

A RESOLUTION BY THE BOARD OF REGENTS OF THE
UNIVERSITY SYSTEM OF GEORGIA

WHEREAS:

In the trust funds of the University of Georgia there appear among other assets the following:

Charles McDonald Brown Trust Fund:

State of Georgia bonds, 4 $\frac{1}{2}$ %	\$50,000	
U. S. Gov. Series G bonds, 2 $\frac{1}{2}$ %	30,000	
U. S. Gov. Certificates, 1 $\frac{1}{2}$ %	69,400	\$149,400

Edgar Gilmer Dawson Trust Fund:

Georgia-Alabama R. R. bonds, due October 1, 1945	1,000	
Central of Georgia R.R. bonds, due November 1, 1945	11,000	
U. S. Gov. Series G bonds, 2 $\frac{1}{2}$ %	30,400	
U. S. Gov. Certificates, 1 $\frac{1}{2}$ %	57,000	99,400

J. H. Hunt Trust Fund:

U. S. Gov. Certificates, 1 $\frac{1}{2}$ %	47,550	47,550
Total		296,350

Of the securities listed in the Charles McDonald Brown Trust Fund, the regents have been notified that the State of Georgia bonds will be called by the governor at an early date and paid off in full. Of the securities above listed in the Edgar Gilmer Dawson Fund, the Georgia-Alabama Railroad bonds and the Central of Georgia Railroad bonds mature this year. All of the other securities listed pay rates of interest not in excess of 2 $\frac{1}{2}$ %, and some of them, as above listed, at a substantially lower rate.

Unless re-investment is found for the maturing bonds at an interest rate at least approximating what they are now drawing, a grave loss of return in these trust will be encountered. Furthermore, if investment can be found for the government securities at a better rate of interest than these government securities are now drawing,

and an investment of satisfactory safety, a substantial increase in the earnings of these trust funds can be effected. It is, therefore, the evident obligation of the regents to find a more satisfactory investment from a standpoint of return, provided this can be done with safety. These funds are all trusts, the incomes of which are used as loan funds for deserving students, and the larger income that can be obtained consistent with safety will increase the capacity of the Regents of the University System of Georgia to make student loans. And,

WHEREAS,

The regents are advised that they can purchase for the use of the University System Center in Atlanta the property on Ivy Street known as the Bolling Jones Building for the sum of \$296,000 cash, which property consists of a tract of land on Ivy Street between Edgewood Avenue and Decatur Street, fronting 150 feet on Ivy Street, and running back on one side 200 feet, on the other side 210 feet, improved by re-enforced concrete building of six floors, containing more than 180,000 square feet. The regents are further informed that the original cost of said building, or the cost to reproduce it at present were it possible to get materials, is in excess of \$524,711.82. The regents are further advised that independent appraisals by sound real estate men in the city of Atlanta place the value of the property on the present market at more than the price at which it is offered the regents at an option. The University System Center is urgently in need of enlarged quarters which it is impossible to furnish at its present location. A careful study of the situation in Atlanta has convinced the board that adequate quarters for the needs of the University System Center cannot be obtained at anything even approximating this cost except through the single opportunity now presented to purchase this particular building.

The report of the director of the University System Center presented to the board shows that the Bolling Jones Building is entirely suitable, with comparatively moderate expenditures, for the use of the University System Center, and is adequate for its use including the greatly enlarged use which is anticipated, namely: The board has been advised/^{by}the Veterans Administration that not less than one thousand and possibly as many as five thousand returning veterans will desire educational instruction at the University System Center. The tuition which would be received from these veterans would in a very few years return not only the interest on the cost of the property at an adequate amount, but the entire purchase price. The board in this situation recognizes the following obligations as resting upon it:

1. To provide adequate investment of the trust funds listed in this resolution at the largest return consistent with safety.
2. To provide adequately for the needs of the University System Center; in this connection there is a special obligation resting upon the board to take adequate steps to provide for returning veterans who, we are advised by the Veterans Administration, will seek educational opportunities at this institution.

The board is further advised that sub-rentals in this building, in space which will not be needed immediately by the University System Center, will return a sum not less than \$20,000 a year net, which would more than carry the interest on the investment and would provide a substantial sum toward the retirement of the principal; but the board here records the fact that it does not intend to limit the retirement of the investment to such sub-rentals, but expects the University System Center to pay on the retirement thereof not less than \$25,000 a year. It is thereupon,

RESOLVED:

1. From a careful consideration of all the foregoing, it is the

judgment of the board that the securities in the three trust funds hereinbefore recited, accumulating the face value of \$296,350, be disposed of at a figure not less than that amount.

2. That the proceeds of said securities be used to purchase the aforesaid property in the city of Atlanta.

3. That the board hereby declares that it will take title to such property in Regents of the University System of Georgia and hereby declares that the Regents of the University System of Georgia will hold title thereto but will hold the same as trustee for the repayment of the amounts aforesaid from each of the three trusts, with interest at $4\frac{1}{2}\%$ per annum on all unpaid balances, and that until the full amount with interest as aforesaid has been repaid to each of said trusts the said property shall stand charged to the trusts for the purposes herein declared.

4. Until otherwise ordered by the board the property shall be occupied and used by the University System Center with the privilege to said University System Center to continue such sub-rentals of space as may not immediately be needed by said University System Center, provided, however, that the entire amount of all such sub-rentals, without deductions therefrom, shall be applied to the interest and the amortization of the principal of the obligations to said trust funds, and provided further that the University System Center shall in addition thereto pay not less than \$25,000 a year toward the repayment to said trust funds, and provided further that in addition to the aforesaid amounts the University System Center shall pay such further amounts toward the repayment of said trust funds as it can conveniently pay without impairing its efficiency and operations.

5. Before this resolution shall be carried into force an appropriate proceeding shall be had in the name of the Regents of the University System of Georgia in a Superior Court of this state having jurisdiction thereof submitting the entire matter of this proposed investment of trust funds to such Superior Court for its approval and seeking from the court a decree approving the same and establishing the trust as against the property so to be purchased by decree of court. The obtaining of such decree is hereby made a condition precedent to the carrying out of this resolution.

6. The chancellor of the University System of Georgia and the chairman of the Board of Regents of the University System of Georgia are hereby authorized and directed to take all necessary and proper steps and to execute all necessary and proper papers appropriate to carrying this resolution into force and effect.