

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 10:00 a.m., Tuesday, June 2, 1992. The following Trustees participated in the call:

Chairman:	Mrs. Elaine Goode
Vice Chairman:	Mr. Jerry Malone
Secretary:	Mr. Dalda F. Womack
	Mr. Ben F. Burton
	Mr. Joe White
	Mr. Rush Harding III

and with the following absent, to-wit:

Mr. Madison P. Aydelott III

constituting a quorum of said Board.

Mrs. Elaine Goode, Mr. Joe White, Dr. Winfred Thompson, Dr. H. B. Hardy, Dr. Bill Berry, Mr. John Ward, Mr. Bob McCormack, Mr. Bill Spivey (Bond Counsel), Ms. Julie McDonald, Mr. Jim Schneider, and Ms. Tammy Keith (Log Cabin Democrat reporter) were present in President Thompson's office during the call.

The following business was transacted, to-wit:

**Issuance of Bonds** - At the January 31, 1992 Board of Trustees meeting the President was granted authority to develop plans for several academic projects including an art gallery and renovation of the fly loft of the University theater. The President was also granted the authority to request an economic feasibility from the State Board of Higher Education for the issuance of bonds not to exceed \$5 million. An economic feasibility study was requested for \$3.5 million of bonds and this request was ruled to be economically feasible and authority has been granted, by the State Board of Higher Education, to issue up to \$3.5 million in 20 year bonds at a rate not to exceed 10 percent.

At the February 21, 1992 meeting, the Board of Trustees authorized the issuance of \$2.5 million in 20 year bonds with a maximum interest rate of 10 percent, to partially finance the academic complex to be located where the Ben T. Laney building now stands.

This is to request authority to issue the remaining \$1 million in bonds with a life of 20 years and an interest rate not to exceed 10 percent, to finance an art gallery, fly loft in the University theater, other academic renovations and improvements of parking facilities on the University campus. Administrative costs will be reduced by issuing these bonds in conjunction

with the other \$2.5 million of permanent financing and the refunding of some of our existing bonds which the Board has previously authorized.

Mr. Malone expressed his concern that there are more severe needs for which these funds could be spent including those of mass communications as stated in the report from the Department of Higher Education.

President Thompson explained that the tentative plan is to include the needs of the journalism/mass communications program in the reconstruction of Laney Hall already approved. Therefore, these needs should be met before the projects mentioned in the resolution below are funded. President Thompson stated that UCA has already met many of the computer facilities needs which were discussed in the DHE report.

Mr. Malone also expressed his concern about how collateralized tuition and fees are in relation to the bond issue, and asked if this information is available for his perusal.

Mr. Harding stated that Mr. Malone's concerns are valid ones and even though Mr. McCormack (Vice President for Financial Affairs) has reassured the Board that UCA is well within its abilities to repay the bonds, Mr. Harding requested that appropriate financial information be sent to members of the Board by bond counsel.

The following resolution was adopted upon motion by Mr. Harding, seconded by Mr. Womack, and passed with a negative vote by Mr. Malone:

**"BE IT RESOLVED: THAT THE BOARD OF TRUSTEES AUTHORIZES THE PRESIDENT OF THE UNIVERSITY OF CENTRAL ARKANSAS TO PREPARE FOR THE SALE OF BONDS IN THE AMOUNT OF \$1,000,000 FOR A LIFE OF 20 YEARS AND A MAXIMUM INTEREST RATE OF 10 PERCENT TO BE USED FOR THE CONSTRUCTION OF AN ART GALLERY, FLY LOFT IN THE UNIVERSITY THEATER, OTHER ACADEMIC RENOVATIONS AND IMPROVEMENTS OF PARKING FACILITIES ON THE UNIVERSITY CAMPUS.**

**BE IT FURTHER RESOLVED: THAT THE PRESIDENT SHARE WITH THE BOARD AT SUBSEQUENT MEETINGS THE ARCHITECTURAL PLANS AS THEY PROGRESS AND PROVIDE INFORMATION ON THE DEVELOPMENT OF THE BOND ISSUE."**

Following action taken by the Board at its May 1, 1992 meeting, the Vice President for Financial Affairs has made certain preliminary investigations which indicate that refunding of the 1974 Health Science Center Project Bonds and the 1985 Lewis Science Center Project Bonds may result in interest rate savings to the University. A more detailed analysis of the potential for savings has been requested, but this evaluation has not been completed as of today's date. It is anticipated that the final refunding analysis will verify that refunding of the prior bonded indebtedness will result in an economic benefit to the University.

It is recommended that the Board grant specific authorization to refund the 1974 Bonds and the 1985 Bonds in an amount not to exceed \$2,500,000, subject to the receipt by the Vice President for Financial Affairs of satisfactory evidence that such refunding will result in interest savings and economic benefit to the University.

The following resolution was adopted upon motion by Mr. White, seconded by Mr. Burton, and passed:

**"BE IT RESOLVED: THAT THE BOARD OF TRUSTEES AUTHORIZES THE REFUNDING OF OUTSTANDING BONDED INDEBTEDNESS OF THE UNIVERSITY IN THE AMOUNT OF UP TO \$2,500,000 TO SECURE INTEREST RATE SAVINGS RESULTING FROM LOW CURRENT INTEREST RATES, SUBJECT TO RECEIPT BY THE VICE PRESIDENT FOR FINANCIAL AFFAIRS OF SATISFACTORY EVIDENCE AND THAT SUCH REFUNDING WILL RESULT IN INTEREST RATE SAVINGS AND ECONOMIC BENEFIT TO THE UNIVERSITY, AND AUTHORIZES THE ADMINISTRATION TO TAKE ALL THE NECESSARY ACTIONS TO ISSUE SUCH BONDS."**

**Resolution Relating to the Issuance of Not to Exceed \$6,000,000 Refunding and Academic Facilities Revenue Bonds, Series 1992 -**

The following resolution was adopted upon motion by Mr. Burton, seconded by Mr. Harding, and passed with Mr. Malone abstaining:

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

**SECTION 1. FINDINGS. THE BOARD OF TRUSTEES OF THE**

UNIVERSITY OF CENTRAL ARKANSAS (THE "BOARD"), AS THE GOVERNING BODY OF THE UNIVERSITY OF CENTRAL ARKANSAS (THE "UNIVERSITY"), AT ITS MEETINGS HELD ON THE DATES SET FORTH HEREINAFTER, HAS APPROVED THE ISSUANCE OF BONDS IN AN AGGREGATE AMOUNT NOT TO EXCEED \$6,000,000, THE PROCEEDS OF WHICH BONDS WILL BE USED FOR THE FOLLOWING PURPOSES:

(A) AT ITS FEBRUARY 21, 1992, MEETING THE BOARD AUTHORIZED THE SALE OF BONDS IN THE AMOUNT OF \$2,500,000 FOR THE PURPOSE OF PAYING A PORTION OF THE COSTS OF CONSTRUCTING AN ACADEMIC COMPLEX TO REPLACE LANEY HALL ON THE UNIVERSITY CAMPUS; AND

(B) AT ITS JUNE 2, 1992, MEETING THE BOARD AUTHORIZED THE SALE OF BONDS IN THE AMOUNT OF \$1,000,000 FOR THE PURPOSE OF PAYING A PORTION OF THE COSTS OF CONSTRUCTION OF AN ART GALLERY, FLY LOFT IN THE UNIVERSITY THEATER, OTHER ACADEMIC RENOVATIONS AND IMPROVEMENTS OF PARKING FACILITIES ON THE UNIVERSITY CAMPUS; AND

(C) AT ITS MAY 1, 1992, MEETING, THE BOARD AUTHORIZED THE REFUNDING OF OUTSTANDING BONDED INDEBTEDNESS OF THE UNIVERSITY TO SECURE INTEREST RATE SAVINGS RESULTING FROM LOW CURRENT INTEREST RATES; AND

(D) AT ITS JUNE 2, 1992 MEETING, THE BOARD AUTHORIZED THE REFUNDING OF ITS 1974 HEALTH SCIENCE CENTER PROJECT BONDS AND ITS 1985 LEWIS SCIENCE CENTER PROJECT BONDS IN AN AGGREGATE AMOUNT NOT TO EXCEED \$2,500,000, SUBJECT TO RECEIPT BY THE VICE PRESIDENT FOR FINANCIAL AFFAIRS OF SATISFACTORY ADVICE THAT SUCH REFUNDING WILL RESULT IN INTEREST SAVINGS TO THE UNIVERSITY;

AND FOR OTHER GENERAL PURPOSES, INCLUDING, BUT NOT

LIMITED TO, THE RENOVATION OF AND CONSTRUCTION OF ADDITIONS TO CAMPUS BUILDINGS AND TO PAY THE COSTS OF ISSUANCE OF THE BONDS. THE BOARD FINDS THAT THERE REMAINS THE NECESSITY TO FINANCE THE CONSTRUCTION AND RENOVATION OF SUCH FACILITIES AND TO REFUND OUTSTANDING BONDED INDEBTEDNESS THROUGH THE ISSUANCE OF BONDS AS PREVIOUSLY DETERMINED, AND DOES HEREBY REAFFIRM AND AUTHORIZE THE ISSUANCE OF BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$6,000,000.

SECTION 2. *CONFIRMATION OF AUTHORITY TO ISSUE BONDS.* THE BOARD HEREBY CONFIRMS THE AUTHORITY GRANTED TO THE OFFICERS OF THE UNIVERSITY TO ISSUE BONDS FOR THE PURPOSES SET FORTH IN SECTION 1 OF THIS RESOLUTION, WHICH BONDS ARE TO BE DESIGNATED AS "BOARD OF TRUSTEES OF THE UNIVERSITY OF CENTRAL ARKANSAS REFUNDING AND ACADEMIC FACILITIES REVENUE BONDS, SERIES 1992" (THE "BONDS"), IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$6,000,000. PURSUANT TO SUCH AUTHORITY, THERE WILL BE PUBLISHED A NOTICE OF SALE OF THE BONDS, ON SEALED BIDS, AND THE VICE PRESIDENT FOR FINANCIAL AFFAIRS OF THE UNIVERSITY WILL CAUSE TO BE MADE AVAILABLE TO PROSPECTIVE BIDDERS THE BOARD'S OFFICIAL NOTICE OF SALE AND ITS PRELIMINARY OFFICIAL STATEMENT DESCRIBING THE BONDS, EACH SUBSTANTIALLY IN THE FORM PRESENTED AT THIS MEETING WITH SUCH CHANGES AS THE VICE PRESIDENT FOR FINANCIAL AFFAIRS IN HIS JUDGMENT SHALL DEEM NECESSARY AND APPROPRIATE TO ACCOMPLISH THE PURPOSES SET FORTH HEREIN. ALSO, PURSUANT TO SUCH AUTHORITY, THE VICE PRESIDENT FOR FINANCIAL AFFAIRS IS AUTHORIZED TO DEEM FINAL ON BEHALF OF THE BOARD THE PRELIMINARY OFFICIAL STATEMENT FOR THE PURPOSES OF SEC RULE 15C2-12, WHICH ACTION IS HEREBY AFFIRMED.

SECTION 3. *AUTHORITY TO AWARD BID.* THE PRESIDENT OF THE UNIVERSITY IS AUTHORIZED TO ACCEPT THE BID MOST FAVORABLE TO THE UNIVERSITY AT SUCH PUBLIC SALE AND TO DELIVER AN ACCEPTANCE ON BEHALF OF THE BOARD AT THE CONCLUSION OF SUCH SALE, IF, IN HIS JUDGMENT, THE MOST FAVORABLE BID RECEIVED IS SATISFACTORY, OR, TO REJECT ALL BIDS. THE CHAIRMAN OF THE BOARD IS AUTHORIZED TO COMPLETE AND DELIVER TO THE SUCCESSFUL PURCHASERS OF THE BONDS AN OFFICIAL STATEMENT OF THE BOARD DESCRIBING SAID BONDS SUBSTANTIALLY IN THE FORM OF THE PRELIMINARY OFFICIAL STATEMENT, WITH SUCH CHANGES AND MODIFICATIONS AS SHALL BE APPROPRIATE UNDER THE TERMS OF THE SUCCESSFUL BID, AND AS SHALL BE APPROVED BY WRIGHT, LINDSAY & JENNINGS, BOND COUNSEL TO THE UNIVERSITY, HIS EXECUTION THEREOF TO SIGNIFY FINAL APPROVAL OF PRELIMINARY OFFICIAL STATEMENT AND THE OFFICIAL STATEMENT.

SECTION 4. *APPROVAL OF TRUST INDENTURES.* THERE HAS BEEN PRESENTED TO THE BOARD THE PROPOSED FORM OF A TRUST INDENTURE FOR THE BONDS (THE "INDENTURE"), BETWEEN THE BOARD AND A BANK OR TRUST COMPANY TO BE NAMED BY THE SUCCESSFUL BIDDER (THE "TRUSTEE"). THE INDENTURE IS HEREBY APPROVED IN SUBSTANTIALLY THE FORM PRESENTED TO THIS MEETING, AND THE CHAIRMAN AND SECRETARY OF THE BOARD ARE EMPOWERED TO EXECUTE AND DELIVER THE INDENTURE, BUT WITH SUCH CHANGES THEREIN AS THEY MAY APPROVE IN ORDER TO CONFORM THE DOCUMENTS TO THE TERMS OF THE SUCCESSFUL BID AND AS MAY BE ADVISED BY BOND COUNSEL, THEIR EXECUTION AND DELIVERY OF THE INDENTURE TO BE CONCLUSIVE EVIDENCE OF SUCH APPROVAL.

SECTION 5. *PLEDGE OF STUDENT TUITION AND FEES.* IN ORDER TO SECURE THE BONDS IN ACCORDANCE WITH THE TERMS OF THE INDENTURE, THERE IS HEREBY SPECIFICALLY PLEDGED FOR THE RETIREMENT OF THE

BONDS FROM THE TOTAL TUITION AND FEES CHARGED STUDENTS ATTENDING THE UNIVERSITY, THAT PORTION OF SUCH TUITION AND FEES COLLECTED IN SUCH BOND YEAR (AS DEFINED IN THE INDENTURES), WHICH IS EQUAL TO 110% OF THE DEBT ALLOCATION IN ADDITION TO PRIOR ALLOCATIONS OF PORTIONS OF STUDENT TUITION AND FEES PLEDGED TO PREVIOUSLY ISSUED BONDED INDEBTEDNESS OF THE BOARD.

SECTION 6. *TAX REGULATORY AGREEMENT.* THERE HAS BEEN PRESENTED TO THE BOARD THE PROPOSED FORM OF A TAX REGULATORY AGREEMENT (THE "TAX REGULATORY AGREEMENT"), BETWEEN THE BOARD AND THE TRUSTEE, WHICH IS HEREBY APPROVED IN THE FORM PRESENTED AT THIS MEETING. THE CHAIRMAN OF THE BOARD IS AUTHORIZED AND EMPOWERED TO EXECUTE AND DELIVER THE TAX REGULATORY AGREEMENT SUBSTANTIALLY IN THE FORM PRESENTED TO AND APPROVED AT THIS MEETING, BUT WITH SUCH CHANGES THEREIN AS HE MAY APPROVE, HIS EXECUTION THEREOF TO BE CONCLUSIVE EVIDENCE OF SUCH APPROVAL.

SECTION 7. *ADDITIONAL AUTHORIZED SIGNATORIES.* WHENEVER IN THIS RESOLUTION THE CHAIRMAN OR THE SECRETARY OF THE BOARD IS AUTHORIZED TO PERFORM ANY ACT, SUCH ACT MAY BE PERFORMED BY THE VICE CHAIRMAN OR AN ASSISTANT SECRETARY OF THE BOARD, RESPECTIVELY, IF THE CHAIRMAN OR THE SECRETARY OF THE BOARD IS NOT THEN AVAILABLE. WHENEVER IN THE INDENTURE, OR ANY INSTRUMENT RELATING TO THE BONDS, THE VICE PRESIDENT FOR FINANCIAL AFFAIRS OF THE UNIVERSITY IS REQUIRED OR PERMITTED TO TAKE ANY ACTION, SUCH ACTION MAY BE TAKEN, IF THE POSITION OF VICE PRESIDENT FOR FINANCIAL AFFAIRS IS NOT THEN FILLED, BY THE PRESIDENT OF THE UNIVERSITY OR BY THE DESIGNEE OF THE PRESIDENT.

SECTION 8. *FURTHER ACTIONS.* THE CHAIRMAN AND THE SECRETARY OF THE BOARD AND THE PRESIDENT AND THE VICE PRESIDENT FOR FINANCIAL AFFAIRS OF THE UNIVERSITY ARE HEREBY AUTHORIZED AND DIRECTED, IN THE NAME OF AND IN BEHALF OF THE BOARD, TO TAKE ANY AND ALL SUCH FURTHER ACTIONS, AND TO EXECUTE AND DELIVER SUCH FURTHER DOCUMENTS, AS IN THEIR JUDGMENT MAY BE NECESSARY OR APPROPRIATE TO ACCOMPLISH THE PROJECTS DESCRIBED HEREIN AND IN THE INDENTURE, TO ISSUE THE BONDS, TO REALIZE THE RIGHTS AND DISCHARGE THE OBLIGATIONS OF THE BOARD UNDER THE INDENTURE, THE OFFICIAL NOTICE OF SALE, AND THE TAX REGULATORY AGREEMENT, AND TO CARRY OUT THE PURPOSES FOR WHICH THIS RESOLUTION IS ADOPTED.

CERTIFICATE

THE UNDERSIGNED, SECRETARY OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF CENTRAL ARKANSAS, HEREBY CERTIFIES THAT THE FOREGOING IS A TRUE COPY OF A RESOLUTION DULY ADOPTED BY SAID BOARD OF TRUSTEES AT A MEETING DULY CALLED AND HELD ON \_\_\_\_\_, 1992, AND THAT SUCH RESOLUTION HAS NOT BEEN REPEALED OR MODIFIED, BUT REMAINS IN FULL FORCE AND EFFECT.

DATED: \_\_\_\_\_, 1992

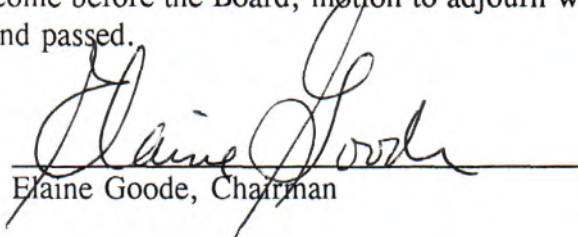
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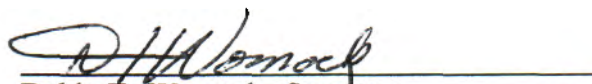
(S E A L)"



President Thompson announced that the next Board meeting has been tentatively scheduled for July 31. He asked Board members to check their calendars and notify the President's Office if conflicts exist. The dates suggested previously (August 3 & 4) presented problems for some Board members.

There being no further business to come before the Board, motion to adjourn was made by Mr. White, seconded by Mr. Burton, and passed.

  
Elaine Goode, Chairman

  
Dalda F. Womack, Secretary