THE STATE OF ARKANSAS:
COUNTY OF FAULKNER:

The Board of Trustees of Arkansas State Teachers College convened in regular meeting on January 4, 1962, at 1:30 P.M. in the President's Office in the Administration Building on the College grounds in Conway, Arkansas, with the following members and officers of the Board present, to-wit:

Chairman: Dr. John W. Sneed, Jr.
Secretary: Mrs. Rufus W. Morgan, Jr. (absent)
Trustees: Dr. Dee W. Halbrook
C. W. Harper
J. Kendall Hoggard

and with the following members of the Board absent, to-wit:

Louie H. Polk
Mrs. Rufus W. Morgan, Jr.
J. C. Mitchell

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

Mr. Halbrook introduced a resolution entitled:

RESOLUTION AUTHORIZING PUBLICATION OF SALE NOTICE OF THREE BOND ISSUES,

which he read, and then moved that the resolution be adopted. Mr. Hoggard seconded the motion.

The motion carrying with it the adoption of the resolution prevailed by the following vote:

AYES: Messrs. Sneed, Halbrook, Harper, and Hoggard
NOES: None.

A true copy of the resolution is attached to these minutes as a part hereof.

Mr. Hoggard introduced a resolution entitled:

RESOLUTION BY THE BOARD OF TRUSTEES OF ARKANSAS STATE TEACHERS COLLEGE FIXING THE RENTAL RATE PER STUDENT FOR OCCUPANCY OF THE DORMITORY ROOMS FROM WHICH WILL BE DERIVED THE GROSS REVENUE THAT WILL BE PLEDGED TO THE PAYMENT OF PRINCIPAL OF AND INTEREST ON THE BOARD'S DORMITORY BONDS OF 1961, SERIES A, B, AND C,

which he read, and then moved that the resolution be adopted. Mr. Halbrook seconded the motion.

The motion carrying with it the adoption of the resolution prevailed by the following vote:

AYES: Messrs. Sneed, Halbrook, Harper, and Hoggard
NOES: None.

A true copy of the resolution is attached to these minutes as a part hereof.
Mr. Halbrook introduced a resolution entitled:

RESOLUTION BY THE BOARD OF TRUSTEES OF ARKANSAS STATE TEACHERS COLLEGE COVENANTING TO ESTABLISH AND ENFORCE SUCH PARIETAL RULES AND REGULATIONS AS WILL ASSURE MAXIMUM OCCUPANCY AND USE OF THE FACILITIES AND SERVICES TO BE AFFORDED BY CERTAIN DORMITORIES, THE REVENUES OF WHICH WILL BE PLEDGED TO THE BOARD OF TRUSTEES OF ARKANSAS STATE TEACHERS COLLEGE DORMITORY BONDS OF 1961, SERIES A, B, AND C,

which he read, and then moved that the resolution be adopted. Mr. Harper seconded the motion.

The motion carrying with it the adoption of the resolution prevailed by the following vote:

AYES: Messrs. Sneed, Halbrook, Harper, and Hoggard

NOES: None.

A true copy of the resolution is attached to these minutes as a part hereof.

Mr. Wallace Townsend, bond counsel, then presented the form of the proposed Trust Indenture to secure the Board of Trustees of the Arkansas State Teachers College Dormitory Bonds of 1961, Series A, B, and C. After the provisions of the Trust Indenture had been explained and discussed,

Mr. Harper offered a resolution approving the Trust Indenture and naming the Trustee and Paying Agent and Alternate Paying Agent, and moved that it be adopted. Mr. Halbrook seconded the motion, which was unanimously adopted by the following vote:

AYES: Messrs. Sneed, Halbrook, Harper, and Hoggard

NOES: None.

A true copy of the resolution is attached to these minutes as a part hereof.

Mr. Hoggard offered a resolution authorizing the execution of the Trust Indenture and other instruments and the execution and delivery of the Bonds, and moved that it be adopted. Mr. Halbrook seconded the motion, which was unanimously adopted by the following vote:

AYES: Messrs. Sneed, Halbrook, Harper, and Hoggard

NOES: None.

A true copy of the resolution is attached to these minutes as a part hereof.

Mr. Hoggard offered a resolution authorizing the investment of idle money held in connection with the bond issues, and moved that it be adopted. Mr. Halbrook seconded the motion, which was unanimously adopted by the following vote:

AYES: Messrs. Sneed, Halbrook, Harper, and Hoggard

NOES: None.

A true copy of the resolution is attached to these minutes as a part hereof.

The Chairman stated that the President of the College should be empowered to act under certain circumstances, whereupon Mr. Harper introduced a resolution authorizing the President to take certain action in the absence of the Chairman of the Board of Trustees, and moved that it be adopted. Mr. Hoggard seconded the motion, which was unanimously adopted by the following vote:

AYES: Messrs. Sneed, Halbrook, Harper, and Hoggard

NOES: None.

The resolution was adopted.
RESOLUTION
AUTHORIZING PUBLICATION OF SALE NOTICE OF THREE
BOND ISSUES

WHEREAS, the Board of Trustees of Arkansas State Teachers College has under consideration the issuing of three Series 1961 Bonds for the purpose of refunding $315,000 of Series A and $765,000 of Series B Bonds of 1960 and securing $460,000 for the purpose of constructing a new student dormitory, and it is required that the Bonds be sold at public sale; now, therefore,

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF ARKANSAS STATE TEACHERS COLLEGE:

1. That the President and Secretary of the College be and they are hereby authorized and directed to publish a notice of the sale of the three bond issues, setting out the various terms and conditions of interest, call, and security for said bonds, the notice to be published one time in The Bond Buyer and one time in a Little Rock newspaper with a state-wide circulation, not less than twenty days prior to the date fixed for the sale.

ADOPTED AND APPROVED this 4th day of January, 1962.

ATTEST:

(signed) John W. Sneed, Jr.
Chairman, Board of Trustees of
Arkansas State Teachers College

(signed) Mrs. Rufus W. Morgan, Jr.
Secretary, Board of Trustees of
Arkansas State Teachers College

RESOLUTION
BY THE BOARD OF TRUSTEES OF ARKANSAS STATE TEACHERS COLLEGE
FIXING THE RENTAL RATES PER STUDENT FOR OCCUPANCY OF THE DORMITORY ROOMS FROM WHICH WILL BE DERIVED THE GROSS REVENUES THAT WILL BE PLEDGED TO THE PAYMENT OF PRINCIPAL OF AND INTEREST ON THE BOARD'S DORMITORY BONDS OF 1961, SERIES A, B, AND C.

WHEREAS, the Board of Trustees of Arkansas State Teachers College will authorize the issuance of $1,560,000 of its Dormitory Bonds of 1961, Series A, B, and C, and will pledge to the payment of the principal of and interest on said Bonds the gross revenues and income derived from the operation of Minton Hall, Short Hall, and the Project (which is a new student dormitory to accommodate approximately 138 students and a supervisor); and

WHEREAS, it is proper that before the actual issuance and delivery of said Bonds the rentals to be charged be fixed; now, therefore,

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF ARKANSAS STATE TEACHERS COLLEGE:

1. That the following rentals, which will be pledged, are hereby established and shall remain in force and effect until and unless changed by this Board in accordance with the covenants to be contained in the Indenture authorizing the issuance of said Bonds, to-wit:

   Rental per student per calendar month, effective September 1, 1962, in all three dormitories . . . . . . . . . . . . . . . . . . . . . . . . . $22.50

2. That the rentals thus fixed herein shall remain in force and effect until and unless changed by order of the Board of Trustees, which reserves the right and will covenant to alter said rates as and when considered by it necessary to make the payments it will covenant to make in the Indenture securing the aforesaid Bonds.
3. That the administrative officers of the College be and they are hereby authorized, ordered and directed to do any and all things necessary and/or convenient to carry out and accomplish the purpose of this resolution.

ADOPTED AND APPROVED this the 4th day of January, 1962.

ATTEST: __________________________
(signed:) John W. Sneed, Jr.
Chairman, Board of Trustees of
Arkansas State Teachers College

(signed:) Mrs. Rufus W. Morgan, Jr.
Secretary, Board of Trustees of
Arkansas State Teachers College

RESOLUTION
BY THE BOARD OF TRUSTEES OF ARKANSAS STATE TEACHERS COLLEGE COVENANTING TO ESTABLISH AND ENFORCE SUCH PARIETAL RULES AND REGULATIONS AS WILL ASSURE MAXIMUM OCCUPANCY AND USE OF THE FACILITIES AND SERVICES TO BE AFFORDED BY CERTAIN DORMITIES, THE REVENUES OF WHICH WILL BE PLEDGED TO THE BOARD OF TRUSTEES OF ARKANSAS STATE TEACHERS COLLEGE DORMITORY BONDS OF 1961, SERIES A, B, AND C.

WHEREAS, the Board of Trustees of Arkansas State Teachers College is authorized to enter into an agreement relating to the maintenance of a maximum percentage of occupancy and use of the dormitories, the revenues from which will be pledged to payment of principal of and interest on bonds of said College; and

WHEREAS, the Board will authorize the issuance of $1,540,000 Board of Trustees of Arkansas State Teachers College Dormitory Bonds of 1961, Series A, B, and C (hereinafter sometimes called the "Bonds"), for the purpose of providing on the campus of the College at Conway, Arkansas, a new dormitory building, including necessary facilities, designed to house approximately 138 students and a supervisor (hereinafter sometimes called the "Project"), and refunding its outstanding bonds of 1960 Series A and B, and will pledge the gross revenues from the Project and from two existing dormitories known as Minton Hall and Short Hall to the payment of the principal of and interest on the Bonds; and

WHEREAS, the Board will covenant with the prospective holders of the aforesaid Bonds that it will at all times while the Bonds are outstanding establish and maintain such parietal rules for the aforesaid dormitory facilities as are necessary to assure maximum occupancy and use of said dormitory facilities; now, therefore,

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF ARKANSAS STATE TEACHERS COLLEGE:

1. That this Board hereby establishes and covenants to enforce so long as any of the Bonds are outstanding or unpaid these parietal rules and regulations that will assure maximum occupancy and use of the facilities and services afforded by the Project, Short Hall, and Minton Hall.

2. That in the event more facilities or space should become available for dormitory purposes than are required by students applying for such space or facilities, the officers of the College are hereby directed to give preference and priority to the use of the facilities of the Project, Short Hall, and Minton Hall, resulting to the extent practicable in the occupancy and use of all the space and services of said dormitories even if such preference results in the non-use of all or a part of the space or facilities available at the College in any other dormitory or any other building which may be suitable or useable for dormitory purposes.

3. That to the extent that any surplus space or facilities shall ever become available in the said dormitories while any of the Bonds remain outstanding and unpaid, it shall be the duty of the officers of the College to enforce a rule requiring occupancy and use, to the extent practicable, of said Project, Short Hall, and Minton Hall by students attending the College, and this provision shall be considered as a rule for guidance of said officers.
4. That the officers of the College are hereby directed to utilize and to cause the utilization of said Project, Short Hall, and Minton Hall in such manner as they will yield to maximum revenues of which they are reasonably capable, to the end that the Bonds may be adequately serviced.

5. That such rules shall be amended from time to time as the conditions arise so as to meet changing conditions, better to assure the fulfillment of this pledge.

ADOPTED AND APPROVED this 4th day of January, 1962.

Attest:

(signed:) John W. Sneed, Jr.
Chairman, Board of Trustees of
Arkansas State Teachers College

(signed:) Mrs. Rufus W. Morgan, Jr.
Secretary, Board of Trustees of
Arkansas State Teachers College

RESOLUTION
BY THE BOARD OF TRUSTEES OF ARKANSAS STATE TEACHERS COLLEGE
APPROVING THE FORM OF AND THE PROPOSED TRUST INDENTURE AND NAMING A TRUSTEE, PAYING AGENT, AND ALTERNATE PAYING AGENT FOR THE NEW BOND ISSUES.

WHEREAS, Arkansas State Teachers College proposes to refund two presently outstanding Dormitory Bonds and to issue new Dormitory Bonds, and to execute and deliver a new Trust Indenture securing them, and needs to designate an Arkansas Trustee and Paying Agent for the three new issues and to designate an Alternate Paying Agent for said Bonds in the City of New York, New York; and

WHEREAS, there has been presented to this Board of Trustees the full text of the proposed Trust Indenture to secure the payment of the Bonds; now, therefore,

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF ARKANSAS STATE TEACHERS COLLEGE:

1. That the said Trust Indenture be and the same is hereby approved.

2. That Union National Bank of Little Rock, Arkansas, be and said bank is hereby named as Trustee to serve under the Trust Indenture that will be executed to secure said Bonds, and that Chase Manhattan, a bank in New York, New York, is hereby named as Alternate Paying Agent to be named in the Bonds, and to be an optional place of payment for the holders of the Bonds secured by the Trust Indenture.

ADOPTED AND APPROVED THIS 4th day of January, 1962.

Attest:

(signed:) John W. Sneed, Jr.
Chairman, Board of Trustees of
Arkansas State Teachers College

(signed:) Mrs. Rufus W. Morgan, Jr.
Secretary, Board of Trustees of
Arkansas State Teachers College
RESOLUTION
BY THE BOARD OF TRUSTEES OF ARKANSAS STATE TEACHERS COLLEGE

WHEREAS, the Arkansas State Teachers College has entered into a Loan Agreement with the United States of America whereby the College will exchange $315,000 in 2 7/8% bonds and $765,000 in 3 1/8% bonds, all dated October 1, 1961, for its outstanding bonds in the same amounts and bearing the same rates of interest, dated April 1, 1960, and will sell to the United States its new issue of $460,000 in 3 1/2% bonds dated October 1, 1961, at a price of par and accrued interest; and

WHEREAS, the College will advertise the public sale of these three bonds in both The Bond Buyer, a financial journal with a national circulation, and in a newspaper published in the English language in the City of Little Rock with a general circulation throughout State of Arkansas; now, therefore,

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF ARKANSAS STATE TEACHERS COLLEGE:

1. That in the event the College does not receive any bids equal to or better than the bid from the United States of America through the Regional Director of Community Facilities Activities of the Housing and Home Finance Agency, and the bid of the United States so received is to deliver to the College the $315,000 unpaid balance of a $325,000 bond dated April 1, 1960, and the $765,000 3 1/8% bond in exchange for like College 1961 Bonds, Series A and B, and to buy the $460,000 Series C 3 1/2% bond at par and accrued interest, then the Chairman and Secretary of this Board of Trustees are hereby authorized and directed to accept on behalf of this Board said offer.

2. That in the event the Chairman and Secretary accept the bid and offer of exchange made by the United States, they are hereby authorized and directed to execute and deliver:

(a) A Trust Indenture pledging the dormitory gross revenues and setting out terms and conditions of the Bonds, their parity provisions and the remedies for their enforcement, and all other instruments, certificates and papers of every kind required or helpful in the delivery of the Bonds; and

(b) The Bonds, Series A, B and C of 1961, upon receipt of the Bonds being refunded and payment of the purchase price of the Series C Bond.

ADOPTED AND APPROVED this 4th day of January, 1962.

Attest: (signed:) John W. Sneed, Jr. Chairman, Board of Trustees of Arkansas State Teachers College

(signed:) Mrs. Rufus W. Morgan, Jr. Secretary, Board of Trustees of Arkansas State Teachers College

RESOLUTION
BY THE BOARD OF TRUSTEES OF ARKANSAS STATE TEACHERS COLLEGE
AUTHORIZING THE INVESTMENT OF ANY IDLE MONEY HELD FROM TIME TO TIME IN THE VARIOUS ACCOUNTS IN CONNECTION WITH THE BOARD OF TRUSTEES BOND ISSUES

WHEREAS, the Board of Trustees from time to time has substantial sums on deposit, sometimes in the form of reserves required by the terms of the indentures securing different issues of Board of Trustees bonds, for which there is no immediate need; and

WHEREAS, under the terms of the respective indentures requiring said deposits, they may be invested in certain obligations; now, therefore,
BE IT RESOLVED BY THE BOARD OF TRUSTEES OF ARKANSAS STATE TEACHERS COLLEGE:

1. That the Board hereby authorizes the investment of these funds which result from bond indentures in direct obligations of the United States Government or obligations guaranteed by the United States Government, having maturities not later than five years from the date of their purchase. The obligations are to be held by the respective trustees of the funds from which the investments are made. Said investments shall be available at any time if needed for the purposes for which the funds were established, and the interest paid on these investments shall be deposited to the respective accounts from which came the money to make the investments.

ADOPTED AND APPROVED this 4th day of January, 1962.

Attest:

(signed: ) John W. Sneed, Jr.
Chairman, Board of Trustees of
Arkansas State Teachers College

(signed: ) Mrs. Rufus W. Morgan, Jr.
Secretary, Board of Trustees of
Arkansas State Teachers College

RESOLUTION
BY THE BOARD OF TRUSTEES OF ARKANSAS STATE TEACHERS COLLEGE
AUTHORIZING THE PRESIDENT OF THE COLLEGE TO TAKE CERTAIN ACTION
IN THE ABSENCE OF THE CHAIRMAN OF THE BOARD OF TRUSTEES.

WHEREAS, the Board of Trustees of Arkansas State Teachers College has authorized the issuance of $1,540,000 in Dormitory Bonds of 1961, Series A, B and C, and will authorize a contract for the construction of a proposed dormitory for 138 students and a supervisor; and

WHEREAS, during the course of the construction there may arise matters for determination which ordinarily would be referred to the Chairman of the Board of Trustees, but the Chairman of the Board of Trustees will not always be available and the work of construction would be delayed by reason of his absence, so that it is advisable that as a matter of convenience the President of the College should have the power to act; now, therefore,

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF ARKANSAS STATE TEACHERS COLLEGE:

1. That Silas D. Snow, President of Arkansas State Teachers College, be and he is hereby authorized to act for and on behalf of the Board of Trustees and of Arkansas State Teachers College in passing on matters in connection with the construction that may arise from time to time calling for the exercise of choice or judgment and in authorizing changes in plans or specifications, and that in making such decisions he shall consult with Bruce R. Anderson, architect and engineer for the construction of the dormitories.

ADOPTED AND APPROVED this 4th day of January, 1962.

Attest:

(signed: ) John W. Sneed, Jr.
Chairman, Board of Trustees of
Arkansas State Teachers College

(signed: ) Mrs. Rufus W. Morgan, Jr.
Secretary, Board of Trustees
of Arkansas State Teachers College
A motion was made by Trustee Harper and seconded by Trustee Hoggard that a Loan Agreement in the amount of $250,000 for the expansion of the student center building, offered by the Federal Housing and Home Finance Agency, and explained to the Board by Bond Approving Attorney, Wallace Townsend, be accepted. This motion was unanimously passed by the Board.

Bruce Anderson, College Architect, presented floor plans for the administration building, student center addition, and cafeteria expansion as agreed upon by the administrative staff and service directors. President Snow recommended that these floor plans be accepted and approved. Trustee Halbrook made a motion that the cafeteria expansion plans be approved. This motion was seconded by Trustee Harper and unanimously passed by the Board. Trustee Hoggard made a motion, seconded by Trustee Halbrook and unanimously passed that the student center addition plans be accepted. A motion was made by Trustee Hoggard, seconded by Trustee Harper and unanimously passed that the plans presented for the administration building be approved.

Upon the motion of Trustee Hoggard the college administration was authorized to enter into an agreement with Arkansas Nurseries and Landscaping Company, Little Rock, Arkansas, to develop landscape plot plans for the campus and in turn contract with this company in the amount of $400.00 for this master plan. This motion was seconded by Trustee Halbrook and unanimously passed.

A motion was made by Trustee Harper and seconded by Trustee Halbrook that all residence hall room rents be raised in the amount of $2.00 per month and all apartment and cottage rents be raised in the amount of $2.50 per month to become effective September 1, 1962. This motion passed unanimously.

Motion was made by Trustee Halbrook and seconded by Trustee Hoggard to increase the registration fees from $80.50 to $85.50 per student for each semester, effective September 1, 1962, with the provisions that: (A) $2.50 per student shall be pledged to amortize an HHFA loan amounting to approximately $215,000 for the purpose of additional construction and expansion of the college cafeteria; and (B) $2.50 shall be pledged to amortize a loan from private sources in the amount of $200,000 to be used in the following improvements:

- Cafeteria Equipment - 10,000.00
- Administration Building Remodeling - 120,000.00
- Library Remodeling - 30,000.00
- Chapel (Ferguson Memorial) - 10,000.00
- Stadium (East Stands, 1000 seats) - 12,000.00
- Demonstration School Repairs - 18,000.00

and (C) the amounts allocated for the chapel ($10,000.00) and for the East Stands in Estes Field ($200,000.00) shall be made available for June or July, 1962, from college funds collected for this purpose, a short term loan, or from the bond issue of $200,000.00; and (D) that beginning September 1, 1962, $2.50 per student per semester be placed in a separate bank account to amortize a loan of approximately $215,000 or more to expand the physical plant and facilities of the existing cafeteria, and the remaining $2.50 be placed in a separate account to amortize a private loan of $200,000.00. The motion passed unanimously.

President Snow recommended the following personnel changes:

1. Employment of Miss Doyce Johnson, Instructor in Physical Education Department, effective January 29, 1962, @a monthly salary of $466.66.

2. Resignation of Mrs. Mildred Dralle, Assistant Professor and Assistant Librarian, effective January 27, 1962.

Trustee Hoggard made a motion that the above recommendations be approved. This motion was seconded by Trustee Halbrook and unanimously passed.

A motion was made by Trustee Halbrook, seconded by Trustee Harper, and unanimously passed that Christmas holiday period dates for the 1962-63 calendar year be made to read, "classes dismissed at the end of the day on December 19, 1962, and classes resumed on January 3, 1963."
In response to a communication received from Ed Speaker, President of the Cadron Valley Development Company, offering for sale property situated at the corner of Bruce and Donaghey Avenue, Conway, Arkansas, sometimes known as the Hill House, Trustee Hoggard moved that the President and Business Manager of the College be directed to examine same and recommend action the Board should take relative to purchasing this property. This motion was seconded by Trustee Harper and unanimously passed.

Upon motion of Trustee Halbrook, the President and Business Manager were directed to examine 39 lots owned by the Little Estate and situated directly North of that part of The Arkansas State Teachers College land now assigned to the athletic playing fields and recommend action the Board should take relative to purchasing this property. This motion was seconded by Trustee Harper and unanimously passed.

A discussion of the physical plant needs of the college was led by President Snow. Mr. Bruce Anderson, the College Architect, presented blueprint drawings of several proposed structures. President Snow interpreted the need for certain construction and renovation plans to be undertaken now and in the near future.

Upon motion duly made, seconded, and unanimously carried, the meeting adjourned.

\[Signature\]  
Dr. John W. Sneed, Jr., Chairman

\[Signature\]  
Mrs. Rufus W. Morgan, Jr., Secretary
Loan Agreement

This Loan Agreement, dated as of December 1, 1961, by and between Board of Trustees of the Arkansas State Teachers College (herein called the "Borrower"), and the United States of America (herein called the "Government"), WITNESSETH:

Section 1. Amount, Purchase Price, and Purpose. Subject to the Terms and Conditions (Form CFA-520 dated 7/60), attached hereto and made a part hereof as Exhibit A, and the provisions of this Agreement, the Borrower will sell and the Government, acting by and through the Housing and Home Finance Administrator (herein called the "Administrator"), will purchase $250,000 aggregate principal amount of the obligations of the Borrower described below as Series "B" Bonds, or such lesser amount thereof as the Administrator estimates will be required, together with the Borrower's funds provided from other sources, to pay the development cost of the Project (estimated to be $250,000), hereinafter described, at a price equal to the principal amount thereof plus accrued interest, the proceeds of the sale of such Bonds to be used solely for the development of the said Project.

Furthermore, the Borrower agrees to exchange its Board of Trustees of the Arkansas State Teachers College Student Center Bonds of 1961, Series A dated October 1, 1961, bearing interest at the rate of 2-3/4% per annum, aggregating $333,000 (herein sometimes called "Series 'A' Bonds"), for
its outstanding Board of Trustees of the Arkansas State Teachers College
Student Center Bonds, Series 1956, dated October 1, 1956, bearing
interest at the rate of 2-3/4% per annum, numbers 18 to 350, inclusive,
aggregating $333,000 (herein sometimes called "Outstanding Bonds of 1956"), and the Administrator agrees to accept Borrower's Series "A" Bonds in exchange for Borrower's Outstanding Bonds of 1956 under the provisions of this Loan Agreement hereinafter set out.

Section 2. Description of Bonds:

(a) The Series "A" Bonds are described as follows:

(1) Designation: Board of Trustees of the Arkansas State Teachers College Student Center Bonds of 1961, Series A.

(2) Date: October 1, 1961.

(3) Principal Amount: $333,000.

(4) Denomination: $1,000; however, until such time as the purchasers of the Bonds request(s) the preparation of the definitive Bonds, a single Bond or Bonds shall be issued in an amount equal to the Bonds contracted for by said purchaser or purchasers.

(5) Type: Negotiable, serial, coupon bonds.

(6) Interest Rate: 2-3/4% per annum, payable semi-annually on April 1 and October 1 in each year, first interest payable April 1, 1962.

(7) Maturities: As of October 1, in years and amounts as follows:

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<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
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<td>1981-1983</td>
<td>10,000</td>
<td>1996-1998</td>
<td>15,000</td>
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</tbody>
</table>

(8) Numbers: 1A to 333A, inclusive, in order of maturity.
Redemption Provisions: Bonds numbered 1A through 30A inclusive, maturing October 1, 1962 through October 1, 1966 inclusive, to be non-callable. Bonds numbered 31A through 264A inclusive, maturing October 1, 1967 through October 1, 1991 inclusive, to be callable at the option of the Borrower prior to the stated maturities thereof, in whole or in part and in inverse numerical order on any interest payment date after October 1, 1966 upon at least thirty (30) days' prior notice at the principal amount thereof, plus accrued interest to the date of redemption and a premium for each bond as follows:

- 3% if redeemed April 1, 1967 through October 1, 1971 inclusive
- 2 1/2% April 1, 1972 through October 1, 1976
- 2% April 1, 1977 through October 1, 1981
- 1 1/2% April 1, 1982 through October 1, 1986
- 1% after October 1, 1986.

Bonds numbered 265A through 333A inclusive, maturing October 1, 1992 through October 1, 1996 inclusive, to be callable at the option of the Borrower in whole or in part and in inverse numerical order on any interest payment date during the entire life of the loan, upon at least thirty (30) days' prior notice, at par plus accrued interest to the date of redemption.

Priority as to call shall extend to bonds numbered 265A through 333A inclusive over bonds numbered 31A through 264A inclusive.

The Series "B" Bonds are described as follows:

1. Designation: Board of Trustees of the Arkansas State Teachers College Student Center Bonds of 1961, Series B.
2. Date: October 1, 1961.
3. Principal Amount: $200,000.
4. Denomination: $1,000; however, until such time as the purchasers of the Bonds request(s) the preparation of the definitive Bonds, a single Bond or Bonds shall be issued in an amount equal to the Bonds contracted for by said purchaser or purchasers.
5. Type: Negotiable, serial, coupon bonds.
6. Interest Rate: 3-3/8% per annum, payable semi-annually on April 1 and October 1 in each year, first interest payable April 1, 1962.
(7) Maturities: October 1, in years and amounts as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
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<tr>
<td>1987-1988</td>
<td>12,000</td>
</tr>
<tr>
<td>1989-1991</td>
<td>13,000</td>
</tr>
</tbody>
</table>

(8) Numbers: 1B to 250B, inclusive, in order of maturity.

(9) Redemption Provisions: Bonds numbered 1B through 50B inclusive, maturing October 1, 1964 through October 1, 1971 inclusive, to be non-callable. Bonds numbered 51B through 187B inclusive, maturing October 1, 1972 through October 1, 1986 inclusive, to be callable at the option of the Borrower prior to the stated maturities thereof, in whole or in part and in inverse numerical order on any interest payment date after October 1, 1971 upon at least thirty (30) days' prior notice at the principal amount thereof, plus accrued interest to the date of redemption and a premium for each bond as follows:

- 3% if redeemed April 1, 1972 through October 1, 1974 inclusive
- 2% " " April 1, 1975 " October 1, 1977 "
- 2% " " April 1, 1978 " October 1, 1980 "
- 1½% " " April 1, 1981 " October 1, 1983 "
- 1½% " " after October 1, 1983.

Bonds numbered 188B through 250B inclusive, maturing October 1, 1987 through October 1, 1991 inclusive, to be callable at the option of the Borrower in whole or in part and in inverse numerical order on any interest payment date during the entire life of the loan, upon at least thirty (30) days' prior notice, at par plus accrued interest to the date of redemption.

Priority as to call shall extend to bonds numbered 188B through 250B inclusive over bonds numbered 51B through 187B inclusive.

(c) Provisions as to Security, Registrability and Place of Payment applicable to the Series "A" and the Series "B" Bonds are as follows:

(1) Security: A general obligation of the Borrower additionally secured by:
(1) A first lien on and pledge of the net revenues derived from the operation of the Student Center including, but not limited to, the Bookstore, Snack Bar, Bowling Alley, and Post Office;

(ii) A pledge of a Student Center Fee of $5.00 for each regularly enrolled student for each semester of the regular term and $2.50 for each enrolled student for each summer term.

(2) Place and Medium of Payment: Payable as to both principal and interest at the principal office of the Trustee to be designated in the Indenture, or at the option of the holder, at a bank or trust company in the Borough of Manhattan, City and State of New York, in any coin or currency which, on the respective dates of payment of such principal and interest, is legal tender for payment of debts due the United States of America.

(3) Registrability: Registrable, at the option of the holder, as to principal only.

Section 3. Sale of Bonds. The Series "B" Bonds will be sold by the Borrower at public sale, the call for bids specifying that bids will be received and considered on the following basis:

(a) $50,000; maturing October 1, 1964 to October 1, 1971 inclusive;
(b) $41,000; maturing October 1, 1972 to October 1, 1981 inclusive;
(c) $116,000; maturing October 1, 1982 to October 1, 1991 inclusive;
(d) $250,000; the entire issue, maturing October 1, 1964 to October 1, 1991 inclusive.

In the event any of the Series "B" Bonds are awarded to the Government, the Borrower shall, when they are ready, deliver all such Bonds to the Government at such time as the Government shall designate.

The Government will submit its bid for the Series "B" Bonds and such bid will be for all of the said Bonds at their par value, plus accrued interest, at the rate of three and three-eighths per centum (3 3/8%) per annum on all or any one or more of the above blocks of Bonds. In the event any other bidder or bidders offer to purchase all of the said Bonds,
or any portion of the Bonds in blocks as specified at an interest cost of not more than three and three-eights per centum (3-3/8%) per annum, the Bonds or any such portion thereof shall be sold to such bidder or bidders. In the event of a sale of all the Series "B" Bonds to a purchaser or purchasers other than the Government, this Agreement shall terminate except with respect to obligations hereunder between the Borrower and the Government as of the date of such sale of the Bonds. In the event any of the Bonds are awarded to the Government, it is agreed that the obligations hereunder shall continue in the same manner as if all the Bonds were sold to the Government. In the event no bid is received from a bidder or bidders other than the Government within the terms herein specified, all of the Bonds shall be sold to the Government.

The Borrower, at the option of the purchaser(s) shall issue single Bonds with face values in the amount of the respective purchases in lieu of individual denomination Bonds. Such single Bonds shall be registered as to principal and interest and payable as directed by the purchasers, but otherwise complying with the description set forth in Section 2 hereof. The Borrower shall covenant that, upon request of the holder of a single Bond, it shall issue, at its own expense and within 90 days from the date of such request, negotiable bearer coupon bonds in denominations of $1,000, as described in Section 2 hereof, in aggregate amount equal to the amount of the single Bond still outstanding. The printing of text of single Bonds shall be of type composition on paper of sufficient weight and strength to prevent deterioration throughout the life of the loan. The Bonds shall conform in size to standard practice and contain the approved maturity schedule for payment of principal.
Section 4. Description of the Project. The Project shall consist of: Addition and remodelling of existing Student Union Building (herein called the "Project").

Section 5. Government Field Expense. The amount of the fixed fee for Government field expense referred to in Section 30 of the attached Terms and Conditions shall be $2,600.

Section 6. Special Conditions. The Government's obligation to purchase the bonds of the Borrower is also subject to the Special Conditions attached hereto and made a part hereof as Exhibit B.

IN WITNESS WHEREOF, this Agreement has been executed in the name of Board of Trustees of the Arkansas State Teachers College, by the undersigned official, and under its official seal, attested by its Secretary, and in the name and on behalf of the United States of America, Housing and Home Finance Administrator, Community Facilities Commissioner, by the undersigned official.

BOARD OF TRUSTEES OF THE ARKANSAS STATE TEACHERS COLLEGE

(SEAL)

ATTEST:

Mary K. Moore, Jr.
Secretary, Board of Trustees

UNITED STATES OF AMERICA
Housing and Home Finance Administrator
Community Facilities Commissioner

By
Regional Director of
Community Facilities Activities

MAR 7 1962
Date
EXHIBIT A

HOUSING AND HOME FINANCE AGENCY
COMMUNITY FACILITIES ADMINISTRATION

TERMS AND CONDITIONS

Constituting Part of the Loan Agreement Providing for the Financing and Construction of College Housing and Service Facilities Under Title IV of the Housing Act of 1950 (Public Law 475, 81st Congress, as amended)

Section 1. Definitions. As used in these Terms and Conditions:

"Government" means the United States of America or the Housing and Home Finance Agency.

"Project" means the structure or structures which the Government has agreed to aid in financing under the Loan Agreement.

"Loan Agreement" means the contract between the Government and the Borrower covering the Project and includes both these Terms and Conditions and other contract instruments.

"Borrower" means the educational institution designated in the Loan Agreement.

"Bonds" mean the obligations which the Government has agreed to purchase under the Loan Agreement.

"Project Costs" mean the cost of construction work for the Project including fixed equipment, cost of necessary architectural/engineering services, legal, administrative and clerical costs, cost of land acquisition, necessary travel expenses, costs imposed by the Government to reimburse it for its field expenses, interest during construction, and other necessary miscellaneous expenses, all as determined by the Government.

Section 2. Prerequisites to Government's Obligations. The Government shall be under no obligation to advance funds or to purchase any Bonds under the Loan Agreement if:

(a) Representations. Any representation made by the Borrower to the Government in connection with the application or loan shall be incorrect or incomplete in any material respect, or the Government determines that the Borrower has failed to proceed promptly with Project financing or construction;

(b) Financial Condition. The financial condition of the Borrower shall have changed unfavorably in a material degree from its condition as theretofore represented to the Government;

(c) Concurrence by Government. The Borrower, having submitted to the Government the documents mentioned in Section 16 hereof, shall have proceeded without having been advised by the Government that the same are satisfactory; it being the purpose of this provision to insure that no action will be taken in the development of the Project which would result in a legal or contractual violation.
rendering it impossible for the Government to make the loan under or for the parties to accomplish the objects of the Loan Agreement.

Section 3. Furnishings and Movable Equipment. The Borrower shall, on or before substantial completion of the Project, provide from sources other than the loan hereunder, and from sources and in a manner which will not jeopardize the security of the Bonds, the furnishings and movable equipment necessary to the full enjoyment of the use, occupancy and operation of the Project.

Section 4. Project Site. The Project shall be located on lands of the Borrower, at a site to be approved by the Government.

Section 5. Title Evidence. The Borrower shall furnish the Government satisfactory evidence of its ownership of the Project site.

Section 6. Purchase of Bonds. The Borrower shall initiate and prosecute to completion all proceedings necessary to the authorization, issuance, and sale of the Bonds and to the security thereof. When the said proceedings have been completed to the point of but not including the delivery of the Bonds to the Government, the Borrower may file a requisition requesting the Government to purchase the Bonds. The requisition shall be supported by such data as the Government shall require to determine whether the Government is obligated under the provisions of the applicable Loan Agreement to honor such requisition. If the Government is so obligated, it will purchase the Bonds covered by such requisition, within the limitations, however, specified in the Loan Agreement.

Section 7. Legal Matters. The Borrower shall furnish the Government a transcript of proceedings for the authorization, issuance, sale and security of the Bonds evidencing that the Bonds, when delivered and paid for, will constitute binding and legal obligations, payable and secured in accordance with their tenor, and that all proceedings for the financing and the acquisition, construction and development of the Project preliminary to the delivery of the Bonds to the Government have been had and adopted in due time, form, and manner as required by law.

Section 8. Security. The Borrower shall include in the proceedings for the authorization, issuance, sale, and security of the Bonds, provisions for the payment of the principal of and interest on the Bonds and for the security thereof of the nature required to assure such payment and to safeguard the loan hereunder, including, in case the Bonds are payable in whole or in part from any special sources of revenues, provisions designed to assure the production of such revenues and the application thereof to the extent required for the payment and security of the Bonds and interest thereon, including the maintenance of reasonable reserves.

Section 9. Opinion of Bond Counsel. Simultaneously with the delivery of any of the Bonds to the Government, the Borrower shall furnish to the Government the approving opinion of bond counsel who shall be satisfactory to the Government, and covering generally all of the Bonds and, specifically and unqualifiedly, the Bonds then being delivered to the Government.

Section 10. Construction Financing. The Borrower shall make every effort to obtain interim financing from private sources. Prior to entering into formal agreements for such financing, the Borrower shall furnish the Government with (1) a satisfactory preliminary opinion of bond counsel; (2) evidence of its ability to finance on reasonable terms the cost of the Project up to the time the Bonds are
ready for delivery; and (3) evidence of the receipt of firm bids establishing that
the Project can be constructed within the approved estimated cost thereof,

In the event any loan under temporary financing should become due prior to the
time when the Bonds are ready for delivery, the Borrower may apply to and,
provided that the Borrower is in compliance with the Terms and Conditions
of this Loan Agreement, receive from the Government an advance against the
Bonds in an amount sufficient to liquidate such temporary loan.

Should the Borrower be able to demonstrate to the Government’s satisfaction that
interim financing on reasonable terms is not available, the Government will con­
sider requests for advances in anticipation of the issuance of the Bonds. Requisitions
for construction advances shall be accompanied by such supporting data as the
Government may require. The Government will honor such requisitions in amounts
and at times deemed by it to be proper.

Any funds made available to the Borrower by the Government pursuant to this
Section shall be repaid in full from the first proceeds derived from the sale of
the Bonds, and shall bear interest at the rate specified for the Bonds in the Loan
Agreement from the date made available to the date of repayment.

Section 11. Prerequisites to Loan Disbursements. Prior to the Government dis­
bursing any portion of the loan proceeds, the Borrower shall present satisfactory
evidence that:

(a) It is able to provide the furnishings and movable equipment required
for the operation of the Project, as specified in Section 3 hereof;

(b) It has deposited in the Construction Account such funds as are neces­
sary with the loan proceeds to assure completion of the Project; and

(c) It is able to provide the Project site or sites free from all encum­
brances.

Section 12. Construction Account. The Borrower shall set up in a bank or banks
which are members of the Federal Deposit Insurance Corporation, or with the fiscal
agency of the Borrower fixed by law, a separate account or accounts (herein
collectively called the “Construction Account”) into which shall be deposited any
temporary loans, Government advances, and proceeds from the sale of the Bonds
(except accrued interest payments), and the additional funds, if any, required by
the provisions of the Loan Agreement to be furnished by the Borrower in order to
assure the payment of all Project Costs. Moneys in the Construction Account shall
be expended only for such purposes as shall have been previously specified in the
project cost estimates approved by the Government.

Where the moneys on deposit in the Construction Account exceed the estimated dis­
bursements on account of the Project for the next 90 days, the Borrower may de­
posit such excess funds in time deposits in banks that are members of the Federal
Deposit Insurance Corporation or may invest such excess funds in direct obliga­
tions of, or obligations the principal of and interest on which are guaranteed by,
the United States Government, which shall mature not later than 18 months after
the date of such investment and which shall be subject to redemption at any time
by the holder thereof. The earnings from any such deposits or investments shall
be deposited in the Construction Account by the Borrower.
Any moneys remaining in the Construction Account after all costs of the loan have been paid shall be promptly used to the extent possible for the redemption of Bonds, and any residue shall be deposited in the Bond and Interest Sinking Fund provided for in the Loan Agreement.

Section 13. Payment of Costs--Additional Funds. The Borrower shall pay all Project Costs and furnish from sources other than the proceeds of the loan, and from sources and in a manner which will not jeopardize the security of the Bonds, the additional funds, if any, which will be sufficient to finance the total Project Costs.

Section 14. Prompt Procedure--Economic Construction. The Borrower covenants and agrees that it will proceed promptly with all matters necessary to the financing and the development of the Project; and that the Project will be undertaken and developed in such a manner that economy will be promoted in such development and in the construction work; and that the Project will not be of elaborate or extravagant design or materials.

Section 15. Approvals and Permits. The Borrower shall obtain all approvals and permits required by law as a condition precedent to the acquisition, construction, development, and operation of the Project.

Section 16. Submission of Proceedings, Contract and Other Documents. The Borrower shall submit to the Government such data, reports, records, and documents relating to the financing, construction, and operation of the Project and financial condition of the Borrower as the Government may require. Approval of the Government must be obtained prior to the assignment of any interest in or part of any contract relating to the Project.

Section 17. Construction by Contract. All work on the Project shall be done under contract and every opportunity shall be given for free, open, and competitive bidding for each and every construction, material, and equipment contract. The Borrower shall give such publicity by advertisements or calls for bids by it for the furnishing to it of work, labor, materials, and equipment as required by applicable law and as will provide adequate competition; and the award of each contract therefor shall be made, after approval by the Government, to the lowest responsible bidder as soon as practicable: Provided, that in the selection of equipment or materials the Borrower may, in the interest of standardization or ultimate economy, if the advantage of such standardization or such ultimate economy is clearly evident, award a contract to a responsible bidder other than the lowest in price. The Borrower shall obtain the concurrence of the Government before approving subcontracts relating to the Project.

Section 18. Changes in Construction Contract. Any change in a construction contract shall be submitted to the Government for approval. Construction contracts shall include a provision specifying that the above requirement will be met.

Section 19. Contract Security. The Borrower shall require that each construction contractor shall furnish a performance bond in an amount at least equal to 100 percent of his contract price as security for the faithful performance of his contract and also a payment bond in amount not less than 50 percent of his contract price or in a penal sum not less than that prescribed by State, territorial, or local law, as security for the payment of all persons performing labor on the Project under his contract and furnishing materials in connection with his contract. The performance bond and the payment bond may be in one or in separate instruments in accordance with local law.
Section 20. Insurance During Construction. The Borrower shall require that each of its construction contractors and their subcontractors shall maintain during the life of his contract Workmen's Compensation Insurance and Public Liability and Property Damage Insurance in amounts and on terms satisfactory to the Government. The Borrower shall maintain or require that each of its construction contractors shall maintain during the life of his contract Builder's Risk Insurance in amounts and on terms satisfactory to the Government.

Section 21. (a) Wage Rates: Upon receipt of the list of wage rates determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (Davis-Bacon Act, as amended), the Borrower shall include such list in all contracts calling for work on the Project and require adherence thereto. The Borrower shall also require of each of its contractors that such list shall be posted at appropriate conspicuous points on the site of the Project. Unless otherwise required by law, wage rates need not be listed for non-manual workers, including executive, supervisory, administrative and clerical employees.

If, after the award of the contract, it becomes necessary to employ any person in a trade or occupation not classified in the above list, such person shall be paid at not less than a rate to be determined by the Secretary of Labor. Such approved minimum rate shall be retroactive to the time of the initial employment of such person in such trade or occupation. The contractor shall notify the Borrower of his intention to employ persons in trades or occupations not classified in sufficient time for the Borrower to obtain approved rates for such trades or occupations.

(b) Computation of Wages on 40-Hour Week. The Borrower shall require of its contractors (a) that the wages of every laborer and mechanic engaged in work on the Project shall be computed on a basic week rate of forty hours per week, constituting a week's work; and (b) that work in excess of forty hours per week shall be permitted upon compensation at one and one-half times the listed rate of pay for all hours worked in excess of forty hours in any one week.

(c) The Government may waive the application of this Section in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of the Project, voluntarily donate their services without full compensation for the purpose of lowering the costs of construction and the Government determines that any amounts saved thereby are fully credited to the Borrower.

Section 22. Payment of Employees. The Borrower shall require of its contractors that all employees engaged in work on the Project be paid in full (less deductions made mandatory by law) not less often than once each week.

Section 23. Wage Underpayments and Adjustments. The Borrower shall require of each of its contractors that, in cases of underpayment of wages by the contractor, the Borrower may withhold from such contractor out of payments due, an amount sufficient to pay workers employed on the work covered by his contract the difference between the wages required to be paid under the contract and the wages actually paid such workers for the total number of hours worked and may disburse such amounts so withheld by it for and on account of the contractor to the respective employees to whom they are due.

Section 24. Anti-Kickback Statute. The so-called Anti-Kickback Statute, Public Law No. 324, 73rd Congress, approved June 13, 1934 (48 Stat. 1948 as amended), and the regulations issued pursuant thereto, are a part of the Loan Agreement, and the Borrower shall comply, and require each of its contractors employed
in the construction, prosecution, or completion of the Project to comply therewith, and to cause his subcontractors to do likewise.

Section 25. Accident Prevention. The Borrower shall require of its contractors that precaution shall be exercised at all times for the protection of persons (including employees) and property, and that hazardous conditions be guarded against or eliminated.

Section 26. Supervision and Inspection. The Borrower shall provide and maintain on its own behalf competent and adequate architectural or engineering services covering the supervision and inspection of the development and construction of the Project.

Section 27. Nondiscrimination. The Borrower shall require that there shall be no discrimination against any employee who is employed in carrying out the Project, or against any applicant for such employment, because of race, religion, color or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Borrower shall insert the foregoing provision of this Section in all its contracts for Project work and will require all of its contractors for such work to insert a similar provision in all subcontracts for Project work: Provided, that the foregoing provisions of this Section shall not apply to contracts or subcontracts for standard commercial supplies or raw materials. The Borrower shall post at the Project, in conspicuous places available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of this nondiscrimination clause.

Section 28. Payments to Contractors. Not later than the fifteenth day of each calendar month the Borrower shall make a partial payment to each construction contractor on the basis of a duly certified and approved estimate of the work performed during the preceding calendar month by the particular contractor, but shall retain until final completion and acceptance of all work covered by the particular contract a reasonable amount, specified in the contract, sufficient to insure the proper performance of the contract.

Section 29. Audit and Inspection. The Borrower shall require of its contractors that the Government's authorized representatives be permitted, and it will itself permit them, to inspect all work, materials, payrolls, records of personnel, invoices of materials and other relevant data and records appertaining to the development of the Project; and shall permit the Government's authorized representatives to audit the books, records, and accounts of the Borrower appertaining to the loan and the development of the Project.

Section 30. Government Field Expense. The Government will bill the Borrower for payment of the fee specified in the Loan Agreement to cover audit and inspection costs and payment will be due from the first funds deposited in the Construction Account. In the event of termination of the Loan Agreement through the sale of all of the Bonds to private purchasers, the Borrower shall be entitled to a refund of all or a proportionate part of the fee. The refund shall be in such an amount as the Government determines to be equitable under the circumstances.

Section 31. Signs. The Borrower shall cause to be erected at the site of the Project, and maintained during construction, signs satisfactory to the Government identifying the Project and indicating the fact that the Government is participating in the development of the Project.
32. Retention of Title. So long as the Government holds any of the Bonds, the Borrower shall not dispose of its title to the Project or to any facility the revenues of which are pledged as security for the Bonds, or to any useful part thereof, including any facility necessary to the operation and use thereof, and the lands and interests in lands comprising their sites, except as permitted in the Loan Agreement and the bond authorizing proceedings.

Section 33. Insurance on Completed Project.

(a) Fire and Extended Coverage. Upon acceptance of the Project from the contractor, the Borrower shall, if such insurance is not already in force, procure Fire and Extended Coverage Insurance on the Project and, upon receipt of funds acquired pursuant to the Loan Agreement, the Borrower shall, if such insurance is not already in force, procure Fire and Extended Coverage Insurance on any other of its buildings the revenues of which are pledged to the security of the loan. The foregoing Fire and Extended Coverage Insurance shall be maintained so long as any of the Bonds are outstanding and shall be in amounts sufficient to provide for not less than full recovery whenever a loss from perils insured against does not exceed 80 percent of the full insurable value of the damaged building.

Where a Trustee is to be or has been designated in connection with the Bonds, each such insurance policy shall be acceptable to the Trustee and shall contain a clause making all losses payable to the Trustee as its interest may appear.

In the event of any damage to or destruction of any of said building or buildings, the Borrower shall promptly arrange for the application of the insurance proceeds for the repair or reconstruction of the damaged or destroyed portion thereof, or retire the outstanding bonds.

(b) Boiler Insurance. Upon acceptance of the Project from the contractor, the Borrower shall, if such insurance is not already in force, procure and maintain, so long as any of the Bonds are outstanding, Boiler Insurance covering any steam boilers servicing the Project, in a minimum amount of $50,000.00.

(c) Liability Insurance. Upon receipt of any funds acquired pursuant to the Loan Agreement, the Borrower shall, if such insurance is not already in force, procure and maintain, so long as any of the Bonds are outstanding, Public Liability Insurance with limits of not less than $50,000.00 for one person and $100,000.00 for more than one person involved in one accident to protect the Borrower from claims for bodily injury and/or death which may arise from the Borrower's operations, including any use or occupancy of its grounds, structures and vehicles.

(d) Use and Occupancy Insurance. Immediately upon occupancy of any portion of the Project and so long thereafter as the funds and investments of the Bond and Interest Sinking Fund Account or Collateral Account, if any (as provided in the Loan Agreement) are less than the maximum debt service reserve required by said provisions of the Loan Agreement, the Borrower shall procure and maintain Use and Occupancy Insurance on each building, the revenues of which are pledged to payment of the Bonds, in an amount sufficient to enable the Borrower to deposit in the Bond and Interest Sinking Fund Account, out of the proceeds of such insurance, an amount equal to the sum that would normally have been available for deposit in such Account from the revenues of the damaged building during the time the damaged building is non-revenue producing as a result of loss of use caused by the perils covered by Fire and Extended Coverage Insurance. Where a Trustee is to be or has been designated in connection with the Bonds, each such insurance policy shall be acceptable to the Trustee and shall contain a loss payable clause making any loss thereunder payable to the Trustee as its interest may appear.
Section 34. Parietal Rules. The Borrower shall establish and maintain such rules as may be necessary to (1) assure maximum occupancy and use of said facilities and (2) provide together with any other funds herein pledged to payment of the Bonds (a) the operating and maintenance expenses of said facilities, (b) the debt service on the Bonds, (c) the required reserve therefor, and (d) the Repair and Replacement Reserve where such reserves are required.

Section 35. Proper Records and Books. The Borrower covenants that it will keep accurate financial records and proper books relating to the Project, other facilities the revenues of which are pledged to secure the Bonds, and other pledged revenue sources, and such records and books shall be open to inspection by the Bondholders and their agents and representatives. The Borrower further covenants that not later than 90 days after the close of each fiscal year it will furnish to the Trustee and to any Bondholder who shall request same in writing, copies of audit reports prepared by an independent public accountant, or where appropriate, by the State auditing official, reflecting in reasonable detail the financial condition and record of operation of the Borrower, the Project, other pledged facilities, and other pledged revenue sources, including particularly the Borrower's enrollment, the occupancy or degree of use of and rates charged for the use of, and the insurance on, the Project and any other facilities the revenues of which are pledged in the Loan Agreement, and the status of the several accounts and funds required by the Loan Agreement.

Section 36. Investment of Funds. Moneys on deposit to the credit of the Bond and Interest Sinking Fund Account and/or the Repair and Replacement Reserve Account shall, upon request by the Borrower, be invested by the Trustee or other designated depository, in direct obligations of, or obligations the principal of and the interest on which are guaranteed by, the United States Government. Where the Borrower is required to maintain fixed amounts in such accounts, the investments of such funds shall be valued in terms of current market value as of June 30 and December 31 of each year.

Section 37. Bond Redemption. So long as the Government holds any of the Bonds, it will waive the non-callable provisions, redemption premiums, and publication of notice of call applicable thereto.

Section 38. interest of Third Parties. The Loan Agreement is not for the benefit of third parties, including the holders from time to time of any of the Bonds, and the Government shall be under no obligation to any such parties, whether or not indirectly interested in said Agreement, to pay any charges or expenses incident to compliance by the Borrower with any of its duties or obligations thereunder.

Section 39. Interest of Members of or Delegates to Congress. No member of or delegate to the Congress of the United States shall be admitted to any share or part of this Agreement or to any benefit arising therefrom.

Section 40. Bonus or Commission. By execution of the Loan Agreement the Borrower represents that it has not paid and, also, agrees not to pay, any bonus, commission, or fee for the purpose of obtaining an approval of its application for the loan hereunder.
EXHIBIT B

Project No. CH-Ark-45(S)

The following Special Conditions are made a part of the Loan Agreement for the above-numbered project, as specified in Section 6 of the Loan Agreement.

1. The Borrower shall deliver the Student Center Bonds of 1961, Series A and Series B at one time, with the Government surrendering the outstanding Student Center Bonds, Series 1956 for a like amount of Student Center Bonds of 1961, Series A. The payment of accrued interest on the Bonds so surrendered and the Series A Bonds so delivered shall be adjusted so that no overlapping interest is paid and any balance of accrued interest due on the Bonds so surrendered shall be paid to the Government forthwith. The Student Center Bonds of 1961, Series A are dated October 1, 1961, mature annually from October 1, 1962, to October 1, 1996, inclusive, and are numbered from 1A to 333A, inclusive. The Student Center Bonds, Series 1956 so surrendered are dated October 1, 1956, mature annually from October 1, 1962, to October 1, 1996, inclusive, and are numbered from 1B to 350, inclusive.

2. As soon as Condition 1 has been complied with, the Borrower shall establish a "Student Center Revenue Fund Account" into which shall be deposited:

   a. All unexpended funds in the Project Revenue Fund Account established in accordance with the Indenture authorizing the issuance of the Student Center Bonds, Series 1956, herein refunded; and

   b. All rentals, charges, income, and revenues, as received, arising from the operation and/or ownership of the Student Center, and all Student Center Fees.

The Student Center Revenue Fund Account shall be held in the custody of the Borrower, separate and apart from all other funds, and shall be maintained so long as any of the Bonds are outstanding in a bank which is a member of the Federal Deposit Insurance Corporation and shall be expended and used by the Borrower only in the manner and order specified below.

3. Current expenses of the Student Center shall be payable as a first charge from the Student Center Revenue Fund Account as the same become due and payable. Current expenses shall include all necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, properly allocated share of charges for insurance, and all other expenses incident to the operation of the Student Center, but shall exclude depreciation, all general administrative expenses of the Borrower, and the payment into the "Student Center Repair and Replacement Reserve" herein-after provided for.
4. The Borrower shall establish with the Trustee to be designated in the Indenture, and maintain so long as any of the Bonds are outstanding, a separate Bond and Interest Sinking Fund Account which may be designated as the "Student Center Bond Fund" into which shall be deposited:

a. All the accrued interest received from the sale and/or exchange of the Bonds;

b. All the funds and/or investments in the Bond and Interest Sinking Fund Account, including the Reserve Account therein, established in accordance with the Indenture authorizing the issuance of the Student Center Bonds, Series 1956, herein refunded; and

c. After providing for the payment of current expenses, the Borrower shall transfer from the Student Center Revenue Fund and deposit to the credit of the Student Center Bond Fund on or before each March 15 and September 15, such sums as may be necessary, together with the funds already on deposit therein and together with the interest for the current interest period on the Series B Bonds chargeable as a Project development cost, to pay the interest and principal on the outstanding Bonds as the same becomes due and maintain a debt service reserve at not less than $45,000. Provided, however, that beginning March 15, 1964, and thereafter the Borrower shall after providing for the payment of current expenses transfer from the Student Center Revenue Fund and deposit to the credit of the Student Center Bond Fund, on or before each March 15 and September 15, the sum of at least $19,450, until the funds and/or investments therein are sufficient to meet the interest on the outstanding Bonds due on the next interest payment date and one-half of the principal due within the succeeding twelve months, plus a debt service reserve in the sum of $59,500 and thereafter, on or before each March 15 and September 15, such sums from said source as may be necessary up to $19,450 to meet the interest on the outstanding Bonds due on the next interest payment date and one-half of the principal due within the succeeding twelve months and maintain the debt service reserve in the sum of $59,500.

5. As soon as the required reserve is accumulated in the Student Center Bond Fund, the Borrower shall establish with the designated depository a separate account called the "Student Center Repair and Replacement Reserve Account" into which shall be deposited from the Student Center Revenue Fund on or before the close of each fiscal year, the sum of $5,000 or such portion thereof as is available for transfer annually until the funds and/or investments in the Account shall aggregate $50,000 and thereafter such sums, but not more than $5,000 annually, as may be required to restore and maintain the balance of $50,000. All moneys in the Student Center Repair and Replacement Reserve Account may be drawn on and used by the Borrower for the purpose of paying the cost of unusual or extraordinary maintenance or repairs, renewals and replacements, and the renovating or replacement of the furniture and equipment not paid as part of the ordinary and normal
expense of the Student Center operations. However, in the event the funds in the Student Center Bond Fund should be reduced below the debt service reserve of $59,500, funds on deposit in the Student Center Repair and Replacement Reserve Account shall be transferred to the Student Center Bond Fund to the extent required to eliminate the deficiency in that account.

6. Subject to making the foregoing maximum deposits, the Borrower may use the balance of excess funds in the Student Center Revenue Fund Account at the close of each school term to redeem outstanding Bonds on the next interest payment date, in inverse numerical order and in amounts of not less than $5,000 par value at one time, or for any expenditures, including the payment of debt service, in improving or restoring any existing housing and dining facilities or providing any such additional facilities.
TO WHOM IT MAY CONCERN:

The following is a Resolution passed by the Board of Trustees meeting in regular session on January 5, 1962, in the office of the President of the College:

A motion was made by Trustee Harper and seconded by Trustee Hoggard that a Loan Agreement in the amount of $250,000 for the expansion of the student center building, offered by the Federal Housing and Home Finance Agency, and explained to the Board by Bond Approving Attorney, Wallace Townsend, be accepted. This motion was unanimously passed by the Board.

Mrs. Rufus W. Morgan, Jr.,
Secretary, Board of Trustees

SEAL

"THE FRIENDLIEST COLLEGE IN ARKANSAS"
CERTIFICATE OF RECORDING OFFICER

I, the undersigned, the duly qualified and acting Recording Officer of the Board of Trustees of The Arkansas State Teachers College (herein called the "Applicant"), and the keeper of the records of the Applicant, including the Journal of Proceedings of the Board of Trustees (herein called the "Governing Body"), do hereby certify:

1. That the attached resolution is a true and correct copy of the resolution as finally adopted at a meeting of the governing body held on the 5th day of January, 1962, and duly recorded in my office;

2. That said meeting was duly convened and held in all respects in accordance with law and to the extent required by law due and proper notice of such meeting was given; and a legal quorum was present throughout the meeting, and a legally sufficient number of members of the governing body voted in the proper manner and for the adoption of said resolution; that all other requirements and proceedings under the law incident to the proper adoption or passage of said resolution, including publication, if required, have been duly fulfilled, carried out, and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 5th day of January, 1962.

(Signature of Officer)

Secretary, Board of Trustees

(Official Title)

(SEAL)

(If Applicant has no seal, make and sign statement to that effect here.)