and not reissued.

SECTION 4. The Bonds and the interest coupons attached thereto shall be in substantially the following form, to wit:

No.________________________

UNITED STATES OF AMERICA

STATE OF OREGON

BY THE DEPARTMENT OF HIGHER EDUCATION OF

THE STATE OF OREGON

ACTING THROUGH THE STATE BOARD OF HIGHER EDUCATION

UNIVERSITY OF OREGON

STUDENT UNION AND ATHLETIC FACILITIES BOND

The State of Oregon by the Department of Higher Education of the State of Oregon, acting through the State Board of Higher Education (hereinafter sometimes referred to as the "Board"), for value received hereby promises to pay to the bearer on the 19th day of October, 19___ the principal sum of

ONE THOUSAND DOLLARS ($1000)

(unless called for prior redemption as hereinafter provided), and to pay interest on said principal sum from the date hereof at the rate of ____% per annum, payable
October 7, 1948

semi-annually on the 15th day of April and October of each year until the maturity of this bond, or until the redemption of this bond prior to maturity as hereinafter provided, or if default should be made in the payment of the principal hereof when the same shall become due and payable then at 6% per annum until the payment in full of such principal sum, but in the case of interest due on or before maturity, only upon the presentation and surrender of the respective interest coupons hereto attached as the same severally mature. The principal of and interest on this bond are payable solely out of a special fund known as the University of Oregon Building Fund (hereinafter established at the office of the Treasurer of the State of Oregon in the city of Salem, Oregon pursuant to Chapter 27, Oregon Laws 1933, Second Special Session, as amended). Payment of such principal and interest will be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts at the office of the Treasurer of the State of Oregon at Salem, Oregon (herein sometimes referred to as the "Paying Agent").

This Bond is issued by the State of Oregon by the Department of Higher Education of the State of Oregon, acting through the State Board of Higher Education, under and pursuant to a Resolution adopted by the State Board of Higher Education on the 7th day of October, 1948, (herein referred to as "Bond Resolution"), under the authority of and full compliance with the Constitution and Laws of the State of Oregon, including Chapter 27, Oregon Laws 1933, Second Special Session, as amended by Chapter 68, Oregon Laws 1937 (O.C.L.A. Sections 111-3631 to 111-3636 inclusive), and as further amended by Chapter 92, Oregon Laws 1945, for the purpose of providing funds with which to construct, equip, and furnish a Student Union Building, and to construct, erect, and install athletic building facilities consisting of increased seating facilities in Hayward Field, the existing football stadium, and improved seating facilities in McArthur Court, the existing basketball pavilion, all on the campus of the University of Oregon at Eugene, Oregon, and to call and redeem the University of Oregon Refunding Building Bonds presently outstanding in the amount of $299,000.

Under the Bond Resolution, the Board is obligated to set aside and pay into the University of Oregon Building Fund, out of the collection of Student Building Fees and income and rentals resulting from the operation of the Student Union Building, McArthur Court, and Hayward Field, certain fixed amounts from time to time sufficient in the aggregate to pay the interest on the Bonds issued under the Bond Resolution, at any time outstanding, as the same becomes due and payable and sufficient also to pay the principal of the Bonds issued under the Bond Resolution, at any time outstanding, on the date on which the same becomes due and payable all as is more fully provided in said Bond Resolution. Said bonds and the interest thereon constitute a charge against moneys paid into said Building Fund prior to all charges and claims whatsoever and the Board has irrevocably pledged the collection of said Student Building Fees and the income and rentals resulting from operation of said Student Union Building, McArthur Court and Hayward Field to such payment, in accordance with the Bond Resolution.

In and by the Bond Resolution, the Board covenants and agrees: that the Student Building Fee of $5 per full time student per term and $2.50 per part time student per term to be charged for not less than three terms in each academic year, or the equivalent thereof, shall not be reduced as long as any of these bonds remain outstanding; and that the Board will do and perform all things within its jurisdiction necessary to cause the income received from the operation of the Student Union Building, McArthur Court, and Hayward Field to be not less than the amount necessary to produce a sum equivalent to $3.25 per full time student and $1.65 per part time student per term for not less than three terms in each academic year, or the equivalent thereof; or, which together with the proceeds from collection of the Student Building Fees will provide an amount sufficient to pay the fixed amounts which the Board is obligated to set aside into the University of Oregon Building Fund for the purpose of paying the principal of and interest on the bonds of the issue of which this bond is a part. Reference to the
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October 7, 1948

Bond Resolution is made for a description of said Fund and the covenants and declarations of the Board and other terms and conditions upon which the Bonds of the issue of which this bond is a part are issued. No debt or general obligation of the State of Oregon is created by the issuance of the bonds of the issue of which this bond is a part or by any of the covenants or undertakings contained in the Bond Resolution.

The Bonds of the issue of which this bond is a part are subject to redemption at the option of the Board in whole or in part on any interest date on or after October 15, 1951 and prior to the respective dates on which the Bonds are hereinafter provided to be redeemable at par, upon payment of the redemption price thereof and accrued interest thereon to the date of redemption as follows:

103 1/2 on or before April 15, 1954, thereafter at 103
102 1/2 on or before April 15, 1960, thereafter at 102
101 1/2 on or before April 15, 1965, thereafter at 101
100 1/2 on or before April 15, 1969, thereafter at 100

provided that any of the Bonds so called for redemption shall be redeemed in the order of their maturities and if less than an entire maturity is so called then the Bonds of such maturity to be redeemed shall be redeemed in the inverse order of their numbers within such maturity; provided, however, that the following Bonds, indicated by the numbers hereinbelow set forth, shall be callable in their numerical order at par and accrued interest to date of redemption on the following dates or any interest payment date thereafter, to wit:

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<td>April 15, 1962</td>
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<td>October 15, 1962</td>
<td>852-900</td>
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<tr>
<td>April 15, 1954</td>
<td>141-175</td>
<td>October 15, 1963</td>
<td>901-950</td>
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<td>October 15, 1954</td>
<td>176-210</td>
<td>October 15, 1963</td>
<td>952-1,000</td>
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<td>April 15, 1955</td>
<td>211-250</td>
<td>April 15, 1964</td>
<td>1,001-1,050</td>
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<tr>
<td>October 15, 1955</td>
<td>251-290</td>
<td>October 15, 1964</td>
<td>1,051-1,100</td>
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<td>April 15, 1956</td>
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<td>April 15, 1965</td>
<td>1,101-1,155</td>
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<td>October 15, 1956</td>
<td>331-370</td>
<td>October 15, 1965</td>
<td>1,156-1,210</td>
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<td>April 15, 1957</td>
<td>371-410</td>
<td>October 15, 1966</td>
<td>1,211-1,265</td>
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<td>October 15, 1957</td>
<td>411-450</td>
<td>October 15, 1966</td>
<td>1,266-1,320</td>
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<tr>
<td>April 15, 1958</td>
<td>451-490</td>
<td>April 15, 1967</td>
<td>1,321-1,375</td>
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<tr>
<td>October 15, 1958</td>
<td>491-530</td>
<td>October 15, 1967</td>
<td>1,376-1,435</td>
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<tr>
<td>April 15, 1959</td>
<td>531-575</td>
<td>April 15, 1968</td>
<td>1,436-1,495</td>
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<tr>
<td>October 15, 1959</td>
<td>576-620</td>
<td>October 15, 1968</td>
<td>1,496-1,555</td>
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<td>April 15, 1960</td>
<td>621-665</td>
<td>April 15, 1969</td>
<td>1,556-1,615</td>
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<tr>
<td>October 15, 1960</td>
<td>666-710</td>
<td>October 15, 1969</td>
<td>1,616-1,900</td>
</tr>
</tbody>
</table>
In the event that the Board should exercise its option to redeem all or any part of the bonds of the issue of which this bond is a part prior to the maturity thereof, notice of such intention shall be given by publication of notice in a daily newspaper printed in the English language and published and of general circulation in the City of Portland, County of Multnomah, State of Oregon and the Daily Bond Buyer, City of New York, or a daily newspaper printed in the English language and published and of general circulation in the city of New York, New York, such publication to be made at least once in each of two consecutive calendar weeks on the same day of each week, the date of the first publication thereof being not less than 30 or more than 45 days prior to the date fixed for redemption, and by mailing a copy of such notice to the original purchaser or purchasers of the Bonds.

Notice of redemption having been given by publication and mailing as above provided, bonds so called for redemption shall, on the date specified in such notice, become due and payable at the applicable redemption prices herein provided, and from and after the date so fixed for redemption (unless the Board shall default in the payment of the bonds so called for redemption) interest on such bonds so called for redemption shall cease to accrue.

If this bond shall have been called for redemption, and if funds sufficient to pay the principal hereof and interest to the date of redemption, and any premium due upon the redemption hereof, shall have been irrevocably deposited with the Paying Agent for the payment of such principal and interest, and any premium on redemption, and if such funds shall be available for the redemption hereof on the date so fixed for redemption, this bond shall not be entitled to the benefit or security of the Bond Resolution but shall rely solely for payment upon the funds so deposited. All bonds so redeemed shall be cancelled and not reissued.

It is hereby certified and recited that all the conditions, acts and things required by the Constitution and Laws of the State of Oregon to exist, to have happened and to have been performed precedent to and in the issuance of this bond do exist, have happened and have been performed, and that the issuance of this bond does not violate any limitation or provision of the Constitution or statutes of the State of Oregon.

IN WITNESS WHEREOF, the State Board of Higher Education of the State of Oregon has caused this bond to be executed in its name by its President, attested by its Secretary, thereunto duly authorized, and the seal of the Board to be affixed hereto; and the interest coupons hereto attached to be executed by the facsimile signature of said President, all as of this fifteenth day of October, 1948.

STATE OF OREGON

BY THE DEPARTMENT OF HIGHER EDUCATION OF THE STATE OF OREGON

ACTING THROUGH THE STATE BOARD OF HIGHER EDUCATION

By

President of State Board of Higher Education

ATTEST:

Secretary of State Board of Higher Education
On the fifteenth day of __________, 19__ unless the bond hereafter mentioned shall have been duly called for previous redemption and payment of the redemption price duly made or provided for, the State of Oregon by the Department of Higher Education of the State of Oregon acting through the State Board of Higher Education will pay to the bearer at the office of the Treasurer of the State of Oregon at Salem, Oregon solely out of the special fund applicable to the payment thereof as provided in said bond the sum of $_______ in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts, being six ($6) months' interest then due on the University of Oregon Student Union and Athletic Facilities Bond dated October 15, 1948 and numbered ________________.

President of State Board of Higher Education

SECTION 5. The said Bonds shall be signed on behalf of the State Board of Higher Education by its President, attested by its Secretary, and the seal of said Board shall be affixed to each of the Bonds, and the coupons attached thereto shall be executed by the facsimile signature of said President.

SECTION 6. There is hereby created a special account to be known as "Bond Account" for the University of Oregon Student Union and Athletic Facilities Bonds (which said special account is hereinafter referred to as the "Bond Account"). Upon and after the issuance of the Bonds pursuant to this resolution, the Board hereby obligates and binds itself irrevocably to deposit, within 10 days after the receipt thereof, to the credit of the Bond Account for the purpose of paying the principal of and interest on and call premiums, if any, on the Bonds, and for maintaining the Bond Reserve Account (which said Bond Reserve Account is hereinafter created and established) moneys received by it as follows:

A. The entire proceeds of a Student Building Fee equivalent to $5 per full time student per term and $2.50 per part time student per term.

B. The proceeds of any amounts received in lieu of such building fees by the University from the Government of the United States, any other public body, or any other source whatsoever.

C. From the income and rentals resulting from operation of the Student Union Building, McArthur Court, and Hayward Field including admissions, charges, rentals, concessions, privileges, broadcasting, television, sales, shares of gate receipts from contests off-campus which result from the establishment and
maintenance of these building facilities, and all other income of whatever nature and from whatever source derived accruing to the University by reason of the establishment and maintenance of such building facilities an amount equivalent to $3.25 per full time student and $1.65 per part time student per term.

D. If, in any fiscal year, the total amount so deposited in the Bond Account as above provided in sub-paragraphs A, B, and C of this Section 6 is less than $110,000, the Board will take all jurisdictional steps necessary to cause the income received from the operation of said building facilities (including but not necessarily confined to increases in admission, fees and charges), to make up such deficiencies.

All moneys representing said Bond Account shall be deposited and held in the special fund known as the University of Oregon Building Fund (hereinafter established at the office of the Treasurer of the State of Oregon in the City of Salem, Oregon, pursuant to Chapter 27, Oregon Laws 1933, Special Second Session, as amended), hereinafter referred to as the "Building Fund".

SECTION 7. Moneys credited to the Bond Account shall be expended in the following order of priority:

A. For payment of interest maturing on the Bonds during the succeeding six months.

B. For payment of principal maturing on the Bonds during the succeeding twelve months.

C. For allotment to the Student Union and Athletic Facilities Bonds Reserve Account, so long as or at any time that the moneys in said Reserve Account are in the aggregate less than $150,000.

D. For redemption of Bonds at par and accrued interest.

E. For additional allotments to the Reserve Account until such time that moneys in said account total $250,000.

F. For the retirement of bonds: (1) by purchase at not to exceed the redemption price prevailing on the next date on which they may be redeemed; (2) by call for redemption in accordance with the provisions of Section 3 of this resolution, or; (3) by a combination of purchase and call for redemption; provided, however, that the Board shall not be required to retire Bonds as aforesaid unless such Bonds are then by their terms redeemable or the amount of such excess moneys in said Bond Fund shall exceed the amount required to retire $10,000 par value bonds.
SECTION 8. There is hereby created and established within the Bond Account a special account to be known as the Student Union and Athletic Facilities Bonds Reserve Account (herein referred to as the "Reserve Account"). Immediately upon issuance of the Bonds, the Board shall from available funds now on hand pay into the Reserve Account $50,000, and thereafter will from time to time pay into said Reserve Account all moneys credited to the Bond Account in excess of the amount required to pay the next installment of interest on the Bonds until the amount in said Reserve Account shall equal $150,000, and from that time thereafter as may be required to maintain such Reserve Account in such an amount. Moneys in the Reserve Account shall be used to the extent necessary to pay maturing installments of principal on the Bonds as they severally mature and to make up any deficiency in the Bond Account for the payment of interest on the Bonds. The Board covenants and agrees that this Reserve Account shall be maintained as long as any of the Bonds remain outstanding unless there is on deposit with the Treasurer of the State of Oregon, segregated funds (including moneys in said Reserve Account), sufficient to pay all interest, principal, and premium, if any, on the Bonds then outstanding.

Balances credited to the Reserve Account in excess of $150,000 in moneys and value of Government Bonds shall be used to the extent required to redeem bonds eligible for redemption at par for the redemption of which funds are not otherwise available.

Moneys in the Reserve Account may, at the option of the Board, be invested and reinvested in direct obligations of the United States Government (hereinafter referred to as "Government Bonds"), maturing within five years from the date of such investment (but maturing prior to the final maturity of the Bonds), or in such direct obligations of the United States Government as may be redeemable by their terms, at the option of the holder thereof, at stated prices at stated times prior to the maturity of the obligations.

All interest income arising as a result of investments of moneys in the Reserve Account, as herein provided, shall be credited to such Account. Any balances in the Reserve Account at any time, in excess of $250,000 in money and value of Government Bonds, may be used by the Board, at its option, for the redemption of bonds prior to maturity. In order to effect any such payment, Government Bonds in the Reserve Account of a value equivalent to such excess may be converted into cash. The term "value of Government Bonds", and words of like import as used herein, shall mean the current market value in the case of such bonds as are not redeemable at the option of the owner, and the current redemption value in the case of such bonds which are redeemable at stated prices at stated times at the option of the owner.

SECTION 9. The Bonds hereby authorized and the interest thereon shall be a valid claim of the holder thereof only against moneys in the Building Fund representing the Bond Account and the payments into the Building Fund pledged by the Board to the credit of said Bond Account pursuant to the provisions of this resolution, and shall constitute a charge against said Bond Account and the income from the sources pledged thereto, prior to all other charges and claims whatsoever. No debt or general obligation of the State of Oregon shall be created by the issuance of said bonds or by any of the covenants or undertakings contained in this resolution.
SECTION 10. The Board covenants and agrees with the purchasers and holders from time to time of the Bonds as follows:

A. The Board will collect from each student enrolling in the University at the time of registration a Student Building Fee of $5 per full time student per term and $2.50 per part time student per term and that such fee shall not be reduced so long as any of the Bonds are outstanding. Such fees shall be in addition to tuition and other fees charged by the University. It shall not be returnable for any reason after a lapse of 10 days from the date of registration.

B. The Board will do and perform all things within its jurisdiction necessary to cause the income received from the operation of the Student Union Building, McArthur Court, and Hayward Field, to be not less than the amount necessary to produce a sum equivalent to $3.25 per full time student and $1.65 per part time student per term or the annual amount necessary, with the proceeds from the Student Building Fee, to amortize these Bonds and interest thereon during their lives.

C. Should it be indicated at any time during the life of these Bonds that the income to be derived from the operation of said building facilities, together with the proceeds of the Building Fee, will be less than $110,000 during the twelve months' period ending October 15 next then the Board will take all jurisdictional steps necessary (including but not necessarily confined to increases in admissions, fees, and charges), to cause the income received from the operation of said building facilities to make up such deficiencies.

D. The number of terms in the academic year will not be reduced below three or otherwise changed as long as any of the Bonds are outstanding unless the Board charges and collects student building fees and applies income from said building facilities equivalent to that pledged to the payment of the Bonds hereunder on a three-term basis.

E. The Board shall not hereafter create any additional indebtedness whatsoever which will be secured by or payable from the $5 per full time student and $2.50 per part time student per term Student Building Fee or the income from the Student Union Building, McArthur Court and Hayward Field, except as hereinafter specifically authorized.

F. Anything herein to the contrary notwithstanding, the Board may issue bonds on parity with these Bonds, for the purpose of refunding at any time within one year prior to maturity, any of the Bonds then outstanding for which funds would not otherwise be available for the retirement thereof.

G. Anything herein to the contrary notwithstanding, the Board may issue bonds, payments for the principal and interest of which are on a parity with such payments for these Bonds, for the purpose
of refunding all of these Bonds, which may then be outstanding pro-
vided that funds realized therefrom are sufficient and immediately
deposited in the Building Fund to pay accrued interest, principal,
premises, if any, and costs of redemption on all of these Bonds
then outstanding in accordance with the requirements provided in
this resolution.

H. The Board will at all times maintain, preserve, and keep,
or cause to be maintained, preserved, and kept, the properties com-
prising McArthur Court, Hayward Field, and the Student Union Building,
and all additions and betterments thereto, and extensions thereof, and
every part and parcel thereof, in good repair, working order, and
condition, and will from time to time make, or cause to be made, all
necessary and proper repairs, renewals, and replacements thereto, so
that at all times the activities carried on in connection therewith
may be properly and advantageously conducted.

I. The Board, for the purpose of insuring the security for the Bonds
against dissipation by the removal of income producing activities from
the Student Union Building, McArthur Court and Hayward Field, will not
transfer any of the activities presently conducted within or connected
with McArthur Court or Hayward Field, or presently contemplated to be
conducted within or connected with the Student Union Building, to any
other building or building facility unless the income from any
activities conducted within or connected with any building or building
facility used in whole or in part by the University in the stead of
or in place of the Student Union Building, McArthur Court and Hayward
Field is pledged and allocated to the payment of the Bonds, to the
extent of the income from said transferred activities, in the same
manner as the income presently pledged from said buildings.

J. The Board will not sell or otherwise dispose of the proper-
ties comprising the Student Union Building, McArthur Court or Hayward
Field unless simultaneously with such sale or other disposition
thereof, provision is made for the payment of cash to the credit of
the Bond Account sufficient to pay the principal of and interest on
all the Bonds then outstanding and the premium upon the retirement
thereof, if any, in full, in accordance with the requirements of this
Resolution, provided that the Board may sell or otherwise dispose of
any portion of the real and personal property comprising a part of
the Student Union Building, McArthur Court, or Hayward Field, which
shall have become unserviceable, inadequate, obsolete, worn-out, or
unfit to be used in the operation of such facilities or no longer
necessary, material to, or useful in such operation. The proceeds
of any such sale or other disposition of any portion of the facilities
shall be paid into the University of Oregon Building Fund and shall
be used: first, to replace any of the facilities so disposed of if,
in the opinion of the Board, this is deemed necessary; second, to
replenish any deficiencies which may exist in the University of Oregon Building Fund in the amounts necessary to pay maturing interest on these Bonds, to pay maturing principal on these Bonds, to bring the Reserve Fund to the level of $250,000; and third, to retire Bonds in advance of maturity as provided herein.

K. The Board may not lease or rent the facilities comprising the Student Union Building, McArthur Court, or Hayward Field, or any substantial portion thereof, unless the annual amount to be received under such lease or rental agreement, together with the amounts of rent and income from the remaining facilities not so leased or rented and collections of the Student Building Fee, shall be sufficient to redeem the Bonds on the dates they respectively become redeemable at par nor unless it is expressly stipulated, as a condition of such lease or rental agreement, that any and all amounts to be received hereunder shall be credited to the Bond Account and paid into the Building Fund within ten days of receipt thereof in the same manner and for the same purposes as has been provided for the various payments heretofore enumerated in this resolution.

L. The Board will keep, or cause to be kept, the facilities comprising the Student Union Building, McArthur Court, and Hayward Field, insured in the amounts and against the risks usually insured against by corporations operating like properties (as regards Fire, Windstorm, and Hail insurance, in an aggregate amount not less than the total principal amount plus premiums, if any, at their current redemption price, of the Bonds which may be from time to time outstanding and, as regards Loss of Use and Occupancy insurance, in an aggregate amount equal to the income therefrom for the last fiscal year and not less than $75,000 per annum). As a minimum, it is agreed that risks insured against shall include damage to the facilities from Fire, Windstorm, Hail, and Loss of Use or Occupancy of the facilities as a result thereof.

M. In the event of any loss or damage to the properties comprising the Student Union Building, McArthur Court, and Hayward Field covered by insurance the Board will:

1. With respect to each such loss promptly repair and reconstruct to the extent necessary for the proper operation of the facilities, the damaged or lost portion thereof, and shall employ the proceeds of any insurance policy or policies covering such damage or loss for that purpose to the extent required therefor unless, in the case of loss or damage involving $100,000 or more, it shall be determined by competent architects and engineers that such repair and reconstruction is not technically or economically feasible.
2. If the entire proceeds of such insurance are not used to repair or reconstruct such damaged or injured property, the proceeds of such insurance policy or policies, or any portion thereof not used for repair or reconstruction as the case may be, shall be credited to the Bond Account and shall be disbursed in accordance with the provisions of Section 7 hereof.

N. The Fiscal operations concerning collections of Student Building Fees, the Student Union Building, McArthur Court, and Hayward Field shall be properly accounted for either in accordance with generally accepted principles of accounting or in accordance with regulations laid down by the State of Oregon for the guidance of public bodies in such matters.

O. At least once each year, there shall be made available to the purchasers and holders of these Bonds from time to time, upon application to the office of the Comptroller of the Board, a statement certified by a competent officer of the State, the Board, or the University, or independent auditors (if used), concerning fiscal operations of the University with relation to the following:

1. Collection of Student Building fees.

2. Rental and income resulting from operation of the Student Union Building, McArthur Court, and Hayward Field.

3. Payments into the Building Fund for the Bonds as provided herein.

4. Expenditures from said Building Fund on account of the Bonds.

5. The status of said Building Fund with reference to the moneys segregated for the Bonds to the credit of the Bond Account, including amounts available for maturing interest, maturing principal and amounts in the Reserve Account, as of the last day of such period.

P. The Board will duly and punctually pay or cause to be paid from the Building Fund the principal of and premium, if any, and interest on each Bond on the date and at the places and in the manner provided in the Bonds and in the Coupons thereto attached, according to the true intent and meaning thereof, and will faithfully do and perform and fully observe and keep any and all covenants, undertakings, stipulations, and provisions contained in the Bonds and Coupons and in this resolution.
Q. The Board will, from time to time, duly pay and discharge or cause to be paid and discharged, all taxes, assessments and other governmental charges or payments in lieu thereof, lawfully imposed upon the properties constituting the Student Union Building, McArthur Court, and Hayward Field or the revenues, income, receipts, and profit derived therefrom, when the same shall come due as well as all lawful claims for labor, material and supplies which, if not paid, might become a lien or charge upon the said buildings or any part thereof or upon the income derived from operation thereof, or which might in any way impair the security of the Bonds, except assessments, charges, or claims which the Board shall in good faith contest by proper legal proceedings.

R. The Board will at any time and all times, insofar as it may be authorized to do so by law, pass, make, do, execute, acknowledge, and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers, and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, income, and other sums, hereby pledged or assigned to the payment of the Bonds and appurtenant Coupons, or intended so to be, or which the Board may hereafter become bound to pledge or assign.

S. The Board will engage the services of architects or engineers to supervise the construction of the Student Union Building which shall be registered professional persons or firms of good standing and reputation in the area. Such architects or engineers shall approve the plans and specifications for the construction of the building, by certificate addressed to the Secretary of the Board, and shall in such approving certificate express the opinion that such construction meets accepted standards and will produce a building usable for the purpose for which it is designed and with a life, if properly maintained, at least equivalent to the life of the Bonds. Any changes in the plans and specifications for such construction shall be approved by such architects or engineers by certificate filed with the Secretary of the Board, as not being detrimental to the use or life of such building. All payments to contractors for construction work performed on such building shall be approved by said architects or engineers, by certificate filed with the Secretary of the Board, only after satisfying themselves as to the sufficiency and adequacy of the work performed by such contractor and its conformance with the plans and specifications. Upon completion of construction of the building and prior to the liquidation of the Construction Account, hereinafter created in Section 17 hereof, such architects or engineers shall certify, by certificate filed with the Secretary of the Board, that the construction of the Student Union Building has been completed in full, satisfactorily and in conformity with the plans and specifications for its construction.
SECTION 11. The Board will not at any time insist upon or plead, or in any manner whatsoever, claim or take the benefit or advantage of any stay or extension law now or at any time hereafter in force which may affect the covenants and agreements contained in this resolution or in the Bonds, but all benefit or advantage of any such law or laws is hereby expressly waived by the Board.

SECTION 12. This resolution is adopted under the authority of and in full compliance with the Constitution and Laws of the State of Oregon, as amended and supplemented. In consideration of the purchase and acceptance of the Bonds by those who shall hold the same from time to time, the provisions of this resolution shall constitute a contract with the holder or holders of each Bond and Coupons attached thereto, and the obligation of the Board under such Acts and under this resolution, shall be enforceable by any holder of any Bond by mandamus or any other appropriate suit or action in any court of competent jurisdiction; and the covenants and agreements herein set forth to be performed upon behalf of the Board shall be for the equal benefit, protection and security of the holders of any and all of said Bonds and Coupons thereto attached, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority, or distinction of any said Bonds, or Coupons thereto attached over any others except as expressly provided herein.

SECTION 13. Whenever in this resolution, the Board is named or referred to it shall be deemed to include its successors and assigns and all the covenants and agreements in this resolution contained by or on behalf of the Board shall bind and be obligatory upon its successors and assigns whether so expressed or not.

SECTION 14. If any one or more of the covenants or agreements provided in this resolution on the part of the Board to be performed should be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this resolution or of the Bonds issued hereunder.

SECTION 15. This resolution may be amended by a resolution of the State Board of Higher Education upon the written consent or approval of the holders of three-fourths (3/4ths) principal amount of all the then outstanding University of Oregon Student Union and Athletic Facilities Bonds.

SECTION 16. The President and the Secretary of the Board are hereby authorized and directed to execute the Bonds and the Comptroller of the Board is hereby authorized and directed to deliver the same to Blyth & Co., Inc. and Associates, the purchasers thereof on payment of $100,004,213 of the par value plus accrued interest to date of delivery, which sale price is deemed by the Board to be for the best interests of the Board and, in general, to sign all documents, receipts, and instruments required, in the opinion of counsel for the Board, to effect such delivery and payment.
SECTION 17. There is hereby created a special account to be known as "University of Oregon Student Union and Athletic Facilities Construction Account". The proceeds derived from the sale of the Bonds as aforesaid, together with $518,350 and such other funds required to complete the bond refunding, the construction, the improvements contemplated, the issuance of the Bonds, and incidental costs in connection therewith, after deposit of $50,000 to the credit of the Reserve Account, shall be placed in said Construction Account and may be withdrawn by the Board solely for the following purposes, to wit:

A. So much thereof as is needed to call and redeem the outstanding University of Oregon Refunding Building Bonds presently secured by pledge of the Student Building Fee.

B. For constructing, equipping and furnishing a Student Union Building on the campus of the University of Oregon at Eugene, Oregon.

C. For constructing, erecting, and installing athletic building facilities consisting of:

1. The addition of 3,000 seats in Hayward Field.

2. The replacement of approximately 1,500 seats in McArthur Court.

D. For costs incident to the issuance of the Bonds.

The Comptroller of the Board is hereby authorized to withdraw from said University of Oregon Student Union and Athletic Facilities Construction Account any and all amounts of moneys required to perform fully the obligations of the Board in connection with the foregoing. Upon the full performance of said obligations the Board may use any moneys remaining in said Construction Account, for crediting to the Bond Account or any other purpose, to the extent of and not to exceed the total contribution to such Account from other than the proceeds of the Bonds. The Board covenants and agrees that it will complete the said Student Union Building and will make the necessary contemplated improvements in the athletic seating facilities as soon as is practically possible.

SECTION 18. The Board hereby authorized and directs its Secretary and Comptroller to take whatever action is necessary to call and redeem, on or before November 1, 1948, all of the $299,000 remaining outstanding bonds of the following issue:

University of Oregon Refunding Building Bonds,
$452,000 issue of May 1, 1939.

SECTION 19. All of the steps heretofore taken by the Board's Secretary and/or by the Board's Comptroller in connection with the issuance of the bonds authorized by this resolution (including, among other steps, the manner, form and content of advertisement regarding notice of bond sale and inviting proposals
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for the purchase of bonds, issuance of an Official Statement of the Board giving
detailed information, receiving proposals and opening of proposals on behalf of the
Board) are hereby approved and ratified.

SECTION 20. This resolution shall be in effect from and after its
passage in accordance with law.

SECTION 21. All resolutions or parts of resolutions in conflict herewith
be and the same are hereby repealed.

Adopted this ______ day of October, 1948.

Signed

Secretary

Upon motion by Director Finseth and second by Director Hetschan,
the above resolution was adopted with the following voting aye:

Henry F. Cabell
George F. Chambers
Leif S. Finseth
A. S. Grant

R. E. Kleinsorge
Cheryl S. MacNaughton
Phil Hetschan
Herman Oliver

Edgar W. Smith

and the following voting nay: None.

The President thereupon declared said resolution carried.

ADJOURNMENT The Board adjourned at 10:30 A. M.

EDGAR W. SMITH, President

CHARLES D. BYRNE, Secretary