APPENDIX

Supplement A -- Proposal To Execute Option and Sale Agreement for Television Station KTVR--Channel 13, La Grande, OEPBS

Supplement B -- Proposal To Amend ORS 526.225, Section (2), Advisory Committees

Supplement C -- A Bill for an Act - Relating to State Restoration Fund
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<th>No. of Service</th>
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Board Discussion and Action

The Board questions whether it was permissible to implement any portion of a salary increase while any phase of salary negotiations were in progress. The Board referred the recommendation to the Executive Committee for further study and action on behalf of the Board.

ADJOURNMENT

The Board adjourned at 2:50 P.M.

D. R. Larson, Secretary
State Board of Higher Education

John D. Mosser, President
Transmitter on Mt. Fanny at 7132' elevation
Coordinates: 49° 18' 33" -- 116° 44' 09"
Channel 13 - 210-216 mHz
Effective radiated power is 12.9 KW
Height: above average terrain is 2803 feet.
Single phase power - buried cable - is available at site.
A three phase, 200 kw emergency generator is installed at the site and is capable of operating the entire plant.

Transmitter and living quarters are housed in an 18 x 32' Butler steel building.
The emergency generator and storage space is provided in an Armco steel building - approximately 14' x 20'.

An elevated, 6 foot, helicopter pad has been constructed to allow landing during snow covered winter months.

Transmitter is an RCA TVB-28H rated at 2 KW.
The antennas is an RCA TVE-AII on a guyed 60 foot support tower.

Transmission line is RCA 3-1/8" rigid.

Effective radiated power is 12.9 KW and height above average terrain is 2803 ft.

During approximately 6 months each year access is by helicopter. The charge is $90.00 per trip. As we use this service one trip per week is made in order to bring two operators to the site and to return two operators being relieved.

We man the transmitter with 4 people. One Chief Operator and 3 operators. Two individuals are on the mountain at a time with a split operating shift. Two men are on the mountain for 7 days then off for 7 days.

Power cost - California-Pacific.
1972 - $1,631.00
1973 - $2,210.00
1974 to date - $4,642.00 (through July)

Salary Expense - Annual
1973 - $28,867.00
1974 - $30,600.00 (to date plus estimated)

Helicopter Expense - Various some due to winter snow conditions and timing.
1972 - $3,559.00
1973 - $3,220.00
1974 - $3,720.00 (to date) may add some more in December.

Rate is now $90.00 per flight - carry two operators food and parts up. Two operators back down. Trip normally completed in less than 1 hour.

Living quarters provided with Refrigerator Freezer, cabinetry, propane range, propane heat and bunk beds.
26. Assorted hand tools.
28. Antenna, RCA TP-651 on a 50' guyed support tower.
29. Transmitter, RCA TXR111, 2 kW.
30. RF Load and Wattmeter, 10 kW, RCA water cooled.
31. Frequency & Modulation monitor, HP 335A, Type J.
32. Tube checker, RCA WT-210A.
33. Scope, Tektronix 512.
34. Waveform Monitor, RCA TO-1C.
35. Waveform Monitor, RCA TO-1B.
36. VCM, RCA WV-77F.
37. VCM, Simpson 260.
39. Scope, MO333.
40. Audio Amps, RCA, BA-2LA - BA-60 - BA-3LA - BA-2LA.
41. Two Cart tape player units, RCA ET-78.
42. Video Monitor, RCA TM-6DR, Mono.
43. Video Mon, off air, RCA CTX601A, color with video insertion.
44. Two video switchers, mechanical, 9 x 1 each.
46. Power supplies, RCA, WP-163, WP-373 and WP-580-D.
47. Two video distribution amps, RCA TFX-11 series.
49. Low Pass filter, RCA.
50. Microwave System, RCA TVM-1C, h' dishes, remote head operation.
51. Spare tubes, separate sheet.
**KTVR Tube Inventory**

**September 11, 1974**

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OPTION AND SALE AGREEMENT

THIS AGREEMENT, made September 880, 1974, by and between KTVB, Inc., an Idaho Corporation ("Optionor") and the State of Oregon, Acting By and Through The State Board of Higher Education ("Optionee").

WITNESSETH:

WHEREAS, Optionor is the licensee and operator of television station KTVR, Channel 13, LaGrande, Oregon ("KTVR"); and

WHEREAS, Optionee desires to own and operate, subject to any required prior approval by the Oregon State Legislature, an educational television station on Channel 13 at LaGrande; and

WHEREAS, Optionor is willing to sell Optionee the fixed and tangible assets of KTVR used or useful in the operation of said station, and to assign to the Optionee its license for KTVR, provided the Federal Communications Commission ("Commission") first consents to such sale and assignment;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties intending to be legally bound, agree as follows:

1. OPTION TO PURCHASE. Optionor herewith gives to Optionee the right to purchase, subject to prior Commission consent and the other conditions herein set forth, for the total sum of Seventy-Five Thousand Dollars ($75,000.00) the fixed and tangible assets used or useful in the operation of KTVR, free and clear of all liens and encumbrances. These assets shall not include Optionor's cash on hand, prepaid expenses, or any other of its assets except the KTVR property specifically set forth in the attached Exhibit A.
2. **LENGTH AND EXERCISE OF OPTION.** This Agreement shall become null and void, and of no legal effect, if on or before July 1, 1975, or by the end of the day upon which the 1975 Legislature of the State of Oregon adjourns, whichever is later, Optionee shall not have given written notice, by registered mail, to Optionor of its exercise of this Option to buy the KTVR assets. Within 30 days of the giving of such notice by the Optionor, the Optionor and Optionee will jointly file with the Federal Communications Commission application Form 314 to request Commission consent to assignment of the license of KTVR from the Optionor to the Optionee. The parties hereto agree to fully cooperate with each other in jointly filing said application and in seeking expeditious grant thereof by the Commission. The parties hereto each agree to pay one-half of any filing and grant fees payable to the Commission in connection with said application, as well as any publication costs. Each of said parties shall pay its own legal expenses in connection with the preparation, filing and processing of said assignment application.

3. **CONSIDERATION FOR OPTION.** On the signing of this Agreement Optionee shall pay Optionor Two Thousand Dollars ($2,000.00) cash as consideration for withholding KTVR from sale to others during the term thereof. If Optionee fails to exercise this Option to purchase KTVR by July 1, 1975 or the date upon which the 1975 Legislature of the State of Oregon adjourns, whichever is later, said Two Thousand Dollars ($2,000.00) shall be retained by Optionor as its sole property.

4. **PAYMENT OF SALE PRICE.** The Seventy Five Thousand Dollar ($75,000.00) total purchase price for the KTVR physical assets shall be payable Twenty Five Thousand Dollars ($25,000.00) in cash on the Closing Date of said sale, Twenty Five Thousand Dollars ($25,000.00) in cash
on the first anniversary of said Closing Date, and Twenty Five Thousand Dollars ($25,000.00) in cash on the second anniversary of said Closing Date. The Two Thousand Dollars ($2,000.00) in cash paid by Optionee as consideration for this Option shall be a part of said Twenty Five Thousand Dollar ($25,000.00) cash payment to be made to the Optionor at said Closing Date. The two Twenty Five Thousand Dollar deferred payments on the total purchase price herein specified shall be secured by separate non-interest bearing notes of the Optionee; and both said notes shall become immediately due and payable if the first Twenty Five Thousand Dollar deferred note is not paid on the first anniversary of said Closing Date.

5. LIABILITIES AND CONTRACTS. Optionee is not acquiring and will not assume any of the liabilities of Optionor or of Station KTVR. Optionee is not acquiring and will not assume any contracts of Optionor in existence now or at the Closing Date, with the exception of Optionor's lease on the KTVR transmitter site. Optionor agrees to assign its rights under said lease to Optionee, and Optionee agrees to assume Optionor's obligation under said lease. Operation of the assets to be conveyed under this Agreement and the income and expense attributable thereto up to the Closing Date shall be for the account of the Optionor and thereafter for the account of the Optionee, and such income and expenses shall be pro-rated by the Optionor and Optionee at the closing. If the amount of any such items cannot readily be ascertained on the Closing Date, proration of such items shall be made as soon after the Closing Date as the amount thereof is ascertained. After the Closing Date the Optionor will defend any claim by others against or affecting the title or right to possession and use of any of the KTVR assets sold pursuant to this Agreement, and Optionor will hold the
Optionee harmless from any such claim.

6. COMMISSION CONSENT. Performance of the closing obligations of the Optionor and Optionee under this Agreement are subject to the occurrence of the express condition precedent that a Final Order of the Commission granting without hearing its consent to assignment of the license of Station KTVR to Optionee shall have been issued within nine (9) months from the date when Optionee gives Optionor said written notice of the exercise of its Option to buy the KTVR assets. For the purpose of this Agreement a "Final Order" shall mean (i) action by the Commission granting said consent with respect to which no further steps (including those of appeal or certiorari) can be taken in any action or proceeding to review or to set aside such Order, whether under Section 402 or 405 of the Communications Act or otherwise, or (ii) such other Order as shall be acceptable to both the Optionor and the Optionee. If there is no Final Order granting said consent within said nine (9) month period, or if for any reason during said period the Commission adopts an Order designating for hearing the application of Optionor and Optionee for said consent, either party may forthwith terminate this Agreement upon giving written notice to the other of such termination.

7. CLOSING DATE. The Closing Date referred to herein shall be a date mutually agreed upon by Optionor and Optionee following grant of said application for Commission consent, which date shall in any event be not more than fifteen (15) days after occurrence of a Final Order granting said consent. The closing shall take place at such time of day and place as the parties may agree. In the event no date or place for closing is otherwise designated by the parties, said closing shall
occur at 10:00 a.m. on the fifteenth (15th) day after occurrence of a Final Order granting said consent at the Law Offices of Black, Kendall, Tremaine, Boothe & Higgins, 3100 First National Bank Tower, Portland, Oregon.

8. DISPOSITION OF OPTIONEE'S OPTION PAYMENT.
The Optionee's aforesaid Two Thousand Dollar ($2,000.00) cash option payment shall be credited against the Seventy Five Thousand Dollar ($75,000.00) total purchase price specified herein. Following exercise of said Option, if there is a material breach of this Agreement by Optionee, or in the event of a failure or refusal or inability of the Optionee to consummate this Agreement on the Closing Date, said payment shall be retained by the Optionor as full payment for any and all damage suffered by Optionor because of Optionee's material breach of this Agreement or its failure to consummate said Agreement following Commission approval thereof. In the event of a termination of this Agreement by either party, pursuant to Paragraph 6 hereof, the Optionor shall forthwith return to Optionee the said Two Thousand Dollars ($2,000.00).

9. OPTIONOR'S WARRANTIES AND REPRESENTATIONS.
Optionor makes no representations or warranties to Optionee under this Agreement except that:

a. Optionor is a duly organized Idaho Corporation which has obtained the required consent of its stockholders, officers and directors to enter into this Agreement with Optionee.

b. Neither Optionor nor any of its principals will enter into any oral or written agreement with others, during the life of this Agreement, for the sale of the KTVR assets or assignment of the KTVR license.
c. Optionor holds a valid license
(BRCT-598) expiring February 1, 1975 for
the operation of Station KTVR on Channel 13
(210-216 mHz), with 12.9 kw visual effective
radiated power at 2,603 feet above average
terrain, with its transmitter site located
atop Mt. Fanny, 17.5 miles east of LaGrande.
d. On or before October 1, 1974 Optionor
will timely file with the Federal Communications
Commission an application to renew the license
of Station KTVR for the three (3) year period
commencing February 1, 1975.
e. The Optionor may discontinue the KTVR
operation during the term of this Agreement;
but, if so, the Optionor will keep the KTVR
license in full force and effect and will, on
the Closing Date hold a valid license for said
station which may be assigned to the Optionee.
f. On the Closing Date Optionor will have
title and ownership of the assets to be conveyed
hereunder, free and clear of all liens, restrictions
and encumbrances.
g. To the best of its knowledge Optionor's
operation of KTVR has been and is in compliance
with all requirements of law and the Rules and
Regulations of said Commission.
h. On the Closing Date Optionor will pay
and discharge any and all taxes, assessments,
excises and levies which, if not paid, will
interfere with Optionee's ownership and use of
the assets to be conveyed hereunder.
i. Between the date hereof and the
Closing Date Optionor will not sell, hypothecate
or remove any of the assets being sold or assigned
by this Agreement, without the prior consent of
the Optionee; and all structures, property,
furniture and fixtures, equipment and other assets being sold hereunder will be maintained in their present condition, wear and tear due to ordinary usage or attrition excepted.

10. OPTIONEE'S WARRANTIES AND REPRESENTATIONS.
   a. Optionee represents and warrants to Optionor that Optionee knows of no reason why, in the event it exercises said Option, its legal, technical, financial, or other qualifications to purchase the KTVR assets and to operate the LaGrande television station, as contemplated by this Agreement, will not meet with approval of said Commission.

   b. Optionee will hold Optionor harmless from any and all liability arising out of Optionee's operation of said station, or any transactions entered into in connection therewith, or assumed under this Agreement, which arise on and after said Closing Date.

   c. The undersigned has been duly authorized to sign this Option and Sale Agreement by the Optionee.

11. NOTICES. Any notice which the Optionor or Optionee give to each other under this Agreement shall be deemed to have been given properly when given in writing and sent pre-paid by registered U.S. mail addressed as follows: If to the Optionor, at P.O. Box 390, Boise, Idaho 83701, Attention: Robert E. Krueger, President. If to the Optionee, c/o John W. Kendall, Esquire, 3100 First National Bank Tower, Portland, Oregon 97201.

12. OPTIONOR'S CONTROL PRIOR TO CLOSING. Nothing contained in this Agreement shall give the Optionee any right to control, supervise, or direct the operation of Station KTVR prior to the time of closing. Optionor shall retain complete control, supervision, and direction of said station and its operation until said closing.
13. BROKERAGE. Optionor and Optionee each represent and warrant to the other that they have not employed, appointed, or authorized any person, firm, or organization to act as broker or finder in connection with the subject matter of this Agreement.

14. FORCE MAJORE. In the event, prior to the Closing Date there is damage by fire, casualty or the elements to the assets to be conveyed hereby, which would materially interfere with the operation of the station by the Optionee, the Optionee shall have the right to terminate this Agreement by giving notice of such termination to the Optionor within five (5) days after it receives written notice from the Optionor of such damage, whereupon said cash option payment shall be returned to the Optionee by the Optionor. If, however, the Optionee does not elect to so terminate the Agreement, it shall be entitled to receive the proceeds of any insurance payable on account of such fire, casualty, or other loss and shall be required to pay Optionor the full consideration set forth in this Agreement. The Optionor shall, at its own cost, maintain in full force and effect until the Closing Date all insurance which is now in force and effect on the assets to be assigned under this Agreement.

15. EFFECT OF AGREEMENT. This Agreement sets forth the entire understanding of the parties and supersedes any or all prior oral or written agreements, arrangements or understandings relating to the subject matter hereof. No representation, promise, inducement or statement of intention has been made by either party which is not embodied in this Agreement, and neither party shall be bound by, or be liable for any arrangement, representation, promise, inducement or statement of intention not embodied herein. This Agreement cannot be altered, amended, changed or modified in any respect unless each such alteration,
amendment, change or modification shall have been agreed to by both of the parties hereto, reduced to writing in its entirety and signed by both parties. The paragraph or section headings of this Agreement are for convenience of reference only and do not form a part hereof, nor in any way modify, interpret or construe the intentions of the parties. The construction and performance of this Agreement shall be governed by the Laws of Oregon.

IN WITNESS WHEREOF, the parties hereto have executed the Agreement as of the day and year first above written.

KTVB, Inc., Optionor

Robert E. Krueger, President

Bette L. Krueger, Secretary-Treasurer

State of Oregon, Acting By And Through The State Board of Higher Education
PROPOSAL TO AMEND ORS 526.225, Section (2), ADVISORY COMMITTEES

Budget note number 1 attached to the 1973-75 Biennial Budget for the Forest Research Laboratory by the 1973 State Legislature reads as follows:

"1. The agency is instructed to review and prepare proposed legislation for the 1975 Legislature to include three public members on their advisory committee who are not involved in forestry or the forest products industry."

(2) In order that there may be close coordination between the research and experimentation programs and forestry and forest products utilization problems, the State Board of Higher Education shall appoint appropriate advisory committees consisting of qualified technical representatives recommended by the Industrial Forestry Association, West Coast Lumbermen's Association, Willamette Valley Lumbermen's Association, Western Wood Products Association, American Plywood Association, Western Forest Industries Association, Southern Oregon Timber Industries Association, Western Wood Preservers Institute, West Coast Lumber Inspection Bureau, or any of their successor organizations, and public forest agencies actively engaged in the promotion of forest growth or forest products manufacture. The advisory committees shall render practical counsel in the fields of forest management and forest products research.

(3) In addition to the organizations designated in subsection (2) of this section, other forest industry groups and organizations actively and principally engaged in the promotion of forest growth or forest products manufacture may petition the State Board of Higher Education for membership on the advisory committees.

[1951 c.297 §2(2); 1965 c.253 §31; 1965 c.433 §1]
MEASURE SUMMARY

Increases the membership on the Forest Research Laboratory Advisory Committee by three people from the general public at large, and broadens scope of functions of the Committee.
A BILL FOR
AN ACT

Relating to the Forest Research Laboratory; amending ORS 526.225.

Be It Enacted by the People of the State of Oregon:

Section 1. ORS 526.225 is amended to read:

526.225 (1) The State Board of Higher Education shall establish a Forest Research Laboratory at Oregon State University and shall cooperate with individuals, corporations, associations and public agencies wherever and whenever advisable to further the purposes of ORS 526.215, and may enter into any necessary agreements therefor.

(2) In order that there may be close coordination between the research and experimentation programs and [forestry and forest products utilization problems] the wise management and use of Oregon's forests for the production of goods and services that benefit all its citizens, the State Board of Higher Education shall appoint [appropriate advisory committees consisting of qualified technical representatives recommended by the Industrial Forestry Association, West Coast Lumbermen's Association, Willamette Valley Lumbermen's Association, Western Wood Products Association, American Plywood Association, Western Forest Industries Association, Southern Oregon Timber Industries Association, Western Wood Preservers Institute, West Coast Lumber Inspection Bureau, or any of]
their successor organizations, and public forest agencies actively engaged in the promotion of forest growth or forest products manufacture] a Forest Research Laboratory Advisory Committee composed of 15 members. Nine members shall be individuals who are actively and principally engaged in timber management on forest lands, harvesting or the processing of forest products, three members shall be individuals who are the heads of state and federal public forestry agencies and three members shall be individuals from the public at large.

The advisory committee[s] shall render practical counsel in the fields of forest management and use, and forest [products research] harvest and utilization as they relate to the economic and social well-being of the people of Oregon.

[(3) In addition to the organizations designated in subsection (2) of this section, other forest industry groups and organizations actively and principally engaged in the promotion of forest growth or forest products manufacture may petition the State Board of Higher Education for membership on the advisory committee.]
SUPPLEMENT C

A BILL FOR AN ACT

Relating to the State Restoration Fund; amending ORS 278.011, 278.025, 278.035, and 278.050; and declaring an emergency.

Do it Enacted by the People of the State of Oregon:

Section 1. ORS 278.011 is amended to read:

278.011 (1) At times determined by the Department of General Services, each state agency shall prepare and submit a statement of the appraised value of its property, except the property subject to ORS 278.022, to the department. The appraised value of the property shall be established on the basis of present day replacement costs including modifications to comply with current building codes, but excluding the value of land and foundations of buildings and machinery or equipment which are below the surface of the ground or below the underside of the lowest basement floor or, if there is no basement, below the surface of the ground inside the foundation walls of the building.

(2) No technical or professional assistance need be utilized by the state agency in forming its judgment of the appraised value of its property; but, if it determines that technical or professional assistance is necessary to make a reasonable judgment as to the appraised value of its property, the state agency may utilize technical and professional assistance for that purpose. The cost and expense of such technical or pro-
fessional assistance shall be paid from funds appropriated for the biennial period for paying the general and current expenses of the state agency.

(3) The department shall examine each statement of appraised value submitted pursuant to subsection (1) of this section. If the department determines that the judgment of any state agency as to the appraised value of its property is unreasonable, the department shall notify the state agency of that fact and require it to submit a reasonable judgment as to the appraised value of its property. If a reasonable judgment as to the appraised value of the property of any state agency cannot be secured from it, the department shall make a determination as to the appraised value of the property in question. The cost and expense incurred by the department in making such determination shall be paid from the funds appropriated for the biennial period for paying the general and current expenses of the state agency owning, controlling or possessing the property.

Section 2. ORS 278.025 is amended to read:

278.025 Whenever supplemental insurance for fire, lightning and the hazards included under the Standard Bureau Extended Coverage Endorsement is purchased, as provided in ORS 278.035, as an addition to Restoration Fund coverage, the property so insured shall be allowed an 80 percent discount on the assessment contribution to the Restoration Fund for such insured property [to such extent as the coverage is of the same hazards covered by the Restoration Fund].
Section 3. ORS 278.035 is amended to read:

278.035 (1) The department at the beginning of each fiscal year shall procure and keep in force one or more policies of excess catastrophe insurance on the property designated in ORS 278.011. [The catastrophe insurance shall insure the Restoration Fund against a loss in excess of a determined amount caused by any of the hazards described in ORS 278.020, or any combination of such causes.] The catastrophe insurance, with a deductible not to exceed 50 percent of the unencumbered Restoration Fund reserve as of the beginning of the fiscal year, shall insure the Restoration Fund for not less than 10 percent of the appraised value of all state covered property against all losses during that fiscal year caused by any or all of the hazards described in ORS 278.020.

(2) The premiums for the excess coverage under this section shall be paid from the Restoration Fund but shall not exceed $200,000 in any year.

(3) If the department purchases catastrophe insurance pursuant to this section, no company may be permitted to assume a share of the catastrophe insurance risk in excess of the amount permitted by law based upon the assets and liabilities of the company.

Section 4. ORS 278.050 is amended to read:

278.050 (1) Subject to subsections (2) and (3) of this section, if any property designated in ORS 278.011 of an appraised value of $500 or more is lost, damaged or destroyed by any of the hazards described in ORS 278.020, the department
shall pay the cost of restoring the property out of the Restoration Fund in an amount not to exceed the appraised value established pursuant to ORS 278.011.

(2) Any amounts received by an agency from the Restoration Fund may be applied for purposes other than the restoration of the property destroyed provided such use is approved by the Executive Department and further, in the event the amount received from the Restoration Fund exceeds $50,000, approval must also be received from the Legislative Assembly if in session, or the Emergency Board if during the interim. If the restoration of any property designated in ORS 278.011 that is lost, damaged, or destroyed by any of the hazards described in ORS 278.020 is not required, the cost of razing the property may be paid out of the Restoration Fund. If all or a portion of any property financed from bonds issued under the authority of Article XI-F(1), Oregon Constitution, and ORS 351.350 or 351.420 is not required to be restored, the difference between the cost of restoring the property in full and the cost of the portion of the property restored, shall be deposited in the Higher Education Bond Sinking Fund established pursuant to ORS 351.460.

(3) With respect to property insured by supplemental insurance as provided in subsection (1) of ORS 278.085:

(a) If the loss, damage or destruction was the result of a risk or casualty covered by the insurance, no part of the cost of restoring the property shall be paid from the Restoration Fund.
(b) If the loss, damage or destruction was the result of a risk or casualty not covered by the insurance and the property is restored, there shall be paid from the Restoration Fund the entire cost of restoring the property or the value of the property declared in accordance with ORS 278.011, whichever is less.

(4) With respect to property insured by supplemental insurance as provided in subsection (2) of ORS 278.085, the amount to be paid from the Restoration Fund for restoring the property shall be whichever of the following amounts is the lesser:

(a) The difference between the cost of restoration and the portion of that cost which is covered by supplemental insurance.

(b) Twenty percent of the appraised value of the property as declared in accordance with ORS 278.011.

(5) The Executive Department shall draw warrants on the State Treasurer payable from the Restoration Fund for all claims approved by the department in carrying out the provisions of ORS 278.011 to 278.070.

Section 5. This Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this Act takes effect July 1, 1975.