

Following appropriate notice to members of the press, the Board of Trustees of the University of Central Arkansas met via a telephone conference call at 2:00 p.m. Tuesday, December 19, 1995. The following trustees participated in the call:

Chair:	Mr. Madison P. Aydelott III
Vice Chair:	Mr. Rush F. Harding III
Secretary:	Dr. Harold H. Chakales, Secretary
	Mrs. Elaine W. Goode
	Mr. Dalda F. Womack

and with the following absent, to-wit:

Mr. Jerry L. Malone
Mr. Joe M. White

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

AETN/UCA/CONWAY Conference Center - The following resolution was provided to members of the Board for review prior to the conference call.

WHEREAS The University of Central Arkansas and the Arkansas Educational Television Network are preparing to construct a telecommunications center; and

WHEREAS, the City of Conway has indicated a desire to join with UCA and AETN to include a conference center in the project; and

WHEREAS, there is a great need at UCA to expand Continuing Education opportunities through a conference center to serve commerce and industry, civic groups, educational institutions and other community organizations; and

WHEREAS, in accordance with a Memorandum of Understanding, a copy of which is attached to and herewith made a part of this resolution, the conference center will be made available to the people of Conway for their use; and

WHEREAS, the Conway City Council, by Resolution No _____ has requested that the Conway Corporation advance to UCA funds in an amount not to exceed 2.25 million dollars for the conference center project.

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

THAT, THE CHAIRMAN AND SECRETARY OF THIS BOARD ARE HEREWITH DIRECTED AND EMPOWERED TO ENTER INTO A CERTAIN MEMORANDUM OF UNDERSTANDING, A COPY OF WHICH IS ATTACHED TO AND HEREWITH MADE A PART OF THIS RESOLUTION, FOR AND IN BEHALF OF THE UNIVERSITY OF CENTRAL ARKANSAS, AND,

FURTHER, THE PRESIDENT AND VICE PRESIDENT OF FINANCE OF THE UNIVERSITY OF CENTRAL ARKANSAS ARE HEREWITH INSTRUCTED AND EMPOWERED TO RECEIVE FUNDS TO BE USED EXCLUSIVELY FOR THE CONSTRUCTION OF THE CONFERENCE FACILITY, AS INDICATED IN THE MEMORANDUM OF UNDERSTANDING.

THIS RESOLUTION IS ADOPTED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF CENTRAL ARKANSAS, DECEMBER 19, 1995.

MEMORANDUM OF UNDERSTANDING

The purpose of this Memorandum of Understanding is to set out the provisions of an agreement between UCA and the City of Conway concerning obligations and privileges of the parties hereto concerning a conference center to be constructed by UCA.

UCA shall be responsible for the operation and maintenance of the conference center and shall have the right to set and collect fees from all users.

Conway Corporation, in behalf of the citizens of Conway, shall contribute an amount not to exceed \$2,250,000.00 toward funding of the project. Contributions shall be made as needed during the construction of the conference center.

While UCA will have full ownership and custody of the center, an advisory committee will advise with the UCA administration, concerning use of the conference center. This advisory committee will be composed of the Mayor of the City of Conway, the General Manager of Conway Corporation, President of the Conway Area Chamber of Commerce, and the Chairman of the Conway Industrial Development Corporation Board or their respective designees. They will convene annually, or more often if necessary, on call of the UCA administration to receive a report and review operations policy and rental rate fees.

The City of Conway, the Conway Corporation and the Conway Area Chamber of Commerce, and other community interests shall have priority use of the conference center; provided, however, reservations of the center must be made in advance and in accordance with the guidelines developed by UCA with advice from the advisory committee.

This partnership between the citizens of this community and one of our state's premier institutions will further strengthen the economic climate in Conway and Faulkner County. All parties are pledged to use their best efforts to keep the spirit of cooperation and work to insure all parties benefit from the dynamic relationship intoned in this Memorandum of Understanding.


Chairman, UCA Board of Trustees

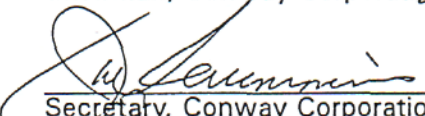
Jan 8, 1996
Date


Secretary, UCA Board of Trustees

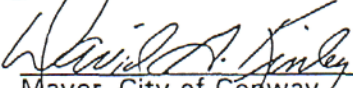
1-8-96
Date


Chairman, Conway Corporation Board of Directors

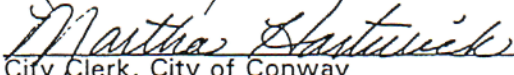
12-19-95
Date


Secretary, Conway Corporation Board of Directors

12-19-95
Date


Mayor, City of Conway

12-19-95
Date


City Clerk, City of Conway

12-19-95
Date

In response to a question from Mr. Harding, President Thompson stated that the total amount of this project is uncertain at this time. He explained that UCA has an allocation of \$6.5 million under the College Savings Bond Program for the AETN/UCA Communications Center project. The \$2.25 million mentioned above will be in addition to UCA's allocation. He further explained that AETN has a \$7 million state appropriation which has not yet been funded ... but we're optimistic.

President Thompson explained that preliminary cost figures are available; however, those most likely will change as the planning process continues.

Mrs. Goode asked if federal funds are available in addition to the amounts mentioned above. President Thompson stated that he is uncertain of the availability of federal funds but will check into the matter. He stated that to complete the auditorium it is likely that additional funds will be needed; therefore, alternative methods of funding will be looked at for that portion of the project. President Thompson explained that the project could ultimately be in the \$20 million range.

The above resolution was adopted upon motion by Mr. Harding with a second by Mr. Womack with all members present voting aye.

Mr. Aydelott expressed his appreciation to Conway Corporation and Mr. Jim Brewer, retired General Manager, for this kind and generous gift to the university and the community.

Mr. Womack moved that a resolution of appreciation for Mr. Brewer and Conway Corporation be prepared and placed on the agenda for the next regularly scheduled Board meeting. The motion was seconded by Mrs. Goode and passed unanimously.

Mrs. Goode expressed her gratitude as a citizen of the community and a member of the Board. She stated that this is a significant gift not only for UCA and AETN but the community of Conway and the entire state. She further stated that this will impact many lives, not only within the state but across the world in the way different technologies can be utilized for communication.

President Thompson expressed his agreement with comments from members of the Board. He stated that this is a wonderful example of the community and the university working together on something that will benefit all institutions and members of the community. He also stated that this is a further example of what makes the City of Conway a wonderful place to live and work.

Capital Funding - At the conclusion of a discussion at the December 8, 1995 UCA Board Meeting, the Board granted approval to issue bonds not to exceed \$10 million with repayment of the bonds over a period not to exceed 30 years. This authorization also limited bonds for athletic facilities to an amount which shall not exceed the amount determined to be economically feasible by the State Board of Higher Education. The authorization for the issuance of bonds is subject to UCA Board approval after receipt of certain requested data.

An alternative to issuing bonds may be to consider long term loans from local banking institutions (8 to 10 years) with a balloon payment at the end of the loan period with the understanding that interest rates for the renewal of the balance would not exceed interest limits agreed upon in the original loan agreement.

The employment of a financial advisor will be helpful to the Administration as it prepares recommendations to the Board regarding the best financing plan for this capital project.

Mr. Harding stated that this resolution gives the university an additional avenue to explore in securing the best financial plan for these projects. He further stated that UCA should not limit itself in regard to what alternatives are accessible.

President Thompson stated that after preliminary studies of Arkansas statutes there appears to be no statutory or other prohibition against UCA securing this type of loan agreement.

Mr. Harding moved for the adoption of the resolution. Mrs. Goode seconded the motion and expressed her appreciation to Mr. Harding for his financial expertise which helps UCA operate more efficiently.

Dr. Chakales joined the conference call at this point. After being informed by Mr. Aydelott of the vote taken on the previous resolution Dr. Chakales voiced his agreement.

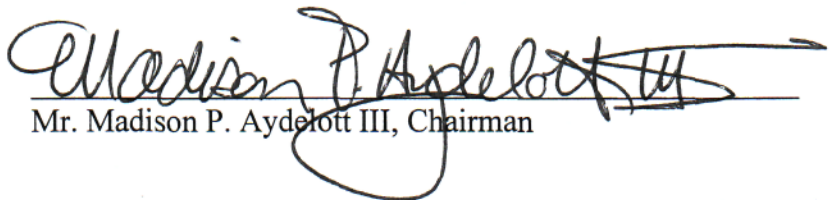
Mr. Aydelott informed Dr. Chakales that a motion had been made and seconded that the following resolution be adopted. The motion passed with all members present voting aye.

"BE IT RESOLVED: THAT THE ADMINISTRATION IS AUTHORIZED TO EMPLOY A FINANCIAL ADVISOR TO WORK WITH THE UNIVERSITY IN THE DEVELOPMENT OF THE MOST ECONOMICALLY FEASIBLE FINANCIAL ARRANGEMENT FOR SECURING FUNDING NEEDED FOR CAPITAL PROJECTS,

PROVIDED FURTHER: THAT, AS AN ALTERNATIVE TO BOND FINANCING, THE ADMINISTRATION IS AUTHORIZED TO NEGOTIATE A BANK LOAN FOR CAPITAL CONSTRUCTION, SUCH LOAN SUBJECT TO FINAL APPROVAL BY THE BOARD OF TRUSTEES."

President Thompson stated that it was his understanding that the Conway City Council was scheduled to meet that afternoon to approve a similar memorandum of understanding and that the Conway Corporation would also act on the item with respect to the construction of a conference center later that afternoon.

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


Mr. Madison P. Aydelott III, Chairman


Dr. Harold H. Chakales, Secretary