

The Board of Trustees of the University of Central Arkansas convened in a called teleconference meeting at 4:00 p.m., Monday, June 25, 2012, with the following officers and members present:

Chair:	Mr. Bobby Reynolds
Vice Chair:	Mr. Victor Green
Secretary:	Mrs. Kay Hinkle
	Mr. Bunny Adcock
	Mrs. Elizabeth Farris
	Mr. Rush Harding, III

Mr. Brad Lacy was absent.

### **ACTION AGENDA**

#### **“Tax-Exempt Bond Issues - Post Issuance Compliance Policy” (Board Policy No. 608)** **(New)**

The Internal Revenue Service has, in recent months, been focusing on the need for issuers of tax-exempt obligations to adopt written policies and procedures for post-issuance compliance dealing with the debt issued.

The purpose of the written policies is to ensure continuing compliance with rules and regulations of the federal tax code; promote due diligence; identify the employee responsible for review; and have in place procedures to catch non-compliance and correct any matters which are deemed not to comply with federal tax rules and regulations.

Attached is a letter from the law firm of Jack Nelson Jones & Bryant setting forth the reasons a policy should be adopted. Under proposed Board Policy No. 608, the responsible person for ensuring continued compliance will be the Vice President for Finance and Administration.

The following resolution and Board Policy No. 608 were unanimously adopted upon motion by Bunny Adcock with a second by Kay Hinkle:

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

WHEREAS, the Board of Trustees (the “Board”) of the University of Central Arkansas (the “University”), has previously incurred, as issuer, certain tax-exempt obligations (the “Obligations”), and the Board of the University anticipates the incurrence of additional Obligations in the future; and

WHEREAS, upon the advice of Bond Counsel, to ensure that interest on the Obligations will continue to be excluded from gross income of the owners thereof for purposes of federal income taxation, and to ensure compliance with its certifications relating to the Obligations, the Board has determined that it is advantageous and in the best interest of the University to adopt certain post-issuance compliance policies in the form attached hereto as **Exhibit A** (the “Post-Issuance Compliance Policy”);

NOW, THEREFORE, BE IT RESOLVED by the Board that the Board hereby approves and adopts the Post-Issuance Compliance Policy.

IN WITNESS WHEREOF, the undersigned do hereby set our hands on this \_\_\_\_ day of \_\_\_\_\_, 2012, and hereby declare that the foregoing resolution was duly adopted at a meeting of the Board in accordance with the Articles of Incorporation and Bylaws of the University.

**UNIVERSITY OF CENTRAL ARKANSAS**

\_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

**UNIVERSITY OF CENTRAL ARKANSAS  
BOARD POLICY**

Policy

Number: 608

Subject: “Tax-Exempt Bond Issues – Post Issuance Compliance Policy”

Date Adopted: June 25, 2012 Revised: \_\_\_\_\_

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**1. Statement of Purpose**

This Post-Issuance Compliance Policy (this “Policy”) sets forth specific policies of the University of Central Arkansas (the “University”) designed to monitor post-issuance compliance of tax-exempt obligations (“Obligations”) issued by the University, with applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and regulations promulgated thereunder (“Treasury Regulations”).

This Policy documents practices and describes various procedures and systems designed to identify, on a timely basis, facts relevant to demonstrating compliance with the requirements that must be satisfied subsequent to the issuance of Obligations in order that the interest on such Obligations continue to be eligible to be excluded from gross income for federal income tax purposes. The federal tax law requirements applicable to each particular issue of Obligations will be detailed in the arbitrage or tax certificate prepared by bond counsel and signed by officials of the University with respect to that issue. This Policy establishes a permanent, ongoing structure of practices and procedures that will facilitate compliance with the requirements for individual borrowings.

**2. General Policies and Procedures**

The following policies relate to procedures and systems for monitoring post-issuance compliance generally.

- a. The Vice President of Finance and Administration or his or her designee (the “Compliance Officer”) shall be responsible for monitoring post-issuance compliance issues.
- b. The Compliance Officer will coordinate procedures for record retention and review of such records.
- c. All documents and other records relating to Obligations issued on behalf of the University shall be maintained by or at the direction of the Compliance Officer.
- c. The Compliance Officer will review post-issuance compliance procedures and systems on a periodic basis, but not less than annually.

### **3. Issuance of Obligations - Documents and Records**

With respect to each issue of Obligations, the Compliance Officer will:

- a. Obtain and store a closing binder and/or CD or other electronic copy of the relevant and customary transaction documents (the “Transcript”).
- b. Confirm that bond counsel has filed the applicable information report (e.g., Form 8038, Form 8038-G, Form 8038-CP) for such issue with the IRS on a timely basis.
- c. The Compliance Officer shall be aware of options for voluntary corrections for failure to comply with post-issuance compliance requirements (such as remedial actions under Section 1.141-12 of the Treasury Regulations and the Treasury’s Tax-Exempt Bonds Voluntary Closing Agreement Program) and take such corrective action when necessary and appropriate.
- d. Coordinate receipt and retention of relevant books and records with respect to the investment and expenditure of the proceeds of such Obligations with other applicable staff members of the University.

### **4. Arbitrage**

The following policies relate to the monitoring and calculating of arbitrage and compliance with specific arbitrage rules and regulations.

The Compliance Officer will:

- a. Confirm that a certification of the initial offering prices of the Obligations with such supporting data, if any, required by bond counsel, is included in the Transcript.
- b. Confirm that a computation of the yield on such issue from the University’s financial advisor or bond counsel (or an outside arbitrage rebate specialist) is contained in the Transcript.
- c. Maintain a system for tracking investment earnings on the proceeds of the Obligations.
- d. Coordinate the tracking of expenditures, including the expenditure of any investment earnings. If the project(s) to be financed with the proceeds of the Obligations will be funded with multiple sources of funds, confirm that the University has adopted an accounting methodology that maintains each source of financing separately and monitors the actual expenditure of proceeds of the Obligations.

- e. Maintain a procedure for the allocation of proceeds of the issue and investment earnings to expenditures, including the reimbursement of pre-issuance expenditures. This procedure shall include an examination of the expenditures made with proceeds of the Obligations within 18 months after each project financed by the Obligations is placed in service and, if necessary, a reallocation of expenditures in accordance with Section 1.148-6(d) of the Treasury Regulations.
- f. Monitor compliance with the applicable “temporary period” (as defined in the Code and Treasury Regulations) exceptions for the expenditure of proceeds of the issue, and provide for yield restriction on the investment of such proceeds if such exceptions are not satisfied.
- g. Ensure that investments acquired with proceeds of such issue are purchased at fair market value.
- h. Avoid formal or informal creation of funds reasonably expected to be used to pay debt service on such issue without determining in advance whether such funds must be invested at a restricted yield.
- i. Consult with bond counsel prior to engaging in any post-issuance credit enhancement transactions or investments in guaranteed investment contracts.
- j. Identify situations in which compliance with applicable yield restrictions depends upon later investments and monitor implementation of any such restrictions.
- k. Monitor compliance with six-month, 18-month or 2-year spending exceptions to the rebate requirement, as applicable.
- l. Procure a timely computation of any rebate liability and, if rebate is due, to file a Form 8038-T and to arrange for payment of such rebate liability.
- m. Arrange for timely computation and payment of “yield reduction payments” (as such term is defined in the Code and Treasury Regulations), if applicable.

## **5. Private Activity Concerns**

The following polices relate to the monitoring and tracking of private uses and private payments with respect to facilities financed with the Obligations.

The Compliance Officer will:

- a. Maintain records determining and tracking facilities financed with specific Obligations and the amount of proceeds spent on each facility.

- b. Maintain records, which should be consistent with those used for arbitrage purposes, to allocate the proceeds of an issue and investment earnings to expenditures, including the reimbursement of pre-issuance expenditures.
- c. Maintain records allocating to a project financed with Obligations any funds from other sources that will be used for otherwise non-qualifying costs.
- d. Monitor the expenditure of proceeds of an issue and investment earnings for qualifying costs.
- e. Monitor private use of financed facilities to ensure compliance with applicable limitations on such use. Examples of potential private use include:
  - i. Sale of the facilities, including sale of capacity rights;
  - ii. Lease or sub-lease of the facilities (including leases, easements or use arrangements for areas outside the four walls, e.g., hosting of cell phone towers) or leasehold improvement contracts;
  - iii. Management contracts (in which the University authorizes a third party to operate a facility, e.g., cafeteria) and research contracts;
  - iv. Preference arrangements (in which the University permits a third party preference, such as parking in a public parking lot);
  - v. Joint-ventures, limited liability companies or partnership arrangements;
  - vi. Output contracts or other contracts for use of utility facilities (including contracts with large utility users);
  - vii. Development agreements which provide for guaranteed payments or property values from a developer;
  - viii. Grants or loans made to private entities, including special assessment agreements; and
  - ix. Naming rights arrangements.

Monitoring of private use should include the following:

- i. Procedures to review the amount of existing private use on a periodic basis; and
- ii. Procedures for identifying, in advance, any new sale, lease or license, management contract, sponsored research arrangement, output or utility contract, development agreement or other arrangement involving private

use of financed facilities and for obtaining copies of any sale agreement, lease, license, management contract, research arrangement or other arrangement for review by bond counsel.

If the Compliance Officer identifies private use of facilities financed with tax-exempt debt, the Compliance Officer will consult with the University's bond counsel to determine whether private use will adversely affect the tax status of the issue and if so, what remedial action is appropriate. The Compliance Officer should retain all documents related to any of the above potential private uses.

## **6. Qualified Tax-Exempt Obligations**

If "qualified tax-exempt obligations" are issued on behalf of the University in any year, the Compliance Officer shall monitor all tax-exempt financings (including lease purchase arrangements and other similar financing arrangements) to assure that the \$10,000,000 "small issuer" limit is not exceeded.

## **7. Reissuance**

The following policies relate to compliance with rules and regulations regarding the reissuance of Obligations for federal law purposes.

The Compliance Officer will identify and consult with bond counsel regarding any post-issuance change to any terms of an issue of Obligations which could potentially be treated as a reissuance for federal tax purposes.

## **8. Record Retention**

The following policies relate to retention of records relating to the Obligations issued. The Compliance Officer will:

- a. Coordinate with staff regarding the records to be maintained by the University to establish and ensure that an issue remains in compliance with applicable federal tax requirements for the life of such issue.
- b. Coordinate with staff to comply with provisions imposing specific recordkeeping requirements and cause compliance with such provisions, where applicable.
- c. Coordinate with staff to generally maintain the following:
  - i. The Transcript relating to the transaction (including any arbitrage or other tax certificate and the bond counsel opinion);
  - ii. Documentation evidencing expenditure of proceeds of the issue;

- iii. Documentation regarding the types of facilities financed with the proceeds of an issue, including, but not limited to, whether such facilities are land, buildings or equipment, economic life calculations and information regarding depreciation.
  - iv. Documentation evidencing use of financed property by public and private entities (e.g., copies of leases, management contracts, utility user agreements, developer agreements and research agreements);
  - v. Documentation evidencing all sources of payment or security for the issue; and
  - vi. Documentation pertaining to any investment of proceeds of the issue (including the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received by the investment of proceeds, guaranteed investment contracts, and rebate calculations).
- d. Coordinate the retention of all records in a manner that ensures their complete access to the IRS.
  - e. Keep all material records for so long as the issue is outstanding (including any refunding), plus seven years.

## **9. Continuing Disclosure**

Under the provisions of SEC Rule 15c2-12 (the “Rule”), underwriters are required to obtain an agreement for ongoing disclosure in connection with the public offering of securities in a principal amount in excess of \$1,000,000. Unless the University is exempt from compliance with the Rule as a result of certain permitted exemptions, the Transcript for each issue of Obligations will include an undertaking by the University to comply with the Rule. The Compliance Officer of the University will monitor compliance by the University with its undertakings, which may include the requirement for an annual filing of operating and financial information and will include a requirement to file notices of listed “material events.”



**Request to Proceed with Issuance of Bonds to finance the acquisition of Bear Village Apartments from the University of Central Arkansas Foundation, Inc.**

This action agenda item involves Bear Village Apartments. At the May 4, 2012, Board meeting, the Board approved a request by the University of Central Arkansas Foundation, Inc. (“Foundation”) that the University of Central Arkansas (“University”) consent to the Foundation’s re-financing of the indebtedness owed by the Foundation on the Bear Village transaction. At that meeting, however, it was stated by the administration that it would review the financial terms of the transaction and bring a recommendation to the Board on whether or not the University should acquire the apartments under a purchase option.

By way of background, in 2005, the Foundation acquired an apartment complex known as “Bear Village” from Rush-Hal Development, LLC, and Centennial Valley, LLC (the developers of the apartment project). In order to acquire the apartment complex, the Foundation borrowed funds from the proceeds of a bond issue by the Conway Public Facilities Board.

As part of the transaction, after the closing of the purchase and sale of Bear Village, the Foundation (as Lessor) and the University (as Lessee) entered into a thirty-year (30) lease. The apartments are used as University housing, and the continuing lease obligations are included in the University’s budget. The lease payments are based upon the debt service payments made by the Foundation to the bondholders, plus an additional sum.

Under the terms of the closing documents with the Foundation, the University has the option to purchase the apartment complex for (a) the outstanding principal plus any accrued but unpaid interest, plus (b) \$100,000.

Based upon discussions with the University’s bond underwriters (Crew & Associates), it has been determined that the University will achieve substantial savings if funds are borrowed (through the issuance of University housing bonds) and the proceeds used to acquire the apartments under the purchase option. The estimated bond issue would be approximately \$12,000,000, and the term of the bonds would match the remaining term of the lease (so the term would be no longer than the University is currently obligated).

Based on current market conditions, the estimated savings (on a present value basis) for purchasing Bear Village from the Foundation are approximately \$1.1 million and, if interest rates increase by 50 basis points prior to closing, the estimated savings would be approximately \$425,000.

Two charts are attached as exhibits to this information. The first chart illustrates the estimated cost savings to the University in making the acquisition at this time. The second chart shows the difference between the current lease payments to the Foundation and the current debt service of the Foundation. The savings are generated due to (a) eliminating the incremental lease payments above the Foundation’s debt service requirements and (b) the University receiving a lower interest rate on the acquisition than the interest rate now being paid to bondholders by the Foundation.

The following resolution was unanimously adopted upon motion by Victor Green with a second by Bunny Adcock. Rush Harding recused from voting.

**A RESOLUTION BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF CENTRAL ARKANSAS AUTHORIZING PREPARATIONS FOR THE ISSUANCE OF CAPITAL IMPROVEMENT BONDS NOT TO EXCEED \$12,500,000**

**WHEREAS**, the General Assembly of the State of Arkansas at its 1947 Regular Session enacted Act 62 of 1947 (Arkansas Code Annotated §6-62-301 *et seq.*), as amended, (the “Act”) pursuant to which the University of Central Arkansas (“UCA”) is authorized and empowered as a public agency of the State of Arkansas to purchase and acquire student housing facilities or other improvements, which the UCA Board of Trustees (the “Board”) deems proper, and to issue bonds in order to finance such;

**WHEREAS**, the Board, at its May 2012 meeting, approved a request by the University of Central Arkansas Foundation, Inc. (the “Foundation”) that UCA consent to the Foundation’s re-financing of the indebtedness owed by the Foundation with respect to the Bear Village Apartment facility (“Bear Village”), subject to further review and recommendation by UCA administration with respect to whether UCA should acquire Bear Village under the purchase option provided for under the original Bear Village financing transaction;

**WHEREAS**, the UCA administration has determined that UCA will achieve substantial savings if funds are borrowed through the issuance of UCA housing facility bonds and used to acquire Bear Village; and

**WHEREAS**, the Board recommends the commencement of preparations for the issuance of capital improvement bonds (the “Bonds”) in an amount not to exceed \$12,500,000 for the purposes described above.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD THAT:**

**Section 1.** The Board authorizes the administration to commence all necessary preparations for the issuance of the Bonds in an amount not to exceed \$12,500,000 with a term not exceeding 30 years, to be issued in such series, to mature, to bear interest and to contain such other terms and conditions satisfactory to the administration, subject to final review and approval by resolution of this Board.

**Section 2.** The Board authorizes the administration to seek approval from the Arkansas Higher Education Coordinating Board for the issuance of the Bonds.

**Section 3.** The Bonds will be issued for the purpose of acquiring the Bear Village Apartment facility and for paying costs associated with the issuance of the Bonds.

ADOPTED AND APPROVED June \_\_\_\_, 2012.

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

By: \_\_\_\_\_  
Bobby Reynolds, Chairman

ATTEST:

By: \_\_\_\_\_  
Kay Hinkle, Secretary

**“Contract Review Procedures” (Board Policy No. 416)**

Pursuant to Board Policy No. 416, “Contract Review Procedures,” the administration must seek Board approval for (i) Any contract which will require the expenditure by the University of funds (at any time) in excess of \$250,000; or (ii) Any contract with a term exceeding one (1) year, unless the Office of General Counsel certifies, in writing, that the contract may be terminated by the University on the giving of written notice of ninety (90) days or less.

The administration is seeking Board approval for the following contract:

Agreement between the University of Central Arkansas and Ellucian Company, L.P. This contract is an amendment to an existing maintenance agreement, adding maintenance for the DegreeWorks module in the University’s Banner implementation. DegreeWorks is an advising and degree audit Banner module.

The following resolution was unanimously adopted upon motion by Bunny Adcock with a second by Elizabeth Farris:

**“BE IT RESOLVED: That the Board of Trustees authorizes the administration to enter into the contract with the company listed above.”**

UNIVERSITY OF CENTRAL ARKANSAS

**REASON FOR REQUIRING BOARD REVIEW AND ACTION:**  
***(Board Policy #416)***

Contract with a term of more than one year

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**SUMMARY**

1. Parties: University of Central Arkansas and Ellucian Company, L.P.
2. Purpose: Amendment to existing maintenance agreement, adding maintenance for the DegreeWorks module in the University's Banner implementation. DegreeWorks is an advising and degree audit Banner module.
3. Term: 10 years (Optional Termination Dates: June 30, 2015 and June 30, 2018).
4. University Funds to be paid: \$8,775 (for the first contract year); in subsequent years, the amount to cover the maintenance agreement for DegreeWorks will be added to the University's existing maintenance agreement.
5. Funds Received: None
6. Public Bid/Purchasing Approval: None
7. Special Provisions/Terms/Conditions: None.
8. Approval/Notification to UCA Foundation: None.

Form prepared by: Katie Henry, Associate General Counsel

Date: June 22, 2012

**Appointment of New Member to Board of Directors of the UCA/Conway Regional Health Education Foundation, Inc.**

The University and Conway Regional Medical Center have formed an Arkansas non-profit corporation known as “UCA/Conway Regional Healthcare Education Foundation, Inc. “

This is the entity which will raise private funds for, and then operate once constructed, a comprehensive nursing and healthcare education facility on land on the north side of the campus (at the corner of College and Western).

Under the terms of a Memorandum of Understanding between the parties, each party is to appoint four members to the Board of Directors. The University’s appointees are the UCA Board Chair (Mr. Bobby Reynolds), and Dr. Neil Hattlestad, Mr. Jack Gillean and Ms. Shelley Mehl. Due to the resignation of Mr. Gillean, it is necessary to appoint another member for the University.

The administration recommends that Dr. Steven Runge, Interim Provost and Vice President for Academic Affairs, be appointed to fill the vacancy created by Mr. Gillean’s resignation.

The following resolution was unanimously adopted upon motion by Bunny Adcock with a second by Kay Hinkle:

**“BE IT RESOLVED: That Dr. Steven Runge, Interim Provost and Vice President for Academic Affairs, is hereby appointed as a representative of the University of Central Arkansas, to the Board of Directors of the UCA/Conway Regional Healthcare Education Foundation, Inc.”**

There being no further business to come before the Board the meeting was adjourned upon motion and second.

**The University of Central Arkansas  
Board of Trustees**

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**Bobby Reynolds, Chair**

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**Kay Hinkle, Secretary**

# ATTACHMENTS



**JACK NELSON JONES**  
**& BRYANT** PROFESSIONAL ASSOCIATION

ATTORNEYS AT LAW  
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June 7, 2012

Ms. Diane Newton  
Vice President of Finance and Administration  
University of Central Arkansas  
201 Donaghey Avenue  
Conway, Arkansas 72035

**Re: Post-Issuance Compliance Policy for Tax-Exempt Issues**

Dear Ms. Newton:

In recent months, the Internal Revenue Service has been focusing on the need for issuers of tax-exempt obligations to adopt written policies and procedures dealing with post-issuance due diligence and compliance. The need for written policies applies to all types of issuers of tax-exempt obligations.

As noted in its most recent internet publication on post-issuance compliance for tax-exempt bond community (<http://www.irs.gov/taxexemptbond/article/0,,id=243503,00.html>), the IRS indicates that these written procedures must

“...go beyond reliance on tax certificates included in bond documents provided at closing. Sole reliance on the closing bond documents may result in procedures insufficiently detailed or not incorporated into an issuer’s operations. Written procedures should contain certain key characteristics, including making provision for:

- Due diligence review at regular intervals;
- Identifying the official or employee responsibility for review;
- Training of the responsible official or employee;
- Retention of adequate records to substantiate compliance (e.g., records relating to expenditure of proceeds);
- Procedures reasonably expected to timely identify noncompliance; and
- Procedures ensuring that the issuer will take steps to timely correct noncompliance.

The goal of establishing and following written procedures is to identify and resolve noncompliance, on a timely basis, to preserve the preferential status of tax-advantaged bonds. Generally, an issuer that has established and followed comprehensive written procedures to promote post-issuance compliance is less likely



June 7, 2012  
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than an issuer that does not have such procedures, to violate the federal tax requirements related to its bonds.”

The IRS has further stated that any issuer who identifies a violation in accordance with the implementation of its written post-issuance compliance procedures can generally expect to receive more favorable treatment in resolving its tax violation under IRS's voluntary compliance program (VCAP) than if the issuer has not implemented such procedures.

Our firm is of the view that this last statement, more than any other set forth on the IRS's website, together with the revisions to Forms 8038 in 2011 that specifically require an issuer to report whether it has adopted post-issuance compliance procedures, represent significant change in tone in the IRS's approach to post-issuance compliance and can be read to be imposing an affirmative duty on issuers to adopt such procedures as soon as possible.

Our firm recommends that all issuer of governmental bonds adopt and implement written post-issuance compliance policies as soon as practicable. To facilitate the adoption and implementation, attached are forms of a resolution and procedures documentation that may be used or tailored by issuers to establish and implement written procedures.

Very truly yours,

JACK NELSON JONES  
& BRYANT, P.A.

*Jack Nelson Jones*  
*+ Bryant, P.A.*



**University of Central Arkansas**  
**Preliminary Series 2012 Financing Scenario**

	<b>UCA Foundation (Bear Village) Series 2005</b>	<b>Bear Village Acquisition</b>
Par Amount of Bonds (Outstanding/Issued)	\$ 11,270,000	\$ 11,910,000
Interest Rate / Average Coupon	4.55%	3.74%
All-Inclusive Interest Rate*	-	3.91%
Bond Redemption Date	September 1, 2013	-
Final Maturity	September 1, 2035	September 1, 2035
Average Lease/Bond Payment	\$ 856,418	\$ 722,937
Gross Debt Service Savings vs. Lease Payments		\$ 1,554,183
Net Present Value Savings vs. Lease Payments		\$ 1,091,599
<b>Estimated Sources of Funds</b>		
Par Amount of Bonds		\$ 11,910,000
Transfers from Prior Issue Debt Service Fund		537,976
Transfers from Prior Issue DSR Fund		792,956
<b>Total Sources of Funds</b>		<b>\$ 13,240,933</b>
<b>Estimated Uses of Funds</b>		
Deposit to Net Cash Escrow		\$ 12,292,265
Deposit to DSR Fund		598,292
UCA Foundation Redemption Payment		100,000
Bond Insurance Premium		98,529
Estimated Costs of Issuance		151,847
<b>Total Uses of Funds</b>		<b>\$ 13,240,933</b>

\* Interest rates & costs are preliminary & subject to change.

\*\* If interest rates increase 50 basis points to an average coupon of approximately 4.25%, gross debt service savings is about \$600,000 with roughly \$425,000 in present value savings.



Preliminary

**\$11,910,000.00**

Board of Trustees of the University of Central Arkansas  
Bear Village Acquisition

### Cash Flow Comparison - Market

DATE	Bond P&I	Lease Payment	Savings	PV Factor	PV Savings
09/01/2012	-	-	-	1.0000000x	-
09/01/2013	775,021.11	814,491.54	39,470.43	0.9617873x	41,526.70
09/01/2014	775,075.00	814,589.04	39,514.04	0.9265698x	40,371.94
09/01/2015	771,565.00	814,319.04	42,754.04	0.8926419x	41,813.03
09/01/2016	777,275.00	838,906.54	61,631.54	0.8599562x	56,749.57
09/01/2017	777,275.00	840,619.04	63,344.04	0.8284674x	56,142.68
09/01/2018	778,567.50	840,469.04	61,901.54	0.7981316x	52,999.91
09/01/2019	779,645.00	838,769.04	59,124.04	0.7689067x	48,975.87
09/01/2020	775,507.50	842,019.04	66,511.54	0.7407518x	52,741.21
09/01/2021	779,972.50	862,169.04	82,196.54	0.7136279x	62,209.39
09/01/2022	780,065.00	867,229.04	87,164.04	0.6874972x	63,475.86
09/01/2023	779,655.00	866,179.04	86,524.04	0.6623233x	60,817.22
09/01/2024	783,742.50	870,249.04	86,506.54	0.6380711x	58,699.14
09/01/2025	782,160.00	869,154.04	86,994.04	0.6147071x	56,939.07
09/01/2026	780,075.00	873,239.04	93,164.04	0.5921985x	58,626.02
09/01/2027	780,387.50	867,839.04	87,451.54	0.5705141x	53,297.00
09/01/2028	779,950.00	867,726.54	87,776.54	0.5496237x	51,629.22
09/01/2029	778,762.50	872,789.04	94,026.54	0.5294983x	53,178.94
09/01/2030	786,825.00	867,766.54	80,941.54	0.5101098x	44,638.13
09/01/2031	783,762.50	878,066.54	94,304.04	0.4914312x	49,724.72
09/01/2032	781,775.00	873,029.04	91,254.04	0.4734366x	46,557.81
09/01/2033	783,725.00	872,895.30	89,170.30	0.4561009x	44,022.47
09/01/2034	789,400.00	877,818.42	88,418.42	0.4394000x	42,221.80
09/01/2035	190,295.50	74,335.42	(115,960.08)	0.4233106x	(45,758.98)
<b>Total</b>	<b>\$17,350,484.11</b>	<b>\$18,904,667.44</b>	<b>\$1,554,183.33</b>	<b>-</b>	<b>\$1,091,598.72</b>

Crews & Associates, Inc.  
Public Finance