

MEETING OF THE BOARD OF TRUSTEES  
OF THE EVERGREEN STATE COLLEGE

Thursday, October 28, 1971 - 10 AM  
The Evergreen State College campus  
Daniel J. Evans Library

The first meeting in the Daniel J. Evans Library Building was called to order by Chairman Tourtellotte.

Trustees Present: Herbert D. Hadley  
Al E. Saunders  
Trueman L. Schmidt  
Janet P. Tourtellotte

Staff Present: Charles J. McCann, President  
Dean E. Clabaugh, Vice President for Business  
Edward Joseph Shoben, Jr., Executive Vice President  
Mervyn L. Cadwallader, Dean of Social Sciences  
Lester W. Eldridge, Director of Financial Aid & Placement  
Jerry L. Schillinger, Director of Facilities Planning  
Monica Caulfield, Librarian  
Gail Martin, Member of the Faculty  
Lou-Ellen Peffer, Member of the Faculty  
Rita M. Brackenbush, Secretary

Others Present: Richard M. Montecucco, Assistant Attorney General  
Fred W. King, Robert B. Price & Associates  
Akira Sato, Robert B. Price & Associates  
Alice Watts, Daily Olympian  
Sandy Anderson, public

Mr. Hadley moved approval of the minutes of the September 16, 1971 meeting as submitted. Seconded by Mr. Schmidt and passed.

Mr. McCann reported that Evergreen has a full-time equivalent enrollment of 1129; students assigned to Residence Halls A and D are residing in the Villa Capri; and evaluation team from the Northwest Association of Secondary and Higher Schools will be on campus November 3; the Thurston County Commissioners are holding a public hearing regarding Overhulse Road vacation on the evening of November 3 on campus.

Mr. Saunders moved that, in accordance with procedures for amendment to the Board of Trustees' bylaws as set out in Article VI thereof, the following amendment to the bylaws as proposed at the September 16, 1971 meeting be finally adopted:

Article II, Section 1. Regular Meetings. A regular meeting of the Board of Trustees shall be held once each month, unless dispensed with by the Board of Trustees, on the campus of The Evergreen State College beginning at 10:00 AM on the second

Thursday of the month, except that when such Thursday shall be a legal holiday, the meeting shall be held on the Wednesday immediately preceding such second Thursday.

Seconded by Mr. Schmidt and passed.

Mr. McCann reported that guidelines and procedures for carrying out the December, 1969 Board adopted Equal Opportunity Policy have now been developed. He recommended them to the Board for adoption.

12-36 Mr. Hadley moved that College General Policies and Procedures entitled "1.200 Equal Opportunity Policy and Procedures - Affirmative Action Program," attached to these minutes, be adopted, and that such section 1.200 replace the "Equal Opportunity Policy" adopted by the Board of Trustees at its meeting of December 11, 1969. Seconded by Mr. Saunders and passed.

Mr. McCann requested permission from the Board to transfer monies from the 1972-73 budget to 1971-72 in order to purchase Building No. 212 to use as living space for the McLane fire district firemen and student firemen.

12-87 Mr. Saunders moved approval of an allocation of fiscal year 1972-73 funds for program 040, Plant Operations and Maintenance, not to exceed \$25,485, which together with 1971-72 funds previously allocated, shall be employed to purchase that modular office structure now labeled "Building 212" for the purpose of providing a temporary fire station for use by Thurston County Fire District No. 9 for campus fire protection purposes. Seconded by Mr. Schmidt and passed.

Mr. McCann recommended establishing a loan fund in lieu of the existing Southwest Washington State College Committee Scholarship Fund and recommended acceptance of the Leona M. Hickman Student Emergency Loan Fund.

12-88 Mr. Schmidt moved adoption of the resolution attached to these minutes entitled "A Resolution of the Board of Trustees of The Evergreen State College Establishing The Southwest Washington State College Committee Student Loan Fund." Seconded by Mr. Saunders and passed.

12-89 Mr. Hadley moved adoption of the resolution attached to these minutes entitled "A Resolution of the Board of Trustees of The Evergreen State College Accepting, and Providing for the Disposition of, the Leona M. Hickman Student Emergency Loan Fund." Seconded by Mr. Schmidt and passed.

Mr. McCann recommended adoption of the report of the Committee on Governance and explained the three ways of facilitating communication: Sounding Board, College Forum, and Information Center.

12-90 Mr. Saunders moved acceptance of the Committee on Governance document entitled "Governance and Decision-Making at Evergreen" dated June 10, 1971, with the provisions that one or more of the trustees or designees of the trustees attend the College Forum and Sounding Board meetings. Seconded by Mr. Hadley and passed.

Mr. McCann presented the "Academic Freedom and Faculty Responsibility" and the "Social Contract among the members of the Community of The Evergreen State College" documents to the trustees for their consideration.

Mr. Saunders moved to table consideration of the "Academic Freedom and Faculty Responsibility" document until the next meeting. Seconded by Mr. Hadley and the motion passed.

Consideration of the "Social Contract" was deferred until later in the meeting.

Mr. Fred W. King of Robert B. Price & Associates presented the concept schematics for the Covered Recreation Pavilion.

Mr. Schmidt moved approval of the concept schematics of the Covered Recreation Pavilion presented by Robert B. Price & Associates, F.A.I.A., and direction for the architect to proceed to design development, subject to approval by the Master Planning Team, and subject also to further input by College staff and the Division of Engineering and Architecture. Seconded by Mr. Hadley and passed.

Mr. Saunders voiced endorsement of the staff's recommendation to sell bonds to provide for fall 1971 supplemental housing.

Mr. Saunders moved approval of the resolution attached to these minutes entitled "A Resolution of the Board of Trustees of The Evergreen State College authorizing the issuance of revenue bonds in the sum of Eight Hundred Fifty Thousand Dollars (\$850,000), secured by revenue from the College Housing System for the purpose of providing funds to fund the existing loan indebtedness heretofore incurred for fall 1971 supplemental College housing," and authorization for the chairman and secretary of the Board to sign the resolution. Seconded by Mr. Schmidt and passed.

The trustees considered the "Employment of Relatives - Conflict of Interest" policy.

Mr. Saunders moved that College Personnel Policies and Procedures entitled "6.900 Employment of Relatives - Conflict of Interest" attached to these minutes, be adopted. Seconded by Mr. Hadley and passed.

Mr. McCann presented and explained the supplemental budget request for both the capital and the operating budgets.

Mr. Hadley moved approval of the submission of a supplemental budget request asking a basic operating increase of \$519,706 and a cost of living salary increase of \$162,421. Seconded by Mr. Saunders and passed.

Mr. Schmidt moved approval of the submission of a supplemental budget request asking for a capital budget request with the following priorities, purposes, and amounts:

72-1	Seminar Building	\$8,149,905
72-2	Service Road	259,260
72-3	Parkway Clearing and Grading	284,865
72-4	Science Laboratories, Phase II	6,377,706
72-5	Drama-Music-Instruction Building, Phase I	5,622,705

Seconded by Mr. Saunders and passed.

Mr. McCann recommended appointment of a joint venture among the firms of Eckbo, Dean, Austin & Williams; Durham, Anderson & Freed; and Quinton-Budlong.

Mr. Hadley moved appointment of a joint venture of Eckbo, Dean, Austin & Williams, Durham, Anderson & Freed, and Quinton-Budlong as a Master Planning Team for limited master planning, for a total fee not to exceed \$19,950, such limited master planning to be conducted within the parameters of the letter dated October 19, 1971, from Charles E. Torkko, planning team administrator, including reviews with the trustees prior to final acceptance. Seconded by Mr. Saunders and passed.

Mr. Hadley recorded the trustees' gratitude by the reading of a resolution commending the entire staff of The Evergreen State College for the effectiveness with which the opening of Evergreen had been accomplished despite unfinished buildings and a lack of resources.

President McCann was directed to express the Board's sympathy to Mrs. Heard and family at the death of Donald G. Heard on October 28, 1971.

Mr. Hadley was asked to come back with recommendations regarding audience participation at Board meetings at the next meeting.

The trustees recessed for fifteen minutes to review the revised "Social Contract" document.

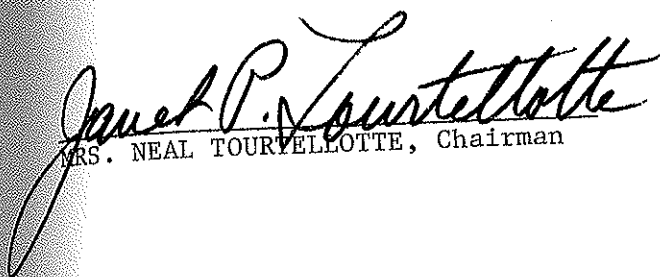
Mr. Hadley moved adoption of the "Social Contract among the members of the Community of The Evergreen State College" document, dated October 1, 1971 with revisions on October 28, 1971. Seconded by Mr. Saunders and passed.

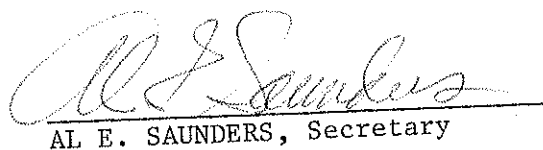
Mr. Montecucco recommended that notification of a public hearing be sent to formally adopt the two governance documents adopted at this meeting under the Administrative Procedures Act.

Mr. Hadley moved that notification of a public hearing to be held November 18 be sent under the Administrative Procedures Act to formally adopt the "Social Contract among the members of the Community of The Evergreen State College" and the "Governance and Decision-Making at Evergreen" documents as rules under which Evergreen will operate. The motion passed.

The meeting adjourned at 5:30 PM.

The next meeting is scheduled for November 18 in conjunction with the Joint Boards of Trustees meeting at the Sea-Tac Motor Inn.

  
MRS. NEAL TOURTELLOTTE, Chairman

  
AL E. SAUNDERS, Secretary

Attachments (5)



THE EVERGREEN STATE COLLEGE  
GENERAL POLICIES AND PROCEDURES

EQUAL OPPORTUNITY POLICY AND PROCEDURES - AFFIRMATIVE ACTION PROGRAM

1.200

1.201

Preface

Although governed by an autonomous board of trustees, The Evergreen State College does not solely determine all its actions and processes. External state agencies exert extensive control in many important areas, including purchasing, architecture, engineering, surveying, construction, classified staff personnel, collective bargaining, legal matters, funding and budgeting.

Therefore, this policy statement speaks not only to Evergreen's people as members of an academic community and those doing business with Evergreen but also to the many state agencies in a position to influence its activities.

The college requires that its faculty, administration, staff and students comply with the equal employment policies and affirmative action program described herein. The degree to which each member of the college community supports these policies and programs will be considered in his performance evaluation. The college also expects that other agencies of state government will heed this declaration.

1.202

Legal Bases

This broad policy regarding equal opportunities is intended to comply with and pass beyond the minimum requirements of the following applicable state and federal provisions:

State of Washington, Chapter 49.60 RCW, which prohibits discrimination based on age, race, creed, color, sex or national origin.

State of Washington, Chapter 41.06 RCW, The State Civil Service Act.

State of Washington, Governor Evans' Executive Order of September, 1966, which sets forth policy of nondiscrimination in state employment and state contracts.

Federal Civil Rights Act of 1964 (Public Law 88-352) which prohibits discrimination based on sex, race, creed, color or national origin.

President Executive Order 11246 issued September 1965 prohibits discrimination and includes contracts dealing with the states where federal funds are involved, and requires the contractor to take affirmative action to insure compliance.

Presidential Executive Order 11375 issued September 1967 amending Presidential Order 11246 expressly to prohibit discrimination on account of sex.

THE EVERGREEN STATE COLLEGE  
GENERAL POLICIES AND PROCEDURES

1.203

Policy

The Evergreen State College requires that its faculty, administration, and staff, all who develop programs at the college; and all agencies, persons, vendors and other organizations who do business with the college, comply with the spirit of equal opportunity and with the letter of all applicable federal and state statutes and regulations. Compliance in this sense requires that these individuals and groups not discriminate in their personnel policies and that they take affirmative action of offering opportunities for equal employment, job promotions, soliciting of bids for goods and services, and other activities to all persons regardless of race, color, religion, sex or national origin. The college, to the extent it can enforce this policy, expects and will determine compliance as a condition of engaging in business for or with the institution or group. The policy applies to all groups and individuals so engaged regardless of where located or the form of service performed.

Through this policy, the college seeks positive and affirmative action to help open job and program opportunities for minority groups and females, prevent discrimination against their members in recruitment and employment, and assure non-discriminatory advancement opportunities, and promote positive consideration for contracts of goods and/or services with minority business enterprises.

To insure compliance the college will require submission of pertinent information to be analyzed related to employment policies and practices of all individuals or groups with which it does business.

The college pledges to deal fairly with those affected by this policy and to avoid harrassment or burdensome administrative detail. Judgments regarding compliance will be favorable if the individual or group does not discriminate against minority persons or females and takes positive and affirmative action toward extending opportunities for such persons. At the same time, those to whom this policy applies may expect firmness since the college expects its full and impartial implementation.

The college recognizes the necessity of close working relationships to provide equal opportunities and eliminate discrimination in all associated campus programs and earnestly solicits full cooperation and support of the public and campus community in this endeavor.

1.204

Procedure

4.1 Equal Opportunity Employment Officer

The President shall designate an individual who is a full time employee of the college to serve as the college's Equal Opportunity Employment Officer. This individual shall be responsible to the President for insuring compliance with the policy as set out herein.

THE EVERGREEN STATE COLLEGE  
GENERAL POLICIES AND PROCEDURES

1.204

Procedure (Continued)

4.2 Compliance

In order to insure compliance with the policy as stated in Paragraph 1.203, a copy of this affirmative action program will be issued to all current and new employees. In addition any individual or group with which the college does business will be made aware of this program and the expectations placed on that individual or group by the college as a requisite for continuing to do business with the college. Anyone who does not comply with this program can expect to be dealt with in a firm manner.

Any contract entered into between the college and an individual or group will include the appropriate language from state and/or federal guidelines which require non-discrimination in employment. The guidelines to be included are referenced in Exhibit 2.

4.3 Recruitment

Any individual within the college community who has the responsibility of employing or admitting new members to this college will be responsible for insuring that his recruitment includes affirmative efforts to recruit minorities and females. The primary individuals having responsibility for these efforts are:

- A. Director of Admissions - for recruitment of all students admitted to the college.
- B. Vice Presidents - for recruitment of exempt personnel within their respective areas of responsibility.
- C. Director of Personnel - for all classified staff employees.

In order to monitor the success of these recruitment efforts each of the individuals identified above will be responsible for compiling a recruiting report on each position filled (Exhibit 2). The Director of Admissions will compile a similar report after each recruiting effort of students. This report will include total number of individuals recruited, total number of minorities and females recruited and sub-total by categories of race and sex required in Exhibit 2.

Each of the offices as identified above will maintain a current and updated listing of the recruitment sources utilized.



1.204

Procedure (Continued)

4.4 Coordination

To insure that the policies and procedures set out herein are coordinated towards attaining institutional affirmative action goals, those persons designated as responsible for employing or admitting new members to the college in 4.3 above shall meet together from time to time. To evaluate the affirmative action program and to make necessary recommendations or policy changes to keep such policies and procedures current, the college's Equal Employment Officer will, whenever he considers it appropriate, convene a Disappearing Task Force to include the responsible individuals designated in 4.3 above, members of the student body, and other members of the college community which he considers appropriate as a Task Force for this purpose.

1.205

Affirmative Action Goals - Report

5.1 Goals

To insure that the college's affirmative action program is continually operating toward attaining and/or maintaining a fair representation of minority and female members (employees and students) within the college community the following affirmative action goals are hereby established. These goals are to represent a minimum against which affirmative action efforts will be directed and will not represent a quota to be considered an absolute. The employment goals are also to reflect a proportionate representation in all categories and all levels of employment. The goals are as follows:

- A. Minority hiring goal - 15 per cent
- B. Female hiring goal - 30 per cent
- C. Minority student goal - 25 per cent
- D. Female student goal - 50 per cent

5.2 Reports

To monitor how successful the efforts are in attaining the above goal a quarterly minority/female employee report (Exhibit 3) will be published. This report will be generated based on data in the position personnel control system. A similar report will be published reflecting the minority and female representation within the student body. These reports and the recruitment reports will be analyzed on a regular basis by the Equal Employment Officer. A semi-annual report will be published and forwarded to each budgetary unit with specific recommendations for improvement. An annual report including the present status of the program, action taken over the past year, and recommendations for future will be compiled and forwarded to the President and the Board of Trustees.

THE EVERGREEN STATE COLLEGE  
GENERAL POLICIES AND PROCEDURES

1.206

Complaint of Discrimination - Grievance Procedure

Any individual who feels he has been discriminated against by either the college or individual members of the college community may file a complaint. If the complainant is a member of the college staff, he should first file his complaint with his immediate supervisor. If he is a member of the student body, he should first file his complaint with his program coordinator. If it is not resolved at this level to the complainant's satisfaction within five days, he should file a written complaint with the appropriate vice president. If it is not resolved at this level to the complainant's satisfaction the complaint will be subject to the college-wide grievance procedure.

If the complainant is not a member of the Evergreen community he should file his complaint with the Equal Employment Officer. All such complaints should be in written form and it will be the responsibility of the Equal Employment Officer to attempt to resolve the complaint in accordance with the intent of this document.

EXHIBIT I.

All contracts for goods and/or services entered into between the college and individuals or groups will include the appropriate language as required by the State Department of General Administration, Division of Architecture and Engineering, or Division of Purchasing. These offices should be contacted for current language of guidelines.

All contracts entered into by the college where Federal Department of Housing and Urban Development funds are used will include the verbatim language as follows:

CONTRACTORS' AGREEMENTS

Sec. 202. Except in contracts exempted in accordance with Section 204 of this Order, all government contracting agencies shall include in every Government contract hereafter entered into the following provisions:

"During the performance of this contract, the contractor agrees as follows:

"(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, sex, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

"(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, sex, or national origin.

"(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract, or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

"(4) The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

"(5) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

"(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

"(7) The contractor will include the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, That in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States."

THE EVERGREEN STATE COLLEGE

Minority/Female Employee Report

Administrative Unit: \_\_\_\_\_

Unit Head: \_\_\_\_\_

Date: \_\_\_\_\_

CONTINUING, PERMANENT EMPLOYEES (Full Time, Part Time)

Job Categories	All Employees			Minority Group Employees									
	Total	Male	Female	Male					Female				
				Amer. Indian	Negro	Orient	Spanish Surname	Other	Amer. Indian	Negro	Orient	Spanish Surname	Other
	1	2	3	4	5	6	7	8	9	10	11	12	13
Exempt													
Admin. Exempt													
Faculty													
Classified													
Professional													
Tech/Scientific													
Office/Clerical													
Maint/Craft													
Custodial/Ground													
Total													

TEMPORARY, NON-PERMANENT EMPLOYEES

	1	2	3	4	5	6	7	8	9	10	11	12	13
Exempt													
Admin. Exempt													
Faculty													
Classified													
Professional													
Tech/Scientific													
Office/Clerical													
Maint/Craft													
Custodial/Ground													
Total													



1. Recall from layout
2. Recall from layout
3. Employment agency (identity)
4. Advertising (specify)
5. Employee referral
6. Application being renewed
7. Other minority group referral
8. Other (college recruitment, etc.)

\_\_\_\_\_

26

RESOLUTION NO. 71-13

A Resolution of the Board of Trustees of  
The Evergreen State College Establishing  
The Southwest Washington State College Committee Student Loan Fund

WHEREAS, The Southwest Washington State College Committee contributed \$3,000.00 on July 12, 1968, with accrued earnings and supplementation, to The Evergreen State College to promote and aid the purpose of the College; and

WHEREAS, The Board of Trustees accepted this gift and established a separate account known as the "Southwest Washington State College Committee Scholarship Fund" into which the gift was deposited and held; and

WHEREAS, It has become evident to both the Southwest Washington State College Committee and the College that the purpose of the gift and the needs of the students would be better served if this gift could be used for loans rather than as scholarships because of the shortage of short term loan funds:

NOW, THEREFORE, BE IT RESOLVED, That the Board of Trustees of The Evergreen State College, in recognition of the need for loan funds, hereby changes the "Southwest Washington State College Committee Scholarship Fund" to the "Southwest Washington State College Committee Student Loan Fund"; and

BE IT FURTHER RESOLVED, That the sum of \$3,308.11 be transferred from the "Southwest Washington State College Committee Scholarship Fund" within the Grant-in-Aid: Scholarship and Fellowship Fund to the "Southwest Washington State College Committee Student Loan Fund" within the Loan Fund, to be used with accrued earnings and supplementation, for loans to students of The Evergreen State College.

Adopted by the Board of Trustees 10/28/71

RESOLUTION NO. 71-14

A Resolution of the Board of Trustees of  
The Evergreen State College  
Accepting, and Providing for the Disposition of,  
the Leona M. Hickman Student Emergency Loan Fund

WHEREAS, The Leona M. Hickman Student Loan Committee acted favorably regarding a request for support for The Evergreen State College emergency student loan program from the Leona M. Hickman Student Loan Trust Fund and contributed \$1,500 to be used to establish an emergency loan fund;

WHEREAS, By resolution of May 5, 1971, the Board of Trustees of the College established The Evergreen State College Development Fund for the receipt, processing, and depositing of such contributions;

NOW THEREFORE, BE IT RESOLVED, That the Board of Trustees of The Evergreen State College gratefully accepts the sum of \$1,500 representing a contribution for the establishment of a student emergency loan fund for male residents of King County according to the provisions of the Hickman Student Loan Trust Fund; and

BE IT FURTHER RESOLVED, That the \$1,500 be paid into the Student Loan Fund, to become with accrued earnings and supplementations, a separate account known as the "Leona M. Hickman Student Emergency Loan Fund."

Adopted by the Board of Trustees 10/28/71

RESOLUTION NO. 71-15

A RESOLUTION of the Board of Trustees of The Evergreen State College authorizing the issuance of revenue bonds in the sum of Eight Hundred Fifty Thousand Dollars (\$850,000.00), secured by revenue from the College Housing System for the purpose of providing funds to fund the existing loan indebtedness heretofore incurred for fall 1971 supplemental College housing.

WHEREAS, it was heretofore deemed necessary, advisable, and to the best interest of The Evergreen State College that the College construct a housing Project at its Thurston County, Washington, campus consisting of nineteen (19) duplex residential units and a laundry building to house approximately one hundred fifty-two (152) students, and the appurtenant furnishings, equipment and facilities thereof; and

WHEREAS, the College is authorized by law to borrow money and to issue evidences of indebtedness of such borrowing for the purpose of constructing and installing student housing facilities with all the pertinent facilities necessary thereto and to secure such evidences of indebtedness by a pledge of the net revenues derived from the operation and/or ownership of College housing consisting of existing housing facilities now owned by the College and all other College housing, dining and related student facilities which may be added at future dates; and

WHEREAS, the College heretofore incurred a loan indebtedness to provide the funds necessary to construct the housing Project referred to above; and

WHEREAS, it is further deemed necessary and advisable and to the best interest of the College that it now issue and sell revenue bonds in the aggregate principal sum of Eight Hundred Fifty Thousand Dollars (\$850,000.00) for the purpose of providing funds to fund the loan indebtedness heretofore incurred to aid in financing the construction of such housing Project;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of The Evergreen State College, as follows:

Section 1. As used in this Resolution, the following words and phrases shall have the meanings hereinafter set forth:

A. The word "College" shall mean The Evergreen State College, a public educational institution of the State of Washington, located in Thurston County, Washington;

B. The word "Project" shall mean the construction Project at the College's Thurston County campus consisting of nineteen (19) duplex residential units and a laundry building to house approximately one hundred fifty-two (152) students, and the appurtenant furnishings, equipment and facilities thereof, financed out of the proceeds of a loan indebtedness heretofore incurred with The National Bank of Commerce of Seattle which is to be funded out of the proceeds of the sale of the revenue bonds the issuance of which is by this Resolution authorized; at places herein, the Project is sometimes referred to as "Fall 1971 Supplemental Housing," which term and the word "Project" shall be construed to have the same meaning;

C. The term "Housing System" shall mean the housing facilities owned and operated by the College, consisting of existing College housing, the Project, and such other housing, dining and related student facilities which may be added to the Housing System at future dates;

D. The term "existing College housing" shall mean the ten story unit with 195 beds and 3 five story structures each with 85 beds owned and operated at the College's Thurston County, Washington, campus as of the date of this Resolution, but shall not include the Project;

E. The word "Bonds" shall mean The Evergreen State College Housing System Bonds of 1971 the issuance and sale of which is authorized herein to provide funds for the funding of the interim loan indebtedness heretofore incurred to aid in financing the construction and equipping of the Project;



F. The term "maximum annual debt service requirements" shall mean the aggregate greatest amount of principal and interest payable in any one year over the life of the Bonds and any parity bonds.

Section 2. For the purpose of providing the funds required to fund the interim loan indebtedness heretofore incurred to construct, furnish, equip and provide other facilities required for the Project, the College shall issue and sell the Bonds in an aggregate total principal sum of Eight Hundred Fifty Thousand Dollars (\$850,000.00). The Bonds shall be dated December 1, 1971, and shall be in denominations of Five Thousand Dollars (\$5,000.00) each. The Bonds shall mature serially in order of their numbers on December 1 in the years and amounts as follows:

<u>Bond Numbers (Inclusive)</u>	<u>Amounts</u>	<u>Maturities</u>
1 to 8	\$ 40,000	December 1, 1973
9 to 22	70,000	December 1, 1974
23 to 37	75,000	December 1, 1975
38 to 53	80,000	December 1, 1976
54 to 70	85,000	December 1, 1977
71 to 88	90,000	December 1, 1978
89 to 107	95,000	December 1, 1979
108 to 127	100,000	December 1, 1980
128 to 148	105,000	December 1, 1981
149 to 170	110,000	December 1, 1982

Both the principal of and the interest on the Bonds shall be payable at the office of the College Controller or, at the option of the holder, at the fiscal agency of the State of Washington in Seattle, Washington, solely out of the Housing System 1971 Bond and Interest Sinking Fund Account hereinafter created.

Section 3. The College reserves the right to redeem any or all of the unmatured and outstanding Bonds at par, plus accrued interest, on any interest payment date, in inverse numerical order, highest numbers first, on and after eight years from the date of issue, by publishing notice of such intended redemption once in a financial journal printed in the English language and of general circulation in Seattle, Washington, such notice to be

published once not less than thirty days nor more than forty-five days prior to the call date, and by mailing a like notice at the same time to the original purchaser or the account manager of the underwriters who purchase the Bonds. In addition, such redemption notice shall also be sent to Moody's Investors Service, Inc., and Standard & Poor's Corporation, at their offices in New York, New York, but the mailing of such notice to such corporations shall not be a condition precedent to the redemption of such Bonds. Interest on any Bonds so called for redemption shall cease on such call date upon payment of the redemption price into the bond redemption fund for such Bonds.

Section 4. The Bonds shall be in substantially the following form:

No. \_\_\_\_\_

\$5,000.00

UNITED STATES OF AMERICA

STATE OF WASHINGTON

THE EVERGREEN STATE COLLEGE

HOUSING SYSTEM BOND OF 1971

\_\_\_\_\_ %

KNOW ALL MEN BY THESE PRESENTS: That The Evergreen State College, an educational institution of the State of Washington, for value received promises to pay to bearer, on the FIRST DAY OF DECEMBER, 19\_\_, the principal sum of

FIVE THOUSAND DOLLARS

together with interest thereon at the rate of \_\_\_\_\_ PERCENT (\_\_\_\_ %) per annum, payable semiannually on the first days of June and December of each year as evidenced by and upon presentation and surrender of the attached interest coupons as they severally become due and until such principal sum shall be paid or duly provided for. Both the principal of and interest on this bond are payable at the office of the Controller of The Evergreen State College, Olympia, Washington, or, at the option of the holder, at the fiscal agency of the State of Washington in Seattle, Washington, in any coin or currency which on the respective dates of payment of such principal and interest is legal tender for debts due the United States of America, solely out of the

special fund of the College known as the "Housing System 1971 Bond and Interest Sinking Fund Account," created by the Resolution of the College's Board of Trustees pertaining to the bonds of this issue.

The College reserves the right to redeem any or all of the unmatured and outstanding bonds at par, plus accrued interest, on any interest payment date, in inverse numerical order, highest numbers first, on and after eight years from the date of issue, by publishing notice of such intended redemption once in a financial journal printed in the English language and of general circulation in Seattle, Washington, such notice to be published once not less than thirty days nor more than forty-five days prior to the call date, and by mailing a like notice at the same time to [the original purchaser or the account manager of the underwriters who purchase the bonds]. In addition, such redemption notice shall also be sent to Moody's Investors Service, Inc., and Standard & Poor's Corporation, at their offices in New York, New York, but the mailing of such notice to such corporations shall not be a condition precedent to the redemption of such bonds. Interest on any bonds so called for redemption shall cease on such call date upon payment of the redemption price into the bond redemption fund for such bonds.

This bond is one of an authorized issue of revenue bonds of like amount, date and tenor of The Evergreen State College, except as to number, date of maturity, (interest rates) and options of redemption, in the total principal sum of Eight Hundred Fifty Thousand Dollars (\$850,000.00), which bonds are issued pursuant to and in full compliance with the laws of the State of Washington, and particularly Chapter 91, Laws of 1925, Extraordinary Session, thereof, as amended, for the purpose of providing funds required to fund the interim loan indebtedness heretofore incurred for the construction, furnishing, and equipping of a housing Project consisting of nineteen (19) duplex residential units and a laundry building, to house approximately one hundred fifty-two (152) students, and are payable solely out of the net revenue to be derived from the operation of The Evergreen State College Housing System, including existing College housing, comprising student residential facilities for four hundred fifty (450) students and the additional housing Project which this bond will assist in financing, to house an additional one hundred fifty-two (152) students, and such other housing, dining and related student facilities which may be added to such Housing System at future dates.

The Board of Trustees of The Evergreen State College, acting for and on behalf of the College, has executed a Resolution authorizing the issuance of the issue of bonds, of which this is one, to which Resolution reference is hereby made for a specific description of the nature, extent and manner of enforcement of the security and a statement of the rights of the bearers of this and other bonds of this issue.

The Evergreen State College has pledged and bound itself to set aside from the "College Housing Fund" and to pay into the "Housing System 1971 Bond and Interest Sinking Fund Account" of the College, the various amounts required by said Resolution to be paid into and maintained in said Sinking Fund Account within the times required by said Resolution. The College has further pledged that all rentals, charges, income and revenue arising from the operation and/or ownership of The Evergreen State College Housing System shall be deposited to the credit of the "College Housing Fund" and held in the custody of the College Controller separate and apart from all other funds.

Neither this bond nor the bonds of this issue is or shall become a general obligation of the State of Washington, The Evergreen State College, or the Board of Trustees thereof.

IN WITNESS WHEREOF, The Evergreen State College has caused this bond to be executed by the facsimile signature of the Chairman of its Board of Trustees, to be attested by the manual signature of the Secretary of said Board, the official seal of the College to be impressed or reproduced hereon, and the interest coupons attached hereto to be executed with the facsimile signatures of said officers, as of the first day of December, 1971.

By (facsimile signature)  
Chairman, Board of Trustees

By Secretary, Board of Trustees

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Coupon No. \_\_\_\_\_

\$ \_\_\_\_\_

(UNLESS THE BOND HEREINAFTER MENTIONED SHALL HAVE BEEN CALLED FOR PREVIOUS REDEMPTION AND PAYMENT OF THE REDEMPTION PRICE MADE OR DULY PROVIDED FOR)

On the 1ST DAY OF (JUNE) (DECEMBER), 19\_\_\_\_, THE EVERGREEN STATE COLLEGE will pay to bearer at the office of the Controller of The Evergreen State College, Olympia, Washington, or, at the option of the holder, at the fiscal agency of the State of Washington in Seattle, Washington, the sum shown hereon in any coin or currency which on the respective dates of payment is legal tender for the payment of debts due the United States of America, said sum being the semiannual interest due that day on "The Evergreen State College Housing System Bond of 1971," dated December 1, 1971, and numbered \_\_\_\_\_.

THE EVERGREEN STATE COLLEGE

By (facsimile signature)  
Chairman, Board of Trustees

ATTEST:

By (facsimile signature)  
Secretary, Board of Trustees

Section 5. The Bonds are not an obligation of the State of Washington or a general obligation of The Evergreen State College, and no officer of the College nor any member of its Board of Trustees shall be liable in any manner for the payment of the principal thereof and/or interest thereon.

Section 6. The Bonds shall be signed on behalf of the College by the facsimile signature of the Chairman of its Board of Trustees and shall be attested by the manual signature of the Secretary of said Board, and shall have the official seal of the College impressed or reproduced thereon. The interest coupons attached thereto shall be executed with the facsimile signatures of said officials.

Section 7. All Bonds paid at or after maturity and all Bonds purchased by the College or redeemed under the provisions of this Resolution or otherwise delivered to the College for cancellation, and all unmatured coupons attached thereto, shall be cancelled by



the College Controller immediately upon such payment, purchase, redemption or delivery.

Section 8. The Bonds shall be sold after advertisement on sealed proposals to the highest and best bidder or bidders submitting a bid or bids with an effective interest rate over the life of the Bonds of not to exceed eight percent (8%) per annum, plus accrued interest to date of delivery.

The Secretary of the Board of Trustees is hereby authorized and directed to cause a short form of the official notice of sale of the Bonds to be published at least once in The Bond Buyer at least fifteen (15) days prior to date on which all bids shall be received, publicly opened, considered and acted upon.

Section 9. Upon the delivery of the Bonds and the payment of the full purchase price thereof, the College Controller shall forthwith deposit in the "Housing System 1971 Bond and Interest Sinking Fund Account" (hereinafter created) the accrued interest received, if any, and the sum of \$27,000.00 from the principal proceeds to be used as the initial deposit toward the accumulation of the debt service reserve hereinafter provided for, and the balance of the principal proceeds received shall be deposited in the special account of the College heretofore created and established and known as the "College 1971 Housing Construction Account," hereinafter called the "Construction Account." The moneys in the Construction Account shall be expended solely for retiring the interim loan indebtedness heretofore incurred for the Project and paying any additional costs of constructing the Project and for paying all expenses incidental thereto and heretofore incurred or to be incurred in connection therewith.

Section 10. The College has heretofore created and established the Housing System as defined in Section 1 above, and the Project is hereby added to and made a part of said Housing System. The College has also heretofore created and established a special fund of the College, known as the "College Housing Fund," which fund shall be held in the custody of the College Controller separate

and apart from all other funds. The College Housing Fund shall be maintained so long as any of the Bonds authorized by this Resolution is outstanding in a bank which is a member of the Federal Deposit Insurance Corporation and shall be expended and used by the Controller only in the manner and order specified in this Resolution.

The College hereby covenants that all rentals, charges, income and revenue arising from the operation and/or ownership of the Housing System shall be deposited to the credit of the College Housing Fund.

Current expenses for the Housing System shall be payable as a first charge from the College Housing Fund as the same become due and payable. Current expenses shall include all necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, properly allocated share of charges for insurance, properly allocated share of charges for utilities, and all other expenses incident to the operation of the Housing System, but shall exclude depreciation, general administrative expenses of the College, bond principal and interest payments, bond reserve accruals, and payment into the "College Housing Repair and Replacement Reserve Account," which account is hereby created and established and is hereinafter referred to as the "Repair and Replacement Reserve Account."

Section 11. There is hereby created and established a special account of the College to be known as the "Housing System 1971 Bond and Interest Sinking Fund Account," hereinafter referred to as the "Sinking Fund Account," which shall constitute a trust fund for the security and payment of the principal of and interest on the outstanding Bonds authorized by this Resolution, and any evidence of indebtedness hereafter issued on a parity of lien with such Bonds in accordance with the provisions of Section 15 of this Resolution and which shall be at all times completely segregated and set apart from all other funds of the College. All moneys credited to or paid into the Sinking Fund Account shall be and are

hereby pledged and ordered to be used for the sole purpose of paying the principal of and the interest on the Bonds authorized by this Resolution and any evidences of indebtedness hereafter issued on a parity of lien with said Bonds.

Section 12. The College Controller is hereby authorized and directed to deposit to the credit of the Sinking Fund Account all debt service subsidy payments received from the United States Department of Housing and Urban Development applicable to the Bonds under the Debt Service Subsidy Program. The College Controller shall deposit in the Sinking Fund Account on or before each May 15 and November 15, out of the moneys in the College Housing Fund, or any other moneys legally available therefor, a sum not less than one-half (1/2) the interest on such Bonds to become due in the succeeding twelve (12) months (after considering the moneys received or to be received during such six (6) month period under the Debt Service Subsidy Program) plus one-half (1/2) the principal thereof to become due in the succeeding twelve (12) months, and, in addition to the sum of \$27,000.00 to be initially deposited into the Sinking Fund Account from the principal proceeds received from the sale of the Bonds as provided in Section 9 of this Resolution, there shall be deposited annually in the Sinking Fund Account not less than the sum of \$31,000.00 on or before December 1 of each of the years 1972, 1973 and 1974, until a total debt service reserve of \$120,000.00 shall be accumulated therein by no later than December 1, 1974, and such debt service reserve shall thereafter be maintained in such amount so long as any Bonds are outstanding.

Deposits shall be made into the Repair and Replacement Reserve Account, created and established pursuant to Section 10 of this Resolution, in the manner set forth in Section 13 hereof.

Section 13. The College hereby covenants that when the debt service reserve to the credit of the Sinking Fund Account for the Bonds exceeds the amount required, deposits into the Repair and Replacement Reserve Account shall be commenced and continue for

facilities related to the Housing System. The College shall deposit, so long as revenues from the Housing System are pledged, from the College Housing Fund, on or before the close of each fiscal year, (1) not less than five percent (5%), or such portion thereof as is available for transfer annually, of the cost of movable furniture and equipment for the Housing System for an equipment reserve until the funds or investments, or both, in the equipment reserve shall aggregate one hundred percent (100%) of the cost of such furniture and equipment and, thereafter, such sums but not more than five percent (5%) of the costs of movable furniture and equipment of the Housing System annually to restore and maintain the balances theretofore accumulated, and (2) not less than one-half percent (1/2%) of the construction cost of the Housing System or such portion thereof as is available for transfer annually, until a repairs reserve shall aggregate five percent (5%) of the original cost of the Housing System facilities; thereafter such transfers shall only be required to be made for the purpose of maintaining the repairs reserve at the required balance.

Any moneys in the Repair and Replacement Reserve Account may be drawn on and used by the College for the purpose of paying the cost of unusual or extraordinary maintenance or repairs, renewals and replacements, and the renovating or replacement of the furniture and equipment not paid as part of the ordinary normal expense of operating the Housing System. However, in the event at any time the funds credited to the Sinking Fund Account are reduced below the amount then required to have been credited thereto, funds on deposit in the Repair and Replacement Reserve Account shall be transferred to the Sinking Fund Account to the extent necessary to eliminate such deficiency.

Section 14. Subject to making the deposits specified in the provisions of Sections 12 and 13 of this Resolution, the College shall use the surplus funds on deposit in the College Housing Fund for the payment of the cost of development of or acquisition of College housing facilities or providing movable equipment and

furnishings therefor. To the extent not needed for said purposes, such surplus revenues may be used by the College for any other lawful purpose, including the redemption of Housing System bonds by purchase or call provision, provided that the College is then in compliance with the coverage covenant contained in subparagraph A of Section 16 of this Resolution.

Section 15. The College shall have the right to add new College housing, dining and related student facilities to the Housing System by the issuance of one or more additional series of bonds to be secured by a parity lien on and payable from the revenues pledged to the Bonds herein authorized, provided in each instance that: (1) the facility or facilities to be built from the proceeds of the additional parity bonds is or are to be made part of the Housing System and its or their revenues are pledged as additional security for the Bonds and subsequent parity bonds; (2) the College is in full compliance with all covenants and undertakings in connection with all of its College housing bonds then outstanding; (3) the annual Net Revenues, defined as Gross Revenues less Current Expenses, of then existing facilities of the Housing System are certified by an independent public accountant, employed by the College, to have been equal to at least one and twenty-five hundredths (1.25) times the maximum annual debt service requirements on all outstanding series of College housing bonds payable from the Sinking Fund Account (this requirement shall be waived if at the time of issuance of such parity bonds, the Housing System shall not have been in operation for one full fiscal year); and (4) the estimated annual net revenues of the facility or facilities to be constructed or acquired with the proceeds of such additional bonds, when added to the estimated future annual net revenues of the Housing System, shall equal at least one and twenty-five hundredths (1.25) times the maximum annual debt service requirements for principal and interest on all series of bonds then outstanding and on the additional bonds to be issued. Computation of future net revenues of then existing housing facilities



shall be based on annual net revenues for the fiscal year next preceding the issuance of additional parity bonds as adjusted, if necessary, to reflect the schedule of rates and charges to become effective in the succeeding fiscal year and after giving recognition to any anticipated changes in current expenses thereof. Computation of the estimated net revenues of the College housing facility or facilities to be constructed or acquired and the computation of net annual revenues from the existing facilities, if the Housing System shall not have been in operation for at least one full fiscal year, shall be predicated upon an assumed utilization rate of not more than ninety percent (90%). The computation of estimates shall be made by the College Vice President for Business, and approved by its President, and by the Board of Trustees thereof.

Section 16. The College hereby covenants and agrees with and for the owner and holder of each of the Bonds for as long as any of the same remains outstanding as follows:

A. That it will establish and maintain, so long as any bonds payable from the Sinking Fund Account are outstanding, such parietal rules, rental rates and charges for the use of Housing System facilities hypothecated under this Resolution as may be necessary: (1) to assure maximum occupancy and use of such facilities and (2) to provide sufficient funds (together with the amounts received under the Debt Service Subsidy Program which may be only used to meet debt service requirements) for payment of current expenses of such facilities, payment of principal of and interest on such bonds and the accumulation and maintenance of required reserves therefor; and (3) to generate Net Revenues each fiscal year which shall be equal to at least one and twenty-five hundredths (1.25) times the maximum annual debt service requirements as herein defined, including in such computation only those bonds where the facilities constructed with the particular issue of bonds have been in operation for at least one full fiscal year.

B. That, so long as any bonds payable from the Sinking Fund Account are outstanding, it will not sell or otherwise dispose of any of the facilities of the Housing System whose revenues are pledged to the payment of such bonds, or any part thereof, and except as provided for in Section 15, it will not create or permit to be created any charge or lien on the revenues thereof ranking equal or prior to the charge or lien of such bonds. Notwithstanding the foregoing, the College may at any time permanently abandon the use of, or sell at fair market value any of, such facilities, provided that, (1) it is in full compliance with all covenants and undertakings in connection with all bonds then outstanding and payable from the Sinking Fund Account and the debt service reserve has been fully established; (2) it will, in the event of sale, apply the proceeds to either redemption of outstanding bonds payable from the Sinking Fund Account, or replacement of the facilities so disposed of by another facility the revenues of which shall be incorporated into the Housing System as hereinbefore provided; and (3) it certifies that the estimated net revenues of the remaining facilities whose revenues are pledged to the payment of such bonds for the then next succeeding fiscal year, plus the estimated net revenues of the facility, if any, to replace the facility to be abandoned, satisfy the coverage covenant hereinbefore provided in subparagraph A of Section 16.

C. That it is the owner in fee simple of the tracts and parcels of the real property upon which the various facilities of the Project have been or are being constructed.

D. That, on acceptance of the Project from the contractor, the College will, if such insurance is not already in force, procure fire and extended coverage insurance on the Project; and that, upon sale of the Bonds, the College will, if such insurance is not already in force, procure fire and extended coverage insurance on any other of its Housing System facilities the revenues of which are pledged to secure the Bonds. The foregoing fire and extended coverage

Insurance shall be maintained in amounts sufficient to provide for not less than full recovery whenever a loss from perils insured against does not exceed eighty percent (80%) of the full insurable value of the damaged building or buildings. In the event of any damage to or in destruction of any such building or buildings, the College shall promptly arrange for the application of the insurance proceeds for the repair or reconstruction of the damaged or destroyed portion thereof, or retire the outstanding Bonds.

E. That, upon acceptance of the Project from the contractor or upon the sale of the Bonds, whichever event shall occur first, the College shall, if such insurance is not already in force, procure and maintain, so long as any of the Bonds is outstanding, boiler insurance covering any steam boilers servicing the Project and any other pledged facilities in a minimum amount of Fifty Thousand Dollars (\$50,000.00); provided, however, that the foregoing requirement shall be suspended when, and for so long as, the State of Washington acts in the capacity of a self-insurer with respect to the boilers serving College housing and any other pledged facilities. At all other times, the provisions of this subsection E shall extend to all pledged facilities, including the Project.

F. That, prior to or at the time the Bonds are sold to the purchasers thereof, the College will, if such insurance is not already in force, procure and maintain, so long as any Bonds are outstanding, public liability insurance with limits of not less than One Hundred Thousand Dollars (\$100,000.00) for one (1) person and not less than Three Hundred Thousand Dollars (\$300,000.00) for more than one (1) person involved in any accident to protect the College from claims for bodily injury or death which may arise from the operation of pledged facilities, including any use or occupancy of its grounds, structures, and vehicles, and including any nonowned vehicles operated for the benefit of the pledged facilities. The College shall also maintain vehicle property damage insurance with limits of not less than Ten Thousand Dollars (\$10,000.00) on all vehicles owned by and operated for the benefit of the Housing System.

G. That, immediately upon occupancy of any portion of the Project or upon the sale of the Bonds, whichever event shall occur first, and so long thereafter as the funds and investments of the Sinking Fund Account are less than the maximum debt service reserve required by this Resolution, the College shall procure and maintain use and occupancy insurance on each building, the revenues of which are pledged to the payment of the Bonds, in an amount sufficient to enable the College to deposit in the Sinking Fund Account out of the proceeds of such insurance, an amount equal to the sum that would normally have been available for deposit in such account from the revenues of the damaged building during the time the damaged building is nonrevenue producing as the result of loss of use caused by the perils covered by the fire and extended insurance.

H. That it will duly and punctually pay or cause to be paid the principal of each Bond and the interest thereon on the dates and at the places and in the manner provided in the Bonds according to the true intent and meaning thereof.

I. That it will at all times preserve the priority and security of the Bonds issued pursuant to this Resolution, and will pay all lawful claims for labor, materials, and supplies which, if unpaid, might become a lien or charge upon the Project.

J. That it will at all times maintain, preserve, and keep the pledged facilities in good repair, working order and condition and, when necessary, make all needful and proper repairs, renewals, replacements, additions, betterments and improvements thereto, so that the operation of such facilities will be properly and advantageously conducted at all times.

K. That at all reasonable times it will permit the holder of ten percent (10%) or greater in principal amount of the Bonds then outstanding to inspect the Project or any facility thereof.

L. That it will keep accurate financial records and proper books relating to the Housing System, and such records and books shall be opened to inspection by the Bond holders and their properly certified agents and representatives at any reasonable



time. The College further covenants that not later than one hundred twenty (120) days after the close of each fiscal year, it will furnish to any Bond holder who shall request the same in writing copies of audit reports or financial statements prepared by an independent public accountant, state auditing official, or employee of the College, reflecting in reasonable detail the financial condition and record of operation of College housing, including particularly the College's enrollment, the occupancy or degree of the use of and rates charged for the use of, and the insurance on, College housing and the status of the several funds and accounts required by this Resolution; and not later than January 1 following the close of each fiscal biennium, it will furnish any Bond holder who shall request the same in writing, copies of audit reports prepared by an independent public accountant or state auditing official reflecting in reasonable detail the financial condition and record of operation of the College, including a statement of the extent to which the College has complied with the coverage requirement.

M. That each resolution authorizing parity bonds shall include the protective covenants applying to the Bonds, including the semiannual deposits to the Sinking Fund Account for principal and interest, accumulation of a debt service reserve equal to the maximum annual debt service on such parity bonds within four years of issuance thereof by annual deposits, and accruals to the Repair and Replacement Reserve Account in the manner required for the Bonds.

Section 17. Moneys on deposit to the credit of the Sinking Fund Account and/or the Repair and Replacement Reserve Account may be invested in direct obligations of, or obligations the principal of and the interest on which are guaranteed by, the United States Government, or in any other legal investment permitted for College funds. The investment of such funds shall be valued in terms of current market value as of June 30 and December 31 of each year.

Section 18. The following events shall be events of default under this Resolution:



A. If default shall be made in the payment of the principal and/or interest of any Bond when the same shall become payable, and such default shall continue for thirty (30) days; or

B. If default shall be made by the College in the performance of any obligation in respect to the Sinking Fund Account and each default shall continue for sixty (60) days; or

C. If default shall be made by the College in the observance of any other covenant, condition or agreement of the College under this Resolution or the Bonds, and such default shall continue for a period of sixty (60) days.

Section 19. Upon the happening of any event of default specified in Section 18 hereof, then, and in every such case, the holders of thirty percent (30%) of the principal amount of the Bonds authorized by this Resolution then outstanding may proceed to protect and enforce their rights by a suit, action or special proceedings in equity or at law, either for the specific performance of any covenant or agreement, or for the execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce the rights aforesaid.

Section 20. No recourse for the payment of any part of the principal of or interest on the Bonds, or for the satisfaction of any liability arising from, founded upon, or existing by reason of the issuance and ownership of any Bonds shall be had against any officer of the College or member of the College's Board of Trustees as such.

Section 21. In case any Bond secured by this Resolution shall be lost, stolen or destroyed, the College may execute and deliver a new Bond or Bonds of like date, number and tenor to the holder thereof upon the holder's paying the expenses and charges of the College in connection therewith, and upon his filing evidence satisfactory to the College Controller that such bond was actually lost, stolen or destroyed and of his ownership thereof, and upon

furnishing the College with indemnities satisfactory to such Controller.

Section 22. It is hereby expressly covenanted by the holder of every Bond that no one or more holders of the Bonds shall have any right in any manner whatsoever to effect, disturb or prejudice the rights of the holder of any other Bond or in any manner or way obtain or seek to obtain priority or preference over any such holder or to enforce any right hereunder except in the manner herein provided and for the equal, ratable and common benefit of all holders of the Bonds.

Section 23. No remedy herein incurred upon or reserved to the holders of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 24. No delay or omission of any holder of any of the Bonds to exercise any right or power accruing upon any default occurring and continuing as aforesaid shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Resolution to the holders of the Bonds may be exercised from time to time and as often as may be deemed expedient by the holders of such Bonds.

Section 25. This Resolution and the Bonds are and shall always be construed to be contracts made under and pursuant to the laws of the State of Washington in force at the time of the execution hereof, and all the terms, covenants, conditions and provisions hereof shall be construed according to such laws; provided, however, that any constitutional or statutory provision enacted after the date of this Resolution which validates or makes legal any provision of this Resolution or the Bonds, which would otherwise be invalid or illegal, shall be deemed to apply to this Resolution and to such Bonds.

Section 26.

A. The College, by Resolution of its Board of Trustees, from time to time and at any time, subject to the conditions and restrictions contained in this Resolution, may enter into an indenture or indentures supplemental thereto, which indenture or indentures thereafter shall form a part of this Resolution, for any one or more or all of the following purposes: (1) to add to the covenants and agreements of the College in this Resolution contained other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved or conferred upon the College; and (2) to make such provisions for the purpose of curing any ambiguity or of curing, correcting, or supplementing any defective provision contained in this Resolution, or in regard to matters or questions arising under this Resolution as the College may deem necessary or desirable and not inconsistent with said Resolution and which shall not adversely affect the interest of the holders of the Bonds.

Any supplemental indenture authorized by the provisions of this subsection A shall be executed by the College by its Board of Trustees by Resolution duly and regularly adopted, without the consent of the holders of any of the Bonds at the time outstanding, notwithstanding any of the provisions of subsection B.

B. With the consent of the holders of not less than sixty-five percent (65%) in aggregate principal amount of the Bonds at the time outstanding, the College, by Resolution of its Board of Trustees, may from time to time, and at any time, enter into an indenture or indentures supplemental hereto for the purpose of adding any provision to or changing in any manner or eliminating any of the provisions of this Resolution or of any supplemental indentures; Provided, however, that no such supplemental indentures shall (1) extend the fixed maturity of the Bonds or reduce the rate of interest thereon or extend the time of payment thereof, or reduce the amount of the principal thereof, without the consent of the holder of each Bond so affected; or (2) reduce the aforesaid percentage of holders

of Bonds required to approve any such supplemental indenture, without the consent of the holders of all the Bonds then outstanding.

It shall not be necessary for the consent of the Bond holders under this subsection B to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the execution by the College of any supplemental indenture pursuant to the provisions of this subsection B the College shall publish a notice, setting forth in general terms the substance of such supplemental indenture, at least once in a financial newspaper or journal printed in the English language customarily published on each business day and of general circulation in King County, Washington. Any failure of the College to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

C. Upon the execution of a supplemental indenture pursuant to the provisions of this section, this Resolution shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the College and all holders of Bonds outstanding hereunder shall thereafter be determined, exercised and enforced thereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indentures shall be and be deemed to be a part of the terms and conditions of this Resolution for any and all purposes.

D. Bonds issued and sold after the execution of any supplemental indenture pursuant to the provisions of this Section 26 may bear a notation as to any matter provided for in such supplemental indenture, and if such indenture shall so provide, new bonds so modified as to conform, in the opinion of the Board of Trustees of the College, to any modification to this Resolution contained in any such supplemental indenture, may be prepared by the College and delivered without cost to the holders of the Bonds

then outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amounts.

Section 27. In the event the College shall issue advance refunding bonds pursuant to the laws of the State of Washington to pay the principal of and interest on the Bonds or such portion thereof included in the refunding plan as the same become due and payable and to refund all such then outstanding Bonds and to pay the costs of refunding, and shall have irrevocably set aside for and pledged to such payment and refunding, moneys and/or direct obligations of the United States of America sufficient in amount, together with known earned income from the investment thereof, to make such payments and to accomplish the refunding as scheduled, and shall irrevocably make provisions for redemption of such Bonds, then in that case all right and interest of the owners or holders of the Bonds to be so retired or refunded and the appurtenant coupons in the covenants of this Resolution and in the revenues of the Housing System pledged to be paid into the Housing System 1971 Bond and Interest Sinking Fund Account, funds and accounts obligated to the payment of such Bonds, except the right to receive the funds so set aside and pledged, shall thereupon cease and become void and the College may then apply any moneys in any fund or account established for the payment or redemption of such Bonds or coupons to any lawful purposes as it shall determine.

In the event that the refunding plan provides that the refunding bonds be secured by cash and/or direct obligations of the United States of America pending the prior redemption of those Bonds being refunded and if such refunding plan also provides that certain cash and/or direct obligations of the United States of America are irrevocably pledged for the prior redemption of those Bonds included in the refunding plan, then only the debt service on the Bonds and the refunding bonds payable from revenues of the Housing System shall be included in the computation of coverage for issuance of



parity bonds and the annual computation of coverage for determining compliance with the rate covenants.

Section 28. The provisions of this Resolution shall constitute a contract between the College and the holders of the Bonds upon the issuance and sale of such said Bonds.

Section 29. If any section, paragraph, clause, or provision of this Resolution shall be held invalid, the invalidity of the same shall not affect any of the remaining provisions of this Resolution.

Section 30. This Resolution shall be executed in several counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

ADOPTED AND APPROVED by the Board of Trustees of The Evergreen State College at a meeting thereof duly and regularly called and held as required by law on the 28th day of October, 1971.

THE EVERGREEN STATE COLLEGE

By   
Chairman, Board of Trustees

ATTEST:

By   
Secretary, Board of Trustees

NOTICE OF BOND SALE

THE EVERGREEN STATE COLLEGE

HOUSING SYSTEM BONDS OF 1971

\$850,000.00

SEALED BIDS will be received by the Board of Trustees of  
The Evergreen State College ("the College"), on

NOVEMBER 18, 1971

for the purchase of \$850,000.00 par value of "The Evergreen State  
College Housing System Bonds of 1971" (hereinafter called the  
"Bonds"). Such bids will be received until the hour of 11:00 o'clock  
A.M. (PST) in the Apollo Room No. 7, Sea-Tac Motor Inn, 18740 Pacific  
Highway South, Seattle, Washington, at which time and place bids will  
be promptly opened, read and considered by the Board of Trustees of  
the College at a meeting of such Board of Trustees commencing at  
such hour.

The Bonds will be dated December 1, 1971, will be in  
denominations of \$5,000.00 each, will be in coupon form with interest  
payable semiannually on June 1 and December 1 of each year, will be  
payable both principal and interest in lawful money of the United  
States of America at the office of the Controller of the College,  
Olympia, Washington, or, at the option of the holder, at the fiscal  
agency of the State of Washington in Seattle, Washington, will be  
numbered consecutively, and will mature serially in numerical order  
on December 1 in the years and amounts as follows:

<u>Years</u>	<u>Amounts</u>
1973	\$ 40,000
1974	70,000
1975	75,000
1976	80,000
1977	85,000
1978	90,000
1979	95,000
1980	100,000
1981	105,000
1982	110,000

The College has reserved the right to redeem any or all of the unmatured and outstanding Bonds at par, plus accrued interest, on any interest payment date, in inverse numerical order, highest numbers first, on and after eight years from the date of issue.

The Bonds are secured by a first lien on and pledge of the net revenues to be derived from the operation or ownership, or both, of The Evergreen State College Housing System established pursuant to a resolution of the Board of Trustees of the College and are further supported by a United States Government debt service subsidy grant.

No bid for less than all of the Bonds will be considered. Bidders may specify one or more interest rates which must be in multiples of  $1/8$  or  $1/10$  of 1%. The effective rate shall not exceed 8% per annum over the life of the Bonds, and no single rate shall exceed 8%. The difference between the highest and lowest rates specified must not exceed 2%. All Bonds maturing on the same date must bear interest at the same rate, and no supplemental interest coupons will be permitted.

For the purpose of evaluating bids only, the coupon rates bid being controlling, each bidder shall state in his bid the net interest cost determined by computing the total interest requirement over the life of the Bonds and deducting therefrom the premium, if any, or adding thereto the discount, if any, specified in the bid. Discount shall not exceed 2%. Each bidder shall also state the effective rate of interest over the life of the Bonds.

The Bonds will be awarded to the bidder offering to purchase them at the lowest net interest cost to the College and at a price not less than 98% of their par value plus accrued interest to date of delivery.

The College reserves the right to reject any and all bids and to waive irregularities therein.

Each bid must be sealed in an envelope and accompanied by a cashier's or certified good faith check for not less than \$42,500.00,

payable to the Vice President for Business of the College. When bids are evaluated, the good faith checks of unsuccessful bidders will be promptly returned and that of the successful bidder, if any, retained by the College for forfeit to the College should such bidder fail to accept the Bonds when ready for delivery and complete payment therefor in accordance with his bid.

If, prior to the delivery of the Bonds, any income tax law of the United States of America shall provide that the interest on the Bonds is taxable, directly or indirectly, or shall be taxable at a future date, for Federal income tax purposes, the successful bidder may, at his option, refuse to accept the Bonds, in which case he will be relieved of his contractual obligation to purchase the Bonds and the deposit accompanying his bid will be returned to him without interest.

Printed Bonds will be furnished by the College and delivered to the successful bidder in the City of Seattle, Washington, on or about December \_\_, 1971, against payment of the balance of the purchase price plus accrued interest to date of delivery.

At the time of closing, the purchaser will be furnished the usual closing documents including a no-litigation certificate.

The approving opinion of Roberts, Shefelman, Lawrence, Gay & Moch, attorneys, Seattle, Washington, will be furnished to the purchaser at the expense of the College and printed on the Bonds. Such opinion shall state, among other things, that in the opinion of counsel the interest on the Bonds is exempt from Federal income taxes under existing statutes, regulations and court decisions, and that under the laws of the State of Washington the Bonds are exempt from ad valorem taxation within the State.

Further information regarding the College and the Bonds is contained in the Official Statement, which will be furnished upon request directed to Dean E. Clabaugh, Esq., Vice President for

Business, The Evergreen State College, Olympia, Washington, or to  
Seattle-Northwest Securities Corporation, Post Office Box 12670,  
Seattle, Washington.

THE EVERGREEN STATE COLLEGE  
OLYMPIA, WASHINGTON

By  \_\_\_\_\_

Secretary, Board of Trustees.



THE EVERGREEN STATE COLLEGE  
PERSONNEL POLICIES AND PROCEDURES

EMPLOYMENT OF RELATIVES - CONFLICT OF INTEREST

6.900

6.901

General Policy

In accordance with general college policy, the basic criteria for appointment and promotion of all college staff will be the appropriate qualifications and performance. Relationship by family or marriage shall constitute neither an advantage nor a deterrent to appointment by the college provided the individual meets and fulfills the appropriate appointment standards. However, Section 16, Chapter 234, Laws of 1969 (First Executive Session), and RCW 42.18.160 provide in part as follows:

No state employee shall participate in a transaction involving the state in the consequences of which to his actual knowledge any of the following persons have a direct and substantial economic interest:

- a) his spouse or child; or
- b) any person in which he has a substantial economic interest of which he may reasonably be expected to know.

In order to preclude the possibility of violation of the section as cited above, whenever a relative of a present employee is being considered for employment at the college, prior written approval must be given by the appropriate vice president in the case of exempt personnel and by the budgetary unit head and the Director of Personnel in the case of classified personnel. In situations where individuals become relatives after being employed by the college or regardless of the manner in which relatives have become members of the campus community, it shall be the responsibility of the appropriate vice president to insure that they do not participate in transactions as defined below.

6.902

Procedure

If a supervisor is granted approval to hire a relative, a copy of the written approval will be placed in the staff member's personnel file. If employees are determined to have participated in transactions as defined below, they will be subject to the college code of conduct.

6.903

Definition

- A. Relative: For the purpose of this policy, relative is defined as the husband or wife of a staff member, as well as the son, daughter, mother, father, brother, or sister of the staff member or spouse. This definition is not to be construed to exclude the possibility of questions of conflict of interest in the case of other family relationships.

Definition (Cont'd.)

- B. Conflict of Interest/Transactions: The college considers the following as among transactions involving a direct and substantial economic interest: the appointment, termination of appointment, promotion, demotion, approval of salary increase or decrease of persons employed by the college.