ADJOURNED SESSION
Chancellor's Library, Eugene, Oregon
November 9, 1935

Pursuant to action at the regular meeting on October 28, 1935, the State Board of Higher Education of the State of Oregon convened in an adjourned session in the Chancellor's library in Eugene, Oregon, at 11:00 a.m., on the 9th day of November, 1935. The meeting was called to order by the President, Willard L. Marks, and on roll call the following answered present:

ROLL CALL

C. A. Brand           B. F. Irvine
F. E. Callister       Willard L. Marks
Leif S. Finseth        E. C. Pease
Beatrice Walton Sackett

Members absent: E. C. Sammons and Herman Oliver.

There were also present Frederick M. Hunter, Chancellor; Charles D. Byrne, Secretary of the Board; President C. V. Boyer of the University of Oregon; President George W. Peavy of Oregon State College; J. A. Churchill, Director of Elementary Teacher Training; President Walter Redford of Southern Oregon Normal School; H. A. Bork, Comptroller; and Estes Smedale, legal advisor to the Board.

READING OF MINUTES DEFERRED

Reading of the minutes of the regular meeting on October 28, 1935 was deferred until the next meeting of the Board.

Mr. Finseth, Chairman of the Insurance Committee, called on Mr. Smedale, who outlined briefly the principal provisions of the new bill providing for insurance on state owned properties.

Mr. Byrne, Secretary, informed the Board that it would be necessary to pass a resolution authorizing the issuance of special obligation bonds to finance the construction of a new administration building at Oregon Normal School, the bonds to be known as "Oregon Normal School Building Bonds."

Thereupon, the following resolution numbered "1" and entitled "A Resolution Providing for the Issuance and Sale of $65,000 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, to Finance the Construction and Furnishing of a New Administration and
Class Room Building on the Campus of the Oregon Normal School at Monmouth, Oregon, Providing the Method of Payment for Such Bonds, the Maturities Therefor and Other Related Matters," was presented by Mr. Byrne and read in full:

RESOLUTION NO. 1

A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF $55,000 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, TO FINANCE THE CONSTRUCTION AND FURNISHING OF A NEW ADMINISTRATION AND CLASS ROOM BUILDING ON THE CAMPUS OF THE OREGON NORMAL SCHOOL AT MONMOUTH, OREGON, PROVIDING THE METHOD OF PAYMENT FOR SUCH BONDS, THE MATUREITIES THEREFOR AND OTHER RELATED MATTERS.

WHEREAS, the Legislature of the State of Oregon has in Chapter 27 of the Acts of the Second Special Session of 1935, passed an act creating special building funds for each of the higher educational institutions of the State of Oregon, defining terms, authorizing the collection of student fees for building purposes, authorizing the State Board of Higher Education to construct and furnish new buildings or to cause buildings to be constructed for said board, authorizing said board to accept loans from the United States of America, under the provisions of certain acts of Congress, against the pledge of said student fees to finance building projects by the issuance of bonds of the State, payable out of the said special building funds provided for and created by the said Act; and authorizing said board to accept grants from the United States of America to defray the cost of such construction; and

WHEREAS, the Oregon Normal School at Monmouth Oregon, is one of the higher educational institutions of the State of Oregon, under the supervision and control of said State Board of Higher Education, and is in need of and does require a new administration and class room building at said school, by reason of the fact that the present building housing the administration offices is antiquated and inadequate, and by reason further of the fact that the present class room facilities are insufficient to provide for and take care of the present enrollment, especially in view of the contemplated increase in such enrollment resulting from the change in length of the completed course at said normal school from a period of two years to one of three years; and
WHEREAS, the State Board of Higher Education deems it advisable and necessary that said administration and classroom building be constructed and furnished, that the approximate cost of such building and furnishing be $100,000, and that the cost of such construction be provided by a loan from the United States of America of $55,000 and the remainder of the cost of such construction by a grant from the United States of America of 45% of the cost of such project, but not to exceed in any event, the sum of $45,000;

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 construct and furnish said administration and classroom building on the campus of the Oregon Normal School at Monmouth, Oregon, there is hereby directed 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 $55,000.

Section 2. Said bonds shall be special obligation coupon bonds, shall each be designated "Oregon Normal School Building Bond", shall be dated as of November 1, 1935, shall be in the denomination of $1,000 each, shall be numbered consecutively from 1 to 55, both inclusive, shall mature serially in numerical order in the years and amounts as follows: $1,000 on November 1 in each of the years 1936 to 1944, both inclusive, $2,000 on November 1 in each of the years 1945 to 1946, both inclusive, $3,000 on November 1 in each of the years 1947 to 1948, both inclusive, $5,000 on November 1 in each of the years 1949 to 1952, both inclusive, and $6,000 on November 1 in each of the years 1953 to 1955, both inclusive, shall bear interest at the rate of four per cent (4%) per annum, payable semi-annually on May 1 and November 1 of each year until maturity and shall be payable both as to principal and interest in lawful money of the United States of America at the office of the State Treasurer of the State of Oregon in Salem, Oregon. Said bonds shall express upon the face thereof the purpose for which the same are issued and the fact that said bonds are issued pursuant to the Constitution and Laws of the State of Oregon, including Chapter 27, Oregon Laws, 1933, Second Special Session.
Section 3. For the punctual payment of the principal of and interest on said bonds when and as the same shall become due, the said State Board of Higher Education hereby covenants and agrees with each successive holder of each of said bonds and coupons that said State Board of Higher Education shall and will charge and collect from each student at the Oregon Normal School at the time of registration, a fee of up to but not exceeding five dollars ($5.00) for each regular term or semester of the Oregon Normal School and the State Board of Higher Education hereby further covenants and agrees that it will fix such fee (hereinafter referred to as "student building fee") annually in advance for said Oregon Normal School, which total student building fees so fixed in each year shall be at least sufficient in amount to meet the installments of principal and interest maturing during the ensuing year on the said bonds, provided, however, as hereinabove set forth, said student building fees do not exceed $5.00. Said student building fee shall be in addition to the tuition and other fees charged to students at the Oregon Normal School and shall not be returnable to the student under any circumstances after a lapse of ten (10) days from the date of his registration. The board by so covenants to charge and collect the said student building fee as herein described does hereby pledge said student building fee for the payment of the principal of and interest on said bonds and the amount so pledged is hereby declared to be a first lien upon said student building fee, subject only to the existing lien on such student building fee in the amount of forty-one thousand dollars ($41,000) previously pledged for the payment of the issue of Oregon Normal School Gymnasium Bonds, dated April 1, 1935.

Section 4. The State Board of Higher Education hereby further covenants and agrees that the student building fees so collected shall be paid into the fund of the State Treasury within ten (10) days from the collection thereof, and the student building fees so paid shall be credited by the State Treasurer to the Building Fund of the Oregon Normal School which has been created in the State Treasury and designated as "Oregon Normal School Building Fund," which Building Fund shall be irrevocably pledged to and used for the payment of the interest accruing on and the principal of the said bonds when due, so long as any of said bonds or the coupons thereto appertaining remain outstanding and unpaid, the interest earnings of which fund shall be credited to such fund and become a part thereof.
The State Board of Higher Education does hereby further covenant and agree that the student building fee to be charged and collected from each student of the Oregon Normal School for each regular term or semester shall not be less than five dollars ($5.00) until such time as, in addition to the reserve of $7,000 set up for the issue of the aforementioned Oregon Normal School Gymnasium Bonds, dated April 1, 1935 (for which see Resolution No. 1 duly adopted at a special meeting of the State Board of Higher Education held on May 27, 1935), there has been accumulated and maintained in the Building Fund, after all appropriate charges, a reserve equal to the interest and principal requirements of the bonds for the next ensuing two (2) years (in cash or in securities issued or guaranteed by the Federal Government, which reserve is to be maintained for the sole purpose of meeting any deficiencies in the debt service of the bonds) after which time the amount of the student building fee to be charged and collected may be decreased to a sum less than five dollars ($5.00) provided, however, that the fee to be charged shall be at least sufficient in amount to maintain both said reserves and to meet the installments of principal and interest of said building bonds and the said Oregon Normal School Gymnasium Bonds maturing during such ensuing year, and provided further that when the total of the funds in said building fund shall be equal to the total amount of the interest upon and principal of all of said outstanding bonds, as well as all of said outstanding Oregon Normal School Gymnasium Bonds, to the last maturity thereof, then no further student building fees need be charged and collected from the students of the Oregon Normal School.

Section 5. The said bonds and coupons attached thereto shall be in substantially the following form:

**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

OREGON NORMAL SCHOOL BUILDING BOND

The State of Oregon by the Department of Higher Education of the State of Oregon acting through the State Board of
Higher Education for value received hereby promises to pay to the bearer, or if this bond be registered, to the registered holder hereof, solely from the special fund herein described, on the first day of November, 19_, the sum of

ONE THOUSAND DOLLARS

and to pay from said special fund interest hereon at the rate of four per cent (4%) per annum, payable on May 1 and November 1 in each year until maturity, upon surrender of the annexed interest coupons as they severally become due.

Both principal and interest on this bond are payable in lawful money of the United States of America at the office of the State Treasurer of the State of Oregon at Salem, Oregon. Both principal and interest of this bond are payable solely out of and are limited in payment to a special fund in the State Treasury of the State of Oregon designated as "Oregon Normal School Building Fund".

This bond may be registered as to principal only in accordance with the provisions on the back hereof.

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 for the purpose of providing funds with which to construct and furnish a new administration and class room building on the campus of the Oregon Normal School at McMinnville, Oregon, by virtue of a resolution of the State Board of Higher Education of the State of Oregon duly passed and adopted on the ___ day of ___, 19__, and pursuant to the Constitution and Laws of the State of Oregon, including Chapter 27, Oregon Laws, 1933, Second Special Session.

The State Board of Higher Education of the State of Oregon hereby irrevocably obligates and binds itself to charge and collect from each student of the Oregon Normal School at the time of registration, and does thereby pledge, a student building fee of up to but not exceeding five dollars ($5.00) for each regular term or semester, of which there shall not be less than four (4) for each school year, to be used in and credited to said Oregon Normal School Building Fund at least sufficient in amount to meet the installments of principal of and interest on this bond as they respectively become due and to create a reasonable reserve therefor. The amount so pledged is hereby declared to be a first lien upon such student building fees which shall be in addition to the tuition and other fees charged to the students of the Oregon Normal School, subject only to the lien on such student building fees pledged for the payment of the issue of Oregon Normal School Gymnasium Bonds, issued as of April 1, 1935.
This bond is subject to the condition and every holder hereof, by accepting the same, agrees with the obligor and every subsequent holder hereof, that (a) the delivery of this bond to any transferee, if not registered, or if it be registered, if the last registered transfer be to bearer, shall vest title in this bond and the interest represented thereby in such transferees to the same extent for all purposes as would the delivery under like circumstances of any negotiable instrument payable to bearer; (b) the obligor and any agent of the obligor may treat the bearer of this bond, or if it be registered in the name of a holder, the registered holder of this bond, as the absolute holder hereof for all purposes and shall not be affected by any notice to the contrary; (c) the principal of and interest on this bond will be paid, and this bond and each of the coupons appertaining thereto are transferable, free from and without regard to any equities between the obligor and the original or any intermediate holder hereof of any set-offs or cross-claims; (d) the surrender to the obligor or any agent of the obligor of this bond and each of the coupons, if not registered, or if it be registered, if the last registered transfer be to bearer, or the receipt of the registered holder for the principal hereof and interest hereon, if this bond be registered in the name of a holder, shall be a good discharge to the obligor for the same.

The State of Oregon by the Department of Higher Education of the State of Oregon acting through the State Board of Higher Education hereby reserves the right to redeem this bond prior to maturity on any interest payment date upon at least thirty (30) days prior notice by publication in a newspaper published and of circulation in the City of Salem, Oregon, and if this bond be registered, by mailing a registered notice of such intention to the registered holder hereof, and upon payment of the principal amount of this bond and the accrued interest thereon to the date of redemption and a payment equal to one-fourth (1/4) of one per cent (1%) of the principal amount thereof for each twelve (12) months' period, or fraction thereof, over the number of full years to lapse from the date of redemption to the expressed date of maturity of this bond, provided, however, that none of the bonds of the issue of which this is one shall be retired except in the inverse order of their maturity.
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 exist, have happened and have been performed, that due provision has been made for the charging and collecting of student building fees sufficient to pay the principal of and interest on this bond as the same shall fall due.

IN WITNESS WHEREOF, the State of Oregon by the Department of Higher Education of the State of Oregon acting through the State Board of Higher Education has caused this bond to be signed by the President of said State Board of Higher Education, sealed with the corporate seal of said Board and attested by the Secretary of said Board, and the interest coupons hereto attached to be signed by the facsimile signature of said President, and this bond to be dated as of November 1, 1935.

_____________________________
President.

ATTEST:

_____________________________
Secretary.

(FORM OF COUPON)

NO. ______  $20.00

On the ______ day of ________, 19____, 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 bearer on the ______ day of ________, 19____, the sum of twenty dollars ($20.00) in lawful money of the United States of America at the office of the Treasurer of the State of Oregon in Salem, Oregon, from the special fund designated as "Oregon Normal School Building Fund", being six months' interest then due on its Oregon Normal School Building Bond, dated November 1, 1935 and bearing No. ______.

_____________________________
President.
(ENDORSEMENT OF BONDS)

IT IS HEREBY RECITED that the within bond at the written request of the holder was this day registered as to principal only in the name of the payee first indicated below on the books kept in the office of the State Treasurer of the State of Oregon at Salem, Oregon, and is transferable only upon said books upon presentation to said State Treasurer as Registrar with a written assignment duly acknowledged or proved, at which time the name of the assignee shall be entered hereon and in said books by said Registrar and is payable to ___________________________ (his) (her) ( ) legal representatives or assigns at the time and place stated in this bond. This bond may be discharged from registration by being in like manner transferred to bearer, after which transferability by delivery shall be restored, but it may from time to time again be registered as to principal or transferred to bearer as above. No such registration shall affect the negotiability of the coupons which shall continue to pass by delivery.

IN WITNESS WHEREOF, I have hereunto set my hand this ___ day of __________________, 19__.

State Treasurer of the State of Oregon

The within bond has been registered as follows:

<table>
<thead>
<tr>
<th>DATE OF REGISTRATION</th>
<th>NAME OF REGISTERED HOLDER</th>
<th>SIGNATURE OF REGISTRAR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Section 6. The said bonds shall be registerable as to principal only, in accordance with the provisions hereinabove provided for endorsement on said bond, and the State Treasurer of the State of Oregon is hereby designated and appointed bond registrar for the purpose of registering such bonds. No charge shall be made to any bondholder for the privilege of registration herein granted.

Section 7. The said bonds shall be signed by the President of the State Board of Higher Education, sealed with the corporate seal of said Board and attested by the Secretary of said Board and the interest coupons attached thereto shall be signed by the said President by his facsimile signature.

Section 6. The State Board of Higher Education shall have the right to redeem before maturity any of the bonds on any interest payment date upon payment of the principal amount of such bonds and accrued interest thereon to the date of redemption and a payment equal to one-fourth (1/4) of one per cent (1%) of the principal amount thereof for each twelve (12) months' period, or fraction thereof, over the number of full years to lapse between the date of redemption and the expressed date of maturity thereof. Notice of intention so to do shall be given by publication in a newspaper published and regularly circulated in Salem, Oregon, at least once a week for four successive weeks, beginning not less than thirty (30) days prior to an interest paying period, and by mailing a registered notice of such intention to all the registered holders of such bonds on the date of said first publication, and such notice shall state the number and amount of the bonds so to be retired, with the price to be paid therefor, and the date and place where the same are to be paid. No bonds shall be retired except in the inverse order of their maturity and except on a day when interest is payable by the terms of said bonds on and after the date named in such published notice. Interest on the bonds described in such notice shall cease after funds are available as herein provided.

Section 9. The words "regular term or semester" hereinabove referred to in this resolution and in said Chapter 27, Oregon Laws, 1933, Second Special Session, shall constitute a period of the school year of the Oregon Normal School as determined by the State Board of Higher Education or other proper body, provided, however, that there shall not be less than four (4) such regular periods, terms or semesters in each school year.
Section 10. The State Board of Higher Education hereby covenants and agrees that so long as any of said bonds are outstanding, no further pledge of student building fees shall be made unless such further pledge is subordinate to the pledge for this issue of bonds and for the issue of said Oregon Normal School Gymnasium Bonds, provided further, that whenever said Oregon Normal School Gymnasium Bonds are retired, either through payment or redemption or through any other method, no further pledge of student building fees shall be made unless such further pledge is subordinate to the pledge for this issue of bonds.

Section 11. So long as any of the bonds are held by the Federal Government, the Department of Higher Education of the State of Oregon acting through the State Board of Higher Education shall furnish to the Federal Government, and, upon written request, to any holder of any of the bonds, not later than thirty (30) days after the close of each regular term or semester of the Oregon Normal School a statement of the student building fees charged and collected at said Normal School covering such regular term or semester, certified by the Secretary of State of the State of Oregon.

Section 12. Said bonds are hereby awarded and sold to the Federal Emergency Administration of Public Works, an agency of the federal government, in accordance with the provisions of Chapter 27, Oregon Laws, 1933, Second Special Session, at par and accrued interest.

Section 13. The President of the State Board of Higher Education and the Secretary of said Board are hereby authorized to do all acts and things necessary for the delivery and sale of said bonds to the Federal Emergency Administration of Public Works.

Date passed by the State Board of Higher Education:

November 9 , 1935.

APPROVED:

November 22 , 1935.

(SEAL)

By WILLARD L. MARKS
President

ATTEST:

CHARLES D. BYRNE
Secretary
Upon motion by Director Irvine and second by Director Finseth, the above resolution was adopted, with the following voting ayes:

Mr. Brand  Mr. Irvine
Mr. Callister  Mr. Marks
Mr. Finseth  Mr. Pease
Mrs. Sackett

and the following voting nay: None.

The President thereupon declared said resolution carried.

Mr. Byrne, Secretary, informed the Board that it would be necessary to pass a resolution accepting the offer of the Federal Emergency Administration of Public Works to aid by way of loan and grant in financing the construction of a physical education building on the campus of the University of Oregon, Eugene, Oregon.

After discussion of the offer of the United States of America acting through the Federal Emergency Administration of Public Works, the following resolution numbered "2" and entitled, "A Resolution Accepting the Offer of the United States to Aid by Way of Loan and Grant in Financing the Construction of a Physical Education Building on the Campus of the University of Oregon, Eugene, Oregon," was proposed by Director B. F. Irvine and considered by the Board:

RESOLUTION NO. 2

A RESOLUTION ACCEPTING THE OFFER OF THE UNITED STATES TO THE DEPARTMENT OF HIGHER EDUCATION OF THE STATE OF OREGON TO AID BY WAY OF LOAN AND GRANT IN FINANCING THE CONSTRUCTION, EQUIPPING AND FURNISHING OF A NEW PHYSICAL EDUCATION BUILDING ON THE CAMPUS OF THE UNIVERSITY OF OREGON, EUGENE, OREGON.

BE IT RESOLVED BY THE STATE BOARD OF HIGHER EDUCATION, of the State of Oregon:

Section I. That the offer of the United States of America to the Department of Higher Education of the State of Oregon to aid by way of loan and grant in financing the construction, equipping and furnishing of a new physical education building on the campus of the University of Oregon, Eugene, Oregon, a copy of which offer reads as follows:
Federal Emergency Administration of Public Works

Department of Higher Education of the State of Oregon, Eugene, Oregon.

1. Subject to the Rules and Regulations (PWA Form No. 166, July 22, 1935, as amended to date) which are made a part hereof, the United States of America hereby offers to aid in financing the construction, equipping and furnishing of a new physical education building on the campus of the University of Oregon, Eugene, Oregon, (herein called the "Project"), by making a grant to the Department of Higher Education of the State of Oregon (herein called the "Applicant") in the amount of forty-five (45%) per cent of the cost of the Project upon completion, as determined by the Federal Emergency Administrator of Public Works, but not to exceed, in any event, the sum of $157,500, and by purchasing, at the principal amount thereof plus accrued interest thereon, from the Applicant obligations of the description set forth below (or such other description as shall be mutually satisfactory) in the aggregate principal amount of $193,000, less such amount of such obligations, if any, as the Applicant may, with the consent of the Federal Emergency Administrator of Public Works, sell to purchasers other than the United States of America:

(a) Obligor: Department of Higher Education of the State of Oregon;
(b) Type: Special obligation, revenue, serial, coupon bond;
(c) Denomination: $1,000; (d) Date: November 1, 1935;
(e) Interest rate and interest payment dates: 4 percent per annum payable semi-annually on May 1 and November 1 in each year;
(f) Place of payment: Both principal and interest payable at the office of the State Treasurer, Salem, Oregon, or, at the option of the holder, at a bank or trust company in the Borough of Manhattan, City and State of New York;
(g) Registration privileges: Registerable at the option of the holder, as to principal only;
Maturities: November 1 of each year as follows:

$1,000 1937 and 1938;
3,000 1939 to 1941, both inclusive;
5,000 1942 to 1949, both inclusive;
7,000 1950 and 1951;
9,000 1952 and 1953;
10,000 1954 to 1964, both inclusive;

Redemption privileges: Redeemable at the option of the Applicant on any interest payment date in whole or in part at a price per bond equal to the principal amount thereof plus interest accrued thereon to the date of redemption plus a redemption premium of 1/4 of 1% of the principal amount thereof for each year, or fraction thereof, from the date of redemption to the expressed date of maturity thereof.

Security: Payable as to both principal and interest from, and secured by, an exclusive first charge on student building fees of not less than Five Dollars ($5.00) per student for each regular term or semester at the University of Oregon, which student building fees shall be in addition to tuition and other fees charged.

2. This offer is conditioned upon -

(a) The Applicant's adopting a resolution fixing reasonable and adequate student building fees;

(b) The Applicant's making provision in the resolution authorizing the issuance of the obligations herein described, or by separate resolution, for the setting aside in the "University of Oregon Building Fund" of all revenues derived from said student building fees as a reserve for the payment of said obligations herein described, and the Applicant's making further provision in such resolution for the redemption of the obligations herein described from the reserve so created, whenever the amount of such reserve shall exceed two years' debt service requirements on said obligations.

UNITED STATES OF AMERICA

Federal Emergency Administrator
of Public Works

By Horatio B. Hackett
Assistant Administrator
be and the same is hereby in all respects accepted.

Section 2. That said State Board of Higher Education agrees to abide by all the rules and regulations relating to such loan and grant a copy of which rules and regulations were annexed to the Governor's offer and made a part thereof.

Section 3. That the Secretary of the State Board of Higher Education be and he is hereby authorized and directed forthwith to send to the Federal Emergency Administration of Public Works three certified copies of this Resolution and three certified copies of the proceedings of this meeting in connection with the adoption of this Resolution, and such further documents or proofs in connection with the acceptance of said offer as may be requested by the Federal Emergency Administration of Public Works.

The above resolution was seconded by Director Sackett and was adopted, with the following voting ayes:

Mr. Brand
Mr. Finseth
Mr. Marks
Mrs. Sackett

Mr. Callister
Mr. Irvine
Mr. Pease

and the following voting nays: Nones.

The President thereupon declared said Resolution carried.

Mr. Byrne, Secretary, informed the Board that it would be necessary to pass a resolution authorizing the issuance of special obligation bonds to finance the construction of a new library building and a new physical education building at the University of Oregon, the bonds to be known as "University of Oregon Building Bonds."

Thereupon, the following resolution numbered "3" and entitled "A Resolution Providing for the Issuance and sale of $510,000 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, to Finance the Construction and Furnishing of a New Library Building and a New Physical Education Building on the Campus of the University of Oregon at Eugene, Oregon, Providing the Method of Payment for Such Bonds, the Maturities Therefor, and Other Related Matters," was presented by Mr. Byrne and read in full:
RESOLUTION NO. 3


WHEREAS, the Legislature of the State of Oregon has in Chapter 27 of the Acts of the Second Special Session of 1933, passed an act creating special building funds for each of the higher educational institutions of the State of Oregon, defining terms, authorizing the collection of student fees for building purposes, authorizing the State Board of Higher Education to construct and furnish new buildings or to cause buildings to be constructed for said board, authorizing said board to accept loans from the United States of America, under the provisions of certain acts of congress, against the pledge of said student fees to finance building projects by the issuance of bonds of the State, payable out of the said special building funds provided for and created by the said Act; and authorizing said board to accept grants from the United States of America to defray the cost of such construction; and

WHEREAS, the University of Oregon, at Eugene, Oregon, is one of the higher educational institutions of the State of Oregon, under the supervision and control of said Board of Higher Education; and

WHEREAS, the said State Board of Higher Education does find that said University of Oregon is in need of and does require an adequate building to house and protect its library, and said board does further find that the construction and furnishing of a three story and basement fireproof library building on the campus of said university would amply protect and house the said library of said university; and

WHEREAS, the said State Board of Higher Education does also find that said University of Oregon is in need of and does require a new physical education building as the present building, a frame construction, is obsolete and inadequate, having been erected in 1909 when there was a much smaller number of students enrolled at said university, and said
board does further find that a new physical education building should be constructed to displace the present building; and

WHEREAS, the State Board of Higher Education now further finds that the cost of constructing and furnishing said buildings at and for said university may be financed by a loan and grant from the United States of America, pursuant to the said certain acts of congress, the amount of the loan for both buildings to total five hundred ten thousand dollars ($510,000), the amount of the grant to aid in financing the aforesaid buildings to be, in the case of the library building, thirty per cent (30%) of the cost of the labor and materials on such library building, and in the case of the physical education building, forty-five per cent (45%) of the total cost of such physical education building;

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 construct and furnish the said new library building and the said new physical education building on the campus of the University of Oregon, there is hereby directed 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 five hundred ten thousand dollars ($510,000).

Section 2. Said bonds shall be special obligation coupon bonds, shall each be designated "University of Oregon Building Bond", shall be dated as of November 1, 1935, shall be in the denomination of $1,000 each, shall be numbered consecutively from 1 to 510, both inclusive, shall mature serially in numerical order in the years and amounts as follows: Four Thousand Dollars ($4,000) on November 1 in each of the years 1937 to 1938, both inclusive, Eight Thousand Dollars ($8,000) on November 1 in the year 1939, Nine Thousand Dollars ($9,000) on November 1 in the year 1940, Ten Thousand Dollars ($10,000) on November 1 in the year 1941, Thirteen Thousand Dollars ($13,000) on November 1 in the year 1942, Fourteen Thousand Dollars ($14,000) on November 1 in each of the years 1943 to 1945, both inclusive; Sixteen Thousand Dollars on November 1 in the year 1946, Eighteen Thousand Dollars ($18,000) on November 1 in the year 1947, Nineteen Thousand Dollars on November 1 in each of the years 1948 to 1951, both
inclusive, Twenty-one Thousand Dollars ($21,000) on November 1 in each of the years 1962 to 1963, both inclusive, Twenty-two Thousand Dollars ($22,000) on November 1 in each of the years 1954 to 1957, both inclusive, Twenty-three Thousand Dollars ($23,000) on November 1 in each of the years 1958 to 1960, both inclusive, Twenty-seven Thousand Dollars ($27,000) on November 1 in each of the years 1961 to 1963, both inclusive, and Thirty Thousand Dollars ($30,000) on November 1 in the year 1964; shall bear interest at the rate of four per cent (4%) per annum, payable semi-annually on May 1 and November 1 of each year until maturity and shall be payable both as to principal and interest in lawful money of the United States of America at the office of the State Treasurer of the State of Oregon in Salem, Oregon. Said bonds shall express upon the face thereof the purpose for which the same are issued and the fact that said bonds are issued pursuant to the Constitution and Laws of the State of Oregon, including Chapter 27, Oregon Laws, 1935, Second Special Session.

Section 3. For the punctual payment of the principal of and interest on said bonds when and as the same shall become due, the said State Board of Higher Education hereby covenants and agrees with each successive holder of each of said bonds and coupons that said State Board of Higher Education shall and will charge and collect from each student at the University of Oregon at the time of registration, a fee of up to but not exceeding five dollars ($5.00) for each regular term or semester of the University of Oregon and the State Board of Higher Education hereby further covenants and agrees that it will fix such fee (hereinafter referred to as "student building fee") annually in advance for said University of Oregon, which total student building fees so fixed in each year shall be at least sufficient in amount to meet the installments of principal and interest maturing during the ensuing year on the said bonds. Said student building fee shall be in addition to the tuition and other fees charged to students at the University of Oregon and shall not be returnable to the student under any circumstances after a lapse of ten (10) days from the date of his registration. The board by so covenanting to charge and collect the said student building fee as herein described does thereby pledge said student building fee for the payment of the principal of and interest on said bonds and the amount so pledged is hereby declared to be a first lien upon said student building fee.

Section 4. The State Board of Higher Education hereby further covenants that in fixing the amount of the said student building fees at said University of Oregon there need and
shall no longer be taken into consideration the building fees which the Associated Students of the University of Oregon had previously imposed on themselves and pledged for the payment of the indebtedness incurred or to be incurred in the construction of McArthur Court and the proposed infirmary building at said university (Sec. 2, Chapt. 27, Oregon Laws, 1933, Second Special Session), in view of the fact that the indebtedness incurred in the construction of McArthur Court has been completely retired, and further, in view of the fact that no indebtedness has been or will be incurred in the construction of the proposed infirmary at said university.

Section 5. The State Board of Higher Education hereby further covenants and agrees that the student building fees so collected shall be paid into the fund of the State Treasury within ten (10) days from the collection thereof, and the student building fees so paid shall be credited by the State Treasurer to the Building Fund of the University of Oregon which has been created in the State Treasury and designated as "University of Oregon Building Fund", which Building Fund shall be irrevocably pledged to and used for the payment of the interest accruing on and the principal of the said bonds when due, so long as any of said bonds or the coupons therefor pertaining remain outstanding and unpaid, the interest earnings of which fund shall be credited to such fund and become a part thereof. The State Board of Higher Education does hereby further covenant and agree that the student building fee to be charged and collected from each student of the University of Oregon for each regular term or semester shall not be less than five dollars ($5.00) until such time as there has been accumulated and maintained in the Building Fund, after all appropriate charges, a reserve equal to the interest and principal requirements of the bonds for the next ensuing two (2) years (in cash or in securities issued or guaranteed by the Federal Government, which reserve is to be maintained for the sole purpose of meeting any deficiencies in the debt service of the bonds) after which time the amount of the student building fee to be charged and collected may be decreased to a sum less than five dollars ($5.00) provided, however, that the fee to be charged shall be at least sufficient in amount to maintain said reserve and to meet the installments of principal and interest of said building bonds maturing during such ensuing year, and provided further that when the total of all the outstanding bonds in said building fund shall be equal to the total amount of the interest upon and principal of all of the outstanding bonds to the last maturity thereof,
then no further student building fees need be charged and collected from the students of the University of Oregon.

Section 6. The said bonds and coupons attached thereto shall be in substantially the following form:

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 BUILDING BOND

The State of Oregon by the Department of Higher Education of the State of Oregon acting through the State Board of Higher Education for value received hereby promises to pay to the bearer, or if this bond be registered, to the registered holder hereof, solely from the special fund herein described, on the first day of November, 19__, the sum of

ONE THOUSAND DOLLARS

and to pay from said special fund interest hereon at the rate of four per cent (4%) per annum, payable on May 1 and November 1 in each year until maturity, upon surrender of the annexed interest coupons as they severally become due. Both principal and interest on this bond are payable in lawful money of the United States of America at the office of the State Treasurer of the State of Oregon at Salem, Oregon. Both principal and interest of this bond are payable solely out of and are limited in payment to a special fund in the State Treasury of the State of Oregon designated as "University of Oregon Building Fund".

This bond may be registered as to principal only in accordance with the provisions on the back hereof.

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 for the purpose of providing funds with which to construct and furnish a new library building and a new physical education building on
the campus of the University of Oregon at Eugene, Oregon, by virtue of a resolution of the State Board of Higher Education of the State of Oregon duly passed and adopted on the __ day of ____________, 19__, and pursuant to the Constitution and Laws of the State of Oregon, including Chapter 27, Oregon Laws, 1933, Second Special Session.

The State Board of Higher Education of the State of Oregon hereby irrevocably obligates and binds itself to charge and collect from each student of the University of Oregon at the time of registration, and does thereby pledge, a student building fee of up to but not exceeding five dollars ($5.00) for each regular term or semester, of which there shall not be less than three (3) for each school year, to be used in and credited to said University of Oregon Building Fund at least sufficient in amount to meet the installments of principal of and interest on this bond as they respectively become due and to create a reasonable reserve therefor. The amount so pledged is hereby declared to be a first lien upon such student building fees which shall be in addition to the tuition and other fees charged to the students of the University of Oregon.

This bond is subject to the condition and every holder hereof, by accepting the same, agrees with the obligor and every subsequent holder hereof, that (a) the delivery of this bond to any transferee, if not registered, or if it be registered, if the last registered transfer be to bearer, shall vest title in this bond and the interest represented thereby in such transferee to the same extent for all purposes as would the delivery under like circumstances of any negotiable instrument payable to bearer; (b) the obligor and any agent of the obligor may treat the bearer of this bond, or if it be registered in the name of a holder, the registered holder of this bond, as the absolute holder hereof for all purposes and shall not be affected by any notice to the contrary; (c) the principal of and interest on this bond will be paid, and this bond and each of the coupons appertaining thereto are transferable, free from and without regard to any equities between the obligor and the original or any intermediate holder hereof of any set-offs or cross-claims; (d) the surrender to the obligor or any agent of the obligor of this bond and each of the coupons, if not registered, or if it be registered, if the last registered transfer be to bearer, or the receipt of the registered holder for the principal hereof and interest hereon, if this bond be registered in the name of a holder, shall be a good discharge to the obligor for the same.
The State of Oregon by the Department of Higher Education of the State of Oregon acting through the State Board of Higher Education hereby reserves the right to redeem this bond prior to maturity on any interest payment date upon at least thirty (30) days prior notice by publication in a newspaper published and of circulation in the City of Salem, Oregon, and if this bond be registered, by mailing a registered notice of such intention to the registered holder hereof, and upon payment of the principal amount of this bond and the accrued interest thereon to the date of redemption and a payment equal to one-fourth (1/4) of one per cent (1%) of the principal amount thereof for each twelve (12) months' period, or fraction thereof, over the number of full years to lapse from the date of redemption to the expressed date of maturity of this bond, provided, however, that none of the bonds of the issue of which this is one shall be retired except in the inverse order of their maturity.

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 exist, have happened and have been performed, that due provision has been made for the charging and collecting of student building fees sufficient to pay the principal of and interest on this bond as the same shall fall due.

IN WITNESS WHEREOF, the State of Oregon by the Department of Higher Education of the State of Oregon acting through the State Board of Higher Education has caused this bond to be signed by the President of said State Board of Higher Education, sealed with the corporate seal of said Board and attested by the Secretary of said Board, and the interest coupons hereto attached to be signed by the facsimile signature of said President, and this bond to be dated as of November 1, 1935.

____________________
President

ATTEST:

____________________
Secretary
(FORM OF COUPON)

NO. ______ $20.00

On the ______ day of _________, 19___, 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 on the ______ day of _________, 19___, the sum of twenty dollars ($20.00) in lawful money of the United States of America at the office of the Treasurer of the State of Oregon in Salem, Oregon, from the special fund designated as "University of Oregon Building Fund", being six months' interest then due on its University of Oregon Building Bond, dated November 1, 1935 and bearing No. ______.

_________________________.
President.

(ENDORSEMENT OF BONDS)

IT IS HEREBY RECITED that the within bond at the written request of the holder was this day registered as to principal only in the name of the payee first indicated below on the books kept in the office of the State Treasurer of the State of Oregon at Salem, Oregon, and is transferable only upon said books upon presentation to said State Treasurer as Registrar with a written assignment duly acknowledged or proved, at which time the name of the assignee shall be entered hereon and in said books by said Registrar and is payable to ____________________________ (his) (her) ( ) legal representatives or assigns at the time and place stated in this bond. This bond may be discharged from registration by being in like manner transferred to bearer, after which transferability by delivery shall be restored, but it may from time to time again be registered as to principal or transferred to bearer as above. No such registration shall affect the negotiability of the coupons which shall continue to pass by delivery.

IN WITNESS WHEREOF, I have hereunto set my hand this ______ day of ____________, 19___.

_________________________.
State Treasurer of the State of Oregon.
The within bond has been registered as follows:

<table>
<thead>
<tr>
<th>DATE OF REGISTRATION</th>
<th>NAME OF REGISTERED HOLDER</th>
<th>SIGNATURE OF REGISTRAR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Section 7. The said bonds shall be registerable as to principal only, in accordance with the provisions hereinafore provided for endorsement on said bond, and the State Treasurer of the State of Oregon is hereby designated and appointed bond registrar for the purpose of registering such bonds. No charge shall be made to any holder for the privilege of registration herein granted.

Section 8. The said bonds shall be signed by the President of the State Board of Higher Education, sealed with the corporate seal of said Board and attested by the Secretary of said Board and the interest coupons attached thereto shall be signed by the said President by his facsimile signature.

Section 9. The State Board of Higher Education shall have the right to redeem before maturity any of the bonds on any interest payment date upon payment of the principal amount of such bonds and accrued interest thereon to the date of redemption and a payment equal to one-fourth (1/4) of one per cent (1%) of the principal amount thereof for each twelve (12) months' period, or fraction thereof, over the number of full years to lapse between the date of redemption and the expressed date of maturity thereof. Notice of intention so to do shall be given by publication in a newspaper published and regularly circulated in Salem, Oregon, at least once a week for four successive weeks, beginning not less than thirty (30) days prior to an interest paying period, and by mailing a registered notice of such intention to all the registered holders of such bonds on the date of such first publication, and such notice shall state the number and amount of the bonds so to be retired, with the price to be paid therefor, and the date and place where the same are to be paid. No bonds shall be retired
except in the inverse order of their maturity and except on a day when interest is payable by the terms of said bonds and on and after the date named in such published notice. Interest on the bonds described in such notice shall cease after funds are available as herein provided.

Section 10. The words "regular term or semester" hereinabove referred to in this resolution and in said Chapter 27, Oregon Laws, 1933, Second Special Session, shall constitute a period of the school year of the University of Oregon as determined by the State Board of Higher Education or other proper body, provided, however, that there shall not be less than three (3) such regular periods, terms or semesters in each school year.

Section 11. The State Board of Higher Education hereby covenants and agrees that so long as any of said bonds are outstanding, no further pledge of student building fees shall be made unless such further pledge is subordinate to the pledge herein provided in this resolution for said bonds.

Section 12. So long as any of the bonds are held by the United States of America the Department of Higher Education of the State of Oregon acting through the State Board of Higher Education shall furnish to the United States of America, and, upon written request, to any holder of any of the bonds, not later than thirty (30) days after the close of each regular term or semester of the University of Oregon a statement of the student building fees charged and collected at said University of Oregon covering such regular term or semester, certified by the Secretary of State of the State of Oregon.

Section 13. Said bonds are hereby awarded and sold to the Federal Emergency Administration of Public Works, an agency of the United States of America, in accordance with the provisions of Chapter 27, Oregon Laws, 1933, Second Special Session, at par and accrued interest.

Section 14. The President of the State Board of Higher Education and the Secretary of said Board are hereby authorized, empowered and directed to do all acts and things necessary for the delivery and sale of said bonds to said Federal Emergency Administration of Public Works.
Section 15. All resolutions and parts of resolutions inconsistent with this resolution, as well as the whole of Resolution No. 4, duly passed and adopted by the State Board of Higher Education at a regular meeting duly called and held on April 22, 1935, are hereby repealed, rescinded and revoked.

Date passed by the State Board of Higher Education:

November 9, 1935

APPROVED:

November 22, 1935

By Willard L. Marks
President.

(SEAL)

ATTEST:

Charles D. Byrne
Secretary.

Upon motion by Director Irvine and second by Director Sackett the above resolution was adopted, with the following voting ayes:

Mr. Brand
Mr. Callister
Mr. Finseth
Mrs. Sackett
Mr. Irvine
Mr. Marks
Mr. Pease

and the following voting nay: None.

The President thereupon declared said resolution carried.

President Boyer outlined briefly a substitute proposal for the location of the new University infirmary on the site of the present hardball courts on the northwest corner of 13th and Omeg Streets. This would necessitate removing of certain buildings now on this property and the remodeling of the present gymnasium. In case a Works Progress Administration grant could be secured to finance this moving and remodeling, the new site would be available for the infirmary at an estimated cost of $6,582 from the Board's unappropriated funds.
This proposal, President Boyer pointed out, would not only provide a desirable site for the new infirmary at a small outlay of Board funds but would also improve the swimming pool facilities in the old gymnasium.

The Board then inspected the various sites proposed for the infirmary and met again at luncheon in the John Straub Memorial Hall, with the same members present as at the morning session.

Upon recommendation of President Boyer and Chancellor Hunter, the Board voted that the site now occupied by the University handball courts be chosen as the location for the new infirmary building; that $1,665 (Board funds to be credited with income from sale of three houses) be appropriated for the moving of the handball courts and wrecking of buildings to vacate the site for the infirmary; that $2,500, or as much thereof as is necessary, be appropriated to match Works Progress Administration project funds and labor for converting the handball courts into a warehouse; and that $2,447, or as much thereof as is necessary to get efficient results in the remodeling, be appropriated for converting the old gymnasium into a suitable swimming pool—the latter two appropriations to be contingent upon grants from the Works Progress Administration for completing the projects.

The Board voted that, in case the chosen site for the infirmary at the present location of the handball courts is not available because of failure to secure a Works Progress Administration grant for the moving and remodeling of buildings, the site at the corner of 15th and Onyx Streets be chosen as the location of the infirmary, and an appropriation of $12,500 be made for the purchase of this property, contingent upon approval by the Finance Committee of the Board.

Mr. Byrne announced that he had received information that the additional loan and grant for the Southern Oregon Normal School gymnasium had been approved in Washington, D. C., although he had not yet received the regular formal papers confirming the approval.

The Board referred to the Chancellor with power to act the matter of waiving out-of-state tuition for Ted Tibbott, a student at the University of Oregon, whose petition for exemption was called to the attention of the Board by Mr. Irvine.
Meeting #63 - 50

Mr. Snedcor, legal adviser to the Board, reported briefly regarding the status of legislation affecting higher education which was considered at the last session of the Legislature.

The Board adjourned at 1 o'clock p.m.

WILLARD L. MARKS, President
CHARLES D. BYRNE, Secretary