

Board of Trustees of Southern Oregon University
Resolution: Requesting State of Oregon Article XI-F(1) Bonds
Resolution 15-01

WHEREAS, the Oregon Legislative Assembly has authorized the issuance of State of Oregon (“State”) general obligation bonds for the benefit of Southern Oregon University (the “University”) under Article XI-F(1) of the Oregon Constitution and applicable provisions of ORS Chapter 286A (collectively, the “Act”) and chapter 705, Oregon Laws 2013, as amended by chapter 121, Oregon Laws 2014 (together the “2013-2015 Bond Bill”); and

WHEREAS, the 2013-2015 Bond Bill authorized \$20,000,000 of Article XI-F(1) bonds, which includes approximately \$17,700,000 for renovation of the University’s recreation center (“Student Recreation Center”) and \$2,300,000 for projects necessary for compliance with federal laws under Title IX; and

WHEREAS, the State Board of Higher Education previously approved \$6,300,000 of the \$20,000,000 in funding from such authorized Article XI-F(1) bonds;

WHEREAS, this Board desires that the University receive the remaining \$13,700,000 of funding for the Student Recreation Center project and that issuance of the necessary Article XI-F(1) bonds proceed as authorized by the 2013-15 Bond Bill for the benefit of the University, and as may be provided by law and as otherwise required by law for the 2013-15 biennium without requiring further action of this Board;

WHEREAS, Article XI-F(1) of the Oregon Constitution requires the University shall not incur the indebtedness of Article XI-F(1) bonds unless it conservatively estimates that it shall have sufficient revenues to pay the indebtedness and operate the projects financed with the proceeds of such bonds;

WHEREAS, in Spring 2012, the University’s student body authorized by referendum the implementation of a new student fee devoted to paying the indebtedness for the recreation center in an amount up to \$95 per term per full time student and further authorized that fee to increase at a rate not to exceed the consumer price index every three years;

WHEREAS, the Board hereby finds that there are moneys available to the University to pay the indebtedness of the proposed Article XI-F(1) bonds using that new fee approved by the students of the University for the specific use and purpose of providing sufficient revenues to pay the indebtedness of the Student Recreation Center project;

WHEREAS, for these purposes, this Board desires that the State Board of Higher Education take any steps necessary for the timely issuance of such bonds on or about May 2015, this motion having been made and seconded;

NOW, THEREFORE, the Board resolves as follows:

1. Article XI-F(1) Projects. Bonds are authorized to be sold under the Act for the benefit of the University and consistent with the authorization of the 2013-2015 Bond Bill. The University hereby approves and requests that the State Board of Higher Education take such steps as necessary to ensure the issuance and sale of such bonds on or about May 2015, in an aggregate principal amount sufficient to provide an additional \$13,700,000 in net bond proceeds, and to pay costs of issuance, for the above referenced University projects. In so doing, this Board acknowledges that it will be necessary for it to approve a new student fee in an amount up to \$95 per student per term, thereafter adjusted for inflation, as authorized by the student referendum of Spring 2012.

2. Terms, Sale and Issuance. The XI-F(1) bonds authorized by this resolution (the "Bonds"), shall be issued in such series and principal amounts as the State Treasurer, after consultation with the applicable related and/or project agency/agencies, shall determine are required to pay or reimburse costs of the projects r e f e r e n c e d in this resolution. The Bonds shall mature, bear interest and otherwise be structured, sold and issued as the State Treasurer determines after such consultation.

3. Maintenance of Tax-Exempt Status. The Vice President of Finance and Administration of the University or his or her designee (the "Authorized University Representative") is hereby authorized to covenant, on behalf of the University, to comply with the provisions of the Internal Revenue Code of 1986, as amended, that are required for interest on tax-exempt bonds to be excluded from gross income for federal income taxation purposes, for Bonds issued on a tax-exempt basis and to execute and deliver such agreements, documents or certificates required for such Bonds to be issued on a tax-exempt basis.

4. Ratification and Approval of Actions. The Board hereby ratifies and approves all prior actions taken on behalf of the University related to the Bonds. The Board hereby authorizes, empowers, and directs the Authorized University Representative to take further actions as may be necessary or desirable related to the Bonds, including, without limitation, (i) covenanting to perform on behalf of the University, and performing, any actions necessary to comply with requests from the State Treasurer authorized under ORS chapter 286A to administer the Bonds, (ii) the execution and delivery of any agreements, documents or certificates, including any loan, grant or trust agreements with the State Treasurer and any other party, if necessary, as may be necessary or desirable to carry out such actions or arrangements, and (iii) to take such other actions as are necessary or desirable for the purposes and intent of this resolution.

5. Effective Date. This resolution shall take effect immediately upon adoption by the Board.

VOTE: Approved by a majority of the Board of Trustees

DATE: J a n u a r y 5 , 2 0 1 5

Recorded by the Interim University Secretary: Liz Shelby