

Following appropriate notice to members of the press, the Board of Trustees of the University of Central Arkansas met via telephone conference at 10:00 a.m. Wednesday, July 16, 2003. The following trustees participated in the call:

Chair: Mr. Rush Harding  
Vice Chair: Mr. Kelley Erstine  
Secretary: Mr. Scott Roussel  
Mrs. Patricia Bassett  
Mr. Randy Sims  
Mr. Dalda Womack

with the following absent:

Dr. Michael Stanton

constituting a quorum of said Board, at which meeting the following business was transacted:

The Board met via teleconference to discuss the following issues:

1. A bond warrant agreement that gives Bank of America the option to refund the 1996 bond issues in 2006-2008.
2. A bond resolution that allows the bonds to be issued if the above option is exercised.
3. A resolution to designate the use of the option payment to make parking improvements, to construct a housing warehouse and to replace athletic administrative offices.

Following discussion during which President Hardin, Chairman Harding, Dr. John Smith, and Mr. Paul McLendon responded to questions from Board members, the following resolution was adopted unanimously upon motion by Mr. Sims with a second by Mr. Erstine:

#### **RESOLUTION**

**RESOLUTION AUTHORIZING THE EXECUTION OF A BOND WARRANT AGREEMENT BETWEEN THE UNIVERSITY OF CENTRAL ARKANSAS AND BANK OF AMERICA, N.A. RELATING TO THE ISSUANCE OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF CENTRAL ARKANSAS \$\_\_\_\_\_ STUDENT HOUSING REVENUE REFUNDING BONDS, SERIES 2006A, \$\_\_\_\_\_ STUDENT FEE REVENUE REFUNDING BONDS, SERIES 2006B AND \$\_\_\_\_\_ AUXILIARY REVENUE REFUNDING BONDS, SERIES 2006C (COLLECTIVELY, THE "2006 BONDS"); AUTHORIZING THE ISSUANCE, EXECUTION AND DELIVERY OF TRUST INDENTURES SECURING SUCH 2006 BONDS; PLEDGING CERTAIN REVENUES TO THE PAYMENT OF THE 2006 BONDS; AND PRESCRIBING OTHER MATTERS RELATING THERETO.**

**WHEREAS**, the Board of Trustees (the “Board”) of the University of Central Arkansas (the “University”) has determined that there is a need to refund certain prior revenue bonds of the Board which cannot be refunded until the year 2006, specifically, the Housing System Revenue Refunding Bonds, Series 1996 A, the Academic Facilities Revenue Bonds, Series 1996 B, and the Athletic Facilities Revenue Bonds, Series 1996 C (collectively, the “1996 Bonds”); and

**WHEREAS**, Bank of America, N.A. (the “Bank”) has proposed purchasing an option to purchase some or all of the 2006 Bonds, as defined below (the “Warrant”) for the sum of not less than \$ 675,000, pursuant to the provisions of a Bond Warrant Agreement dated \_\_\_\_\_, 2003, between the Board and the Bank (the “Bond Warrant Agreement”), the terms of which will include provisions prescribing the issuance of the 2006 Bonds, including maturities and interest rates substantially identical to the terms of the 1996 Bonds; and

**WHEREAS**, the sale of the Warrant will currently secure for the University the present value of the savings inherent in a refunding of the 1996 Bonds in 2006, when the 1996 Bonds are first callable; and

**WHEREAS**, by Resolution adopted on February 21, 2003, the Board authorized a contract to be prepared for the Warrant for the 1996 Bonds; and

**WHEREAS**, the Bond Warrant Agreement has been submitted to the Board for its final approval, subject to such changes and modifications as are further authorized herein; and

**WHEREAS**, capitalized terms used in this Resolution and not otherwise defined herein have the meanings set forth for such terms in the Bond Warrant Agreement, the Indentures, as hereinafter defined, and other Related Documents, as hereinafter defined, presented to and/or summarized in this meeting.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF CENTRAL ARKANSAS:**

**Section 1.** The Board hereby approves and authorizes the execution of the Bond Warrant Agreement, subject to receipt by the Board of a commitment for bond insurance insuring the 2006 Bonds (“Bond Insurance Commitment”) and consideration therefor of an amount that is not less than \$ \_\_\_\_\_, in substantially the same form as that presented to the Board at this meeting, with such changes and modifications as are necessary and as are directed by bond counsel and approved by the President or his designee. Upon the completion of such changes and modifications as are deemed necessary and the approval of such changes by the President or his designee, the Chairman and the Secretary of the Board, the President and such vice presidents as may be directed by the President are hereby authorized and directed to execute the Bond Warrant Agreement, together with such other certificates, documents and other writings, and to take such other actions as may be appropriate to cause the Warrant to be issued and otherwise to carry out the terms and purposes of this Resolution and the Bond Warrant Agreement, including but not limited to making the payment

of any cash settlement amount as may be required under the terms of the Bond Warrant Agreement in lieu of issuance of the 2006 Bonds. The Board further authorizes the payment of usual and customary costs of issuance and other expenses in conjunction with the execution and delivery of the Bond Warrant Agreement in accordance with its terms, including the costs of the Bond Insurance Commitment and the fees and expenses of the Closing Agent, identified in the Bond Warrant Agreement, and Bond Counsel.

**Section 2.** The 2006 Bonds shall be in such number of series, and have such principal amounts, interest rates, maturities, amortization schedule and such other terms and shall be secured as set forth in a Trust Indenture for each Series of 2006 Bonds (collectively, the “Indentures”), to be dated as of the issuance of the 2006 Bonds in 2006, which Indentures shall be substantially in the form presented to the Board at this meeting, with such changes and modifications as are necessary and as are directed by bond counsel and approved by the President or his designee; provided, that, in any event, the total debt service requirements for the 2006 Bonds for each year shall not exceed the total debt service requirements for the 1996 Bonds refunded thereby. Upon the completion of such changes and modifications as are deemed necessary and the approval of such changes by the President or his designee, the Chairman and the Secretary of the Board are hereby authorized and directed to execute such Indentures, and to place the Indentures in escrow pursuant to a closing agreement (the “Closing Agreement”), to be substantially in the form of that presented to this meeting, pursuant to which such Indentures may be completed by the escrow agent named in the Closing Agreement (the “Escrow Agent”) by insertion of the appropriate dates and other information as set forth in the Closing Agreement. In conjunction with the execution and delivery of the Indentures to the Escrow Agent pursuant to the Closing Agreement, the Chairman and the Secretary of the Board and the President of the University or any vice president designated by the President are each hereby authorized to execute and deliver the definitive 2006 Bonds of each Series (the “Bonds”) to the Escrow Agent pursuant to the Closing Agreement, in substantially the form of that presented to this meeting, pursuant to which such Bonds may be completed by the Escrow Agent by insertion of the appropriate dates and other information as set forth in the Closing Agreement. In conjunction with the delivery of the 2006 Bonds, the Board hereby authorizes and directs that the 1996 Bonds be called for redemption by the Trustee at the appropriate time. It is recognized by the Board that the 2006 Bonds may not be issued until the year 2007 rather than the year 2006. Therefore, it is hereby declared the intention of the Board that all approvals granted in this Resolution shall apply and be effective to the 2006 Bonds whether issued in the year 2006 or 2007 and any reference to the year 2006 herein is for convenience only.

**Section 3.** In connection with the issuance of the 2006 Bonds, it will be necessary to enter into certain additional agreements, and to execute and deliver certain other documents, certificates and instruments, including but not limited to an agreement governing the compliance by the University with certain tax requirements (the “Tax Regulatory Agreement”), an agreement providing for continuing disclosure (the “Continuing Disclosure Agreement”), an agreement respecting the escrow of funds for the payment of the Refunded Bonds (the “Escrow Deposit Agreement”) and other miscellaneous agreements and instruments, including the Bond Insurance Commitment (collectively the “Related Documents”). Upon the completion of the Related

Documents with such changes and modifications as are deemed necessary and the approval of the Related Documents, including any such changes, by the President or his designee, the Chairman and the Secretary of the Board are hereby authorized and directed to execute each of the Related Documents. The Chairman of the Board, the Secretary of the Board and the President of the University or any vice president designated by the President are each authorized to execute such other certificates, documents and other writings, and to take such other actions as may be appropriate to cause the 2006 Bonds to be issued and otherwise to carry out the terms and purposes of this Resolution. In connection with the issuance of the 2006 Bonds, the Board authorizes the payment of usual and customary costs of issuance and expenses, including but not limited to the premium for bond insurance issued pursuant to the Bond Insurance Commitment, and the fees and expenses of Bond Counsel.

**Section 4.** The Housing System Revenue Refunding Bonds, Series 2006A, shall be secured by all revenues received by the University in any Bond Year from the operation of the Housing System, remaining after payment of the current expenses incurred in operating the Housing System, and excluding that portion of the Housing System Revenues pledged to certain prior bond issues.

**Section 5.** The Student Fee Revenue Refunding Bonds, Series 2006B, shall be secured by that portion of the general tuition and fees paid by students attending the University in each Bond Year equal to 110% of the aggregate principal and interest due on the 2006 Bonds for such Bond Year and on any Parity Bonds.

**Section 6.** The Auxiliary Revenue Refunding Bonds, Series 2006C, shall be secured by all revenues received by the University in any Bond Year from the sale of parking decals to the faculty, staff and students of the University and collection of parking meter revenues and parking fines (the "Parking Facilities Fees"), student, faculty and staff facilities recreational fees imposed by the University (the "Student Facilities Fees"), all revenues from student athletic fees, athletic ticket sales, concession income, program advertising and sales and related miscellaneous revenues (the "Athletic Facilities Fees"), and such other fees imposed by the University from time to time as may be specifically designated in a Written Request, excluding general tuition and fees paid by students attending the University, and excluding that portion of such pledged revenues previously pledged to the payment of certain prior bonds.

**Section 7.** The form of an Official Statement has been submitted to this meeting of the Board, and the Board hereby approves the form of such Official Statement, in substantially the form submitted and authorizes the President or any vice president designated by the President, the Chairman of the Board and the Secretary to approve and deem final an Official Statement upon the issuance of the 2006 Bonds in the year 2006. Changes to such Official Statement shall be only the ones as are deemed appropriate by bond counsel, Issuer's counsel, the Underwriter (as defined below) and its counsel, and approved by the President or his designee. The Chairman of the Board is hereby authorized and directed to execute the final Official Statement upon the approval of the

President or his designee, and the distribution of such Official Statement to the purchasers of the 2006 Bonds is hereby authorized and directed.

**Section 8.** The Board hereby declares that Jack, Lyon & Jones, P.A., Little Rock, Arkansas be retained as Bond Counsel (“Bond Counsel”), and Bank of America Securities, LLC. be retained as Underwriter (“Underwriter”). The Board selects Bank of the Ozarks, Little Rock, Arkansas as Trustee of the Indentures. The Board hereby authorizes the President or his designee to negotiate the terms and conditions of agreements with Bond Counsel, the Trustee and the Underwriter, and to execute such documents as they determined are necessary and in the best interest of the Board.

**ADOPTED AND APPROVED** this \_\_\_ day of \_\_\_\_\_, 2003.

**BOARD OF TRUSTEES OF THE  
UNIVERSITY OF CENTRAL ARKANSAS**

By: \_\_\_\_\_  
Rush F. Harding, III, Chairman

**ATTEST:**

By: \_\_\_\_\_  
Scott Roussel, Secretary

**Campus Improvements** - The Bond Warrant agreement as previously approved by the Board will produce funding estimated at \$675,000 to 725,000. These funds could be used to fund a portion of three proposed construction projects - a new maintenance facility for housing, office space for athletics, and new parking lots.

When Wingo Hall is renovated, the housing department will lose its only maintenance and storage space. The university architect has designed a new housing maintenance facility to be constructed on the north side of campus near the retirement center. The estimated cost for this facility is \$300,000.

The new indoor athletic facility was designed to have administrative offices for athletics added at a later date. The existing offices are in a facility that is in very poor condition. New offices could be added to the indoor facility for an estimated cost of \$300,000.

Several new parking lots are currently under construction and being funded with operating reserves. This reserve could be reimbursed with the funds remaining after paying the current bond warrant costs and funding the housing maintenance and the athletic office facilities.

Following discussion, the following resolution was adopted unanimously upon motion by Mr. Erstine with a second by Mrs. Sims:

**“BE IT RESOLVED: THAT THE BOARD OF TRUSTEES AUTHORIZES THE ADMINISTRATION TO ALLOCATE APPROXIMATELY \$300,000 FROM THE PROCEEDS FROM THE BOND WARRANT AGREEMENT TO CONSTRUCT A HOUSING MAINTENANCE FACILITY, \$300,000 FOR ADMINISTRATIVE OFFICE SPACE FOR ATHLETICS AND THE REMAINING FUNDS TO COVER CURRENT BOND WARRANT COSTS AND TO REPLACE RESERVE FUNDS USED IN CONSTRUCTION OF PARKING LOTS.”**

Before adjournment, in response to questions from Board members, updates were given on Estes Stadium and housing.

There being no further business to come before the Board, the meeting was adjourned upon motion by Mr. Roussel with a second by Mr. Erstine.

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Mr. Rush Harding, Chair

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Mr. Scott Roussel, Secretary