Meeting #276-1  In compliance with the June 1, 1959 written request of a majority of the members of the Board for a special meeting and at the call of the President of the Board, the Oregon State Board of Higher Education convened in special session at the General Extension Division Building, Portland, Oregon, on June 2, 1959.

ROLL CALL  The meeting was called to order at 2:30 P.M., by the President, Mr. Henry F. Cabell, and on roll call the following answered present:

Mr. Henry F. Cabell    Mr. Douglas McKean
Mr. Allan Hart    Dr. Ralph E. Purviance
Mrs. Cheryl S. MacNaughton

Absent: Mr. J. W. Forrester, Jr., Mr. A. S. Grant, Mr. Chas. R. Holloway, Jr., and Mr. Wm. E. Walsh

Others present: Chancellor John R. Richards; Secretary Earl M. Pallett; Comptroller H. A. Bork.

BIDS AND AWARD OF SALE OF $9,055,000 BOND ISSUE  The Chancellor indicated that at the May 26, 1959 meeting of the Board consideration was given to bids which had been received for the sale of the $9,055,000 par value State Board of Higher Education Building Bonds, Series 1959 A. At that time the Board accepted the best bid, subject to the approval of the State Bond Commission.

It was indicated that since May 26, 1959 the State Bond Commission had asked of the Attorney General whether the lowest bid for the bonds submitted to the Board conformed to the published Notice of Sale of the bonds and was a valid competitive bid for the bonds. The Comptroller reported that he had been advised informally by the Attorney General that such a determination is to be made by the Board's bond attorneys, whose employment had been authorized by the Attorney General. The Comptroller also indicated that said bond attorneys had advised that the lowest bid, although unusual, conformed to the Notice of Sale of the bonds and was therefore a valid competitive bid.

It was indicated also that the State Bond Commission had requested advice of the Attorney General's office as to whether the Commission has the duty of approving bids for higher education bonds or whether the Commission has merely a duty to determine whether in its judgment the State Board of Higher Education should sell or should not sell bonds. The Comptroller reported that he had been advised informally by the Attorney General that the acceptance of a specific bid for the sale of bonds by the State Board of Higher Education is not subject to approval by the Bond Commission; but that rather the responsibility of the Bond Commission is in connection with general approval of the program offering to sell bonds and to apply the proceeds for lawful purposes.
The Chancellor therefore recommended that the action of the Board of May 26, 1959, awarding the bonds to the lowest bidder be modified so as to provide for the sale without approval of the State Bond Commission.

Director Hart stated that since the lowest lawfully accepted bid received on May 26, 1959 for the $9,055,000 Series 1959 A bond issue was submitted by the First National Bank of Oregon, Harris Trust and Savings Bank, and Associates, he was moving that said bid be accepted and that the Secretary and Comptroller be authorized to take necessary action to consummate the sale and to make arrangements for the delivery and payment of the bonds.

Director McKean seconded the motion.

On roll call vote the Directors of the Board voted on the adoption of the motion as follows:

- Mr. Cabell: Yes
- Mr. Hart: Yes
- Mrs. MacNaughton: Yes
- Mr. McKean: Yes
- Dr. Purvine: Yes

Those voting no: None.

The President of the Board thereupon declared the motion duly adopted.

The Chancellor indicated that at the April 26, 1959 meeting the Board adopted a resolution authorizing the offering for public sale of a $9,055,000 general obligation bond issue. Said resolution included a statement to the effect that the bonds were to be direct general obligations of the State of Oregon, "and that except as to variations in interest rates and maturities, they be of uniform tenor, and be in substantially the .......... form, prepared by the Attorney General of the State of Oregon", as incorporated in the minutes.

Subsequent to the May 26, 1959 bid opening for the sale of the bonds, the State Bond Commission asked advice of the Attorney General regarding modifications which might be required to be made to the previously prepared bond and coupon forms in order to recognize the stipulations contained in the bid for the sale of bonds now accepted by the Board, being the bid received from the First National Bank of Oregon, Harris Trust and Savings Bank, and Associates, especially with regard to the supplemental coupon. The Comptroller reported that in informal conference with the Attorney General advice had been given to the effect that the Board's bond attorneys, whose employment had been authorized by the Attorney General, were empowered to determine whether the required modifications in the previously prepared bond and coupon forms were in accordance with the chief features of the forms previously approved by the Attorney General.

The Comptroller reported that in consultation with the Board's Bond attorneys and the Secretary of the State Bond Commission modified bond and coupon forms have been prepared.
The Chancellor then recommended that the modified bond and coupon forms be substantially as follows:

**FORM OF BOND**

(For bonds maturing on April 15, 1962, 1963 and 1964)

UNITED STATES OF AMERICA
STATE OF OREGON
STATE BOARD OF HIGHER EDUCATION
BUILDING BOND
SERIES 1959 A

KNOW ALL MEN BY THESE PRESENTS, that the STATE OF OREGON acknowledges itself to one and for value received hereby promises to pay to bearer the principal sum of $1,000 (one thousand dollars) on the fifteenth day of April, 19..., with interest on said sum from the date hereof until paid, at the rate of 2% per annum, plus additional interest at the rate of ONE AND ONE-QUARTER PER CENT (1 1/4%) per annum, from July 15, 1959, all interest payable on the fifteenth days of April and October of each year as evidenced by, and upon the presentation and surrender of, the interest coupons hereto annexed as they severally become due. Both the principal of and the interest on this bond are payable at the office of the Treasurer of the State of Oregon, at Salem, Oregon, in any coin or currency which, at the time of payment, is legal tender for the payment of public and private debts within the United States of America.

The bonds of the issue of which this bond forms a part, maturing on and after April 15, 1975, may be redeemed at the option of the State of Oregon, on and after April 15, 1974, at par and accrued interest, on any interest day or days in regular numerical order or in the entire amount of the issue outstanding at call date, upon notice given by the Treasurer of the State of Oregon at least thirty (30) days prior to the redemption date specified therein, by publication thereof in one issue of a newspaper or financial journal of general circulation printed and published within the City and State of New York, and one issue of a newspaper of general circulation printed and published within the City of Salem, Oregon. From the date of redemption designated in any such notice, interest on the bonds so called for redemption shall cease.

This bond is issued by the State of Oregon in conformance to its Constitution and under and by virtue of and in all respects in full and strict compliance with its laws, and in particular Article XI-F(1) of the Constitution and Sections 351.160 to 351.190, and Sections 351.350 to 351.350, Oregon Revised Statutes, as amended by Chapter 127, Oregon Laws 1959, for the purpose of financing the cost of constructing, improving, equipping, and furnishing buildings to be used for higher education.
The faith and credit of the State of Oregon hereby are irrevocably pledged to the punctual payment of the interest on and the principal of this bond as the same become due and payable respectively.

IN TESTIMONY WHEREOF, the STATE OF OREGON has caused this bond to be signed by the Governor and by the Secretary of State with their facsimile signatures, and by the State Treasurer, and sealed with the seal of the State of Oregon, and has caused the annexed interest coupons to be executed with the facsimile signatures of its said officers, all as of the fifteenth day of April, 1959.

Governor

(SEAL)

Secretary of State

State Treasurer

(For bonds maturing on April 15, 1965 up to and including April 15, 1989)

In the first paragraph of the bond form above, after July 15, 1959, add "to April 15, 1961."
FORM OF COUPON

REGULAR COUPONS

(For coupons maturing on October 15, 1959, up to and including April 15, 1974.)

No.____. On the fifteenth day of October, 1959, $__________

THE STATE OF OREGON will pay the bearer DOLLARS

at the office of the Treasurer of the State of Oregon in the City of Salem, Oregon, in any coin or currency which, at the time of payment, is legal tender for the payment of public and private debts within the United States of America, for six months' interest then due on State of Oregon, State Board of Higher Education Building Bond, Series 1959 A, No.______.

(facsimile) (facsimile) (facsimile)
State Treasurer Secretary of State Governor

(For coupons maturing after April 15, 1974.)

No.____. On the fifteenth day of October, 1974, $__________

Unless the bond hereinafter designated shall have been called for previous redemption and due provision made for the payment thereof, THE STATE OF OREGON will pay the bearer DOLLARS

at the office of the Treasurer of the State of Oregon in the City of Salem, Oregon, in any coin or currency which, at the time of payment, is legal tender for the payment of public and private debts within the United States of America, for six months' interest then due on State of Oregon, State Board of Higher Education Building Bond, Series 1959 A, No.______.

(facsimile) (facsimile) (facsimile)
State Treasurer Secretary of State Governor
SUPPLEMENTAL COUPONS

(For coupons maturing on October 15, 1959.)

No.____. On the fifteenth day of October, 1959, $__________
The STATE OF OREGON will pay the bearer

DOLLARS

at the office of the Treasurer of the State of Oregon in
the City of Salem, Oregon, in any coin or currency which
at the time of payment, is legal tender for the payment
of public and private debts within the United States of
America, for three months' interest then due on State of
Oregon, State Board of Higher Education Building Bond,
Series 1959 A, No._____.

(facsimile) (facsimile) (facsimile)
State Treasurer Secretary of State Governor

(For coupons maturing April 15,
1960, to and including April
15, 1964.)

No.____. On the fifteenth day of April, 1960, $__________
The STATE OF OREGON will pay the bearer

DOLLARS

at the office of the Treasurer of the State of Oregon in
the City of Salem, Oregon, in any coin or currency which,
at the time of payment, is legal tender for the payment of
public and private debts within the United States of America,
for six months' interest then due on State of Oregon, State
Board of Higher Education Building Bond, Series 1959 A,
No._____.

(facsimile) (facsimile) (facsimile)
State Treasurer Secretary of State Governor
Director Hart moved that the modified bond and coupon forms be approved.

Director MacNaughton seconded the motion.

Upon roll call vote the Directors of the Board voted on the adoption of the motion as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Vote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Cabell</td>
<td>Yes</td>
</tr>
<tr>
<td>Mr. Hart</td>
<td>Yes</td>
</tr>
<tr>
<td>Mrs. MacNaughton</td>
<td>Yes</td>
</tr>
<tr>
<td>Mr. McKeen</td>
<td>Yes</td>
</tr>
<tr>
<td>Dr. Purvine</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Those voting no: None

The President of the Board thereupon declared the motion duly adopted.

**ADJOURNMENT**

The meeting adjourned at 3:30 P.M.

Henry F. Cabell, President

Earl M. Pallett, Secretary