

The Board of Trustees of the University of Central Arkansas convened in regular meeting on Friday morning, June 5, 1981, at ten o'clock in the Board Room in the Administration Building on the campus with the following officers and members of the Board present, to-wit:

Chairman: Mr. James W. Ahlf
 Secretary: Mr. Bill Johnson
 Mr. Henry L. Jones, Jr.
 Dr. John W. Sneed, Jr.
 Mrs. Charles E. Hammans
 Mr. Ben Burton
 Dr. J. Albert Johnson

and with the following absent, to-wit:

None

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

Minutes of the last meeting were approved upon motion made by Mr. Jones, seconded by Dr. Sneed, and passed by unanimous vote.

Dean Conrad Carroll distributed copies of the College of Business Administration application for Baccalaureate Accreditation in the American Assembly of Collegiate Schools of Business and gave a brief description of the Assembly and benefits of membership.

President Farris reported on the Farris Road Project, construction in Irby and the Old Gym, and the anticipated bid opening on the Maintenance Building Project. A report was also made on current student pre-registration and pre-registration of freshmen and transfer students.

Dr. Sneed introduced a Resolution, which he read, and moved that it be adopted. Mr. Burton seconded the motion. The motion, carrying with it the adoption of the Resolution, prevailed by the following vote:

Ayes: Mr. Ahlf, Mr. Johnson, Mr. Jones, Dr. Sneed, Mrs. Hammans,
 Mr. Burton and Dr. Johnson

Abstaining: None

Nays: None

The Chairman declared the Resolution duly carried.

The Resolution is as follows:

A RESOLUTION AWARDED TO PURCHASER THE BOARD OF TRUSTEES OF UNIVERSITY OF CENTRAL ARKANSAS, CONWAY, ARKANSAS, ARKANSAS BOND ANTICIPATION NOTES, DATED JUNE 1, 1981, IN THE PRINCIPAL AMOUNT OF \$300,000.

WHEREAS, the Board of Trustees (the "Board") of University of Central Arkansas, Conway, Arkansas, duly advertised by publication in the Arkansas Democrat and now has under consideration the sale of \$300,000 Board of Trustees of University of Central Arkansas, Conway, Arkansas, Bond Anticipation Notes, dated June 1, 1981 (the "Notes"); and

WHEREAS, the following bids were received:

Hill, Crawford & Lanford, Inc.)	8.89444%
T. J. Raney & Sons, Inc.)	
First State Bank & Trust Co.)	9.238%

WHEREAS, the Board has received and considered the bids, and it appears that the account of Hill, Crawford & Lanford, Inc. has the best bid;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of University of Central Arkansas, Conway, Arkansas:

That the bid of Hill, Crawford & Lanford, Inc., Little Rock, Arkansas, being the best bid, is hereby approved and accepted, subject to the approval of the Department of Higher Education of the State of Arkansas.

ADOPTED this 5th day of June, 1981.

BOARD OF TRUSTEES OF UNIVERSITY
OF CENTRAL ARKANSAS
Conway, Arkansas

ATTEST:

By _____
Chairman, Board of Trustees

Secretary, Board of Trustees

(SEAL)

Dr. Sneed introduced a Resolution, which he read and moved that it be adopted. Mr. Burton seconded the motion.

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

Ayes: Mr. Ahlf, Mr. Johnson, Mr. Jones, Dr. Sneed, Mrs. Hammans,
Mr. Burton and Dr. Johnson

Abstaining: None

Nays: None

The Chairman declared the Resolution duly adopted.

The Resolution is as follows:

A RESOLUTION FIXING THE AMOUNT OF THE STUDENT FEE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON BOARD OF TRUSTEES OF UNIVERSITY OF CENTRAL ARKANSAS, CONWAY, ARKANSAS BOND ANTICIPATION NOTES, DATED JUNE 1, 1981.

WHEREAS, concurrently herewith the Board of Trustees (the "Board") of University of Central Arkansas, Conway, Arkansas (the "University"), has authorized the issuance of \$300,000 in principal amount of Bond Anticipation Notes, dated June 1, 1981 (the "Notes"); and

WHEREAS, the proceeds of the Notes will be used to provide sufficient funds for accomplishing, together with other available funds, (i) the cost of constructing and equipping a Maintenance Building (the "Project") and (ii) paying expenses in connection with the issuance of the Notes; and

WHEREAS, there is pledged to the payment of the principal of and interest on the Notes revenues derived from a Student Fee, in the amount hereafter set forth and it is necessary to take action specifying the amount of the Student Fee and making covenants with reference thereto;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of University of Central Arkansas, Conway, Arkansas:

Section 1. That there be and there is hereby charged by the University a Student Fee (in the form of an allocation from the regular student fees) in the amount of \$6.00 for each student enrolled at the University per regular term (regular term consisting of two semesters each year and lasting approximately 9 months) with the Student Fee so charged being specifically pledged to the payment of the principal of, interest on and Trustee's and Paying Agent's fees in connection with the Notes, pursuant to the provisions of the Trust Indenture by and between the Board and Peoples Bank & Trust Co., Mountain Home, Arkansas, dated as of June 1, 1981, securing the Notes.

Section 2. That the Student Fee levied and pledged hereby shall remain in force and effect until and unless changed by order of the Board. In this regard, the Board covenants in the Trust Indenture to always maintain the Student Fee at that amount (including the obligations to increase the same if and when necessary) which will produce annual revenues sufficient, together with any other revenues available to the Board for the payment of debt service on the Notes to provide not less than the following: an amount not less than 125% of the annual debt service requirements of the Notes.

Section 3. That the administrative officers of the University 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 purposes of this Resolution.

ADOPTED AND APPROVED this 5th day of June, 1981.

BOARD OF TRUSTEES
UNIVERSITY OF CENTRAL ARKANSAS
Conway, Arkansas

ATTEST:

By James W. Ahlf
Chairman, Board of Trustees

[Signature]
Secretary, Board of Trustees

(SEAL)

Dr. Sneed introduced a Resolution, which he read and moved that it be adopted. Mr. Burton seconded the motion.

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

Ayes: Mr. Ahlf, Mr. Johnson, Mr. Jones, Dr. Sneed, Mrs. Hammans,
Mr. Burton and Dr. Johnson

Abstaining: None

Nays: None

The Chairman declared the Resolution duly adopted.

The Resolution is as follows:

A RESOLUTION AUTHORIZING THE ISSUANCE OF BOARD OF TRUSTEES OF UNIVERSITY OF CENTRAL ARKANSAS, CONWAY, ARKANSAS BOND ANTICIPATION NOTES, DATED JUNE 1, 1981, FOR THE PURPOSE OF ACCOMPLISHING, TOGETHER WITH

OTHER AVAILABLE FUNDS, THE CONSTRUCTING AND EQUIPPING OF A PROJECT ON THE CAMPUS OF THE UNIVERSITY AND AS DESCRIBED IN DETAIL IN THIS RESOLUTION; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE NOTES; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, The Board of Trustees (the "Board") of University of Central Arkansas, Conway, Arkansas (the "University"), is authorized under the Constitution and laws of the State of Arkansas, including particularly Act No. 62 of the Acts of the General Assembly of the State of Arkansas for the year 1947, as amended ("Act No. 62"), to borrow money for the constructing and equipping of buildings, structures and facilities which the Board deems proper or suitable for school purposes; and

WHEREAS, the Board has determined, and hereby finds and declares, that this is an immediate need for (i) the cost of constructing and equipping a Maintenance Building (the "Project") and (ii) paying expenses in connection with the issuance of the Notes, and plans and specifications have been examined and approved by the Board and filed with the Secretary of the University; and

WHEREAS, the Board does not have the necessary funds to construct and equip the Project but can obtain the same by the issuance of Notes under the authority of Act No. 62; and

WHEREAS, for the purpose of obtaining necessary funds to accomplish, together with available funds from other sources, the constructing and equipping of the Project, the Board, after due advertisement, has sold its \$300,000 in principal amount of Bond Anticipation Notes (the "Notes"); and

WHEREAS, in order to secure the payment of the principal of and interest on the Notes and to establish and declare the terms and conditions upon which the Notes are to be issued, received and held, the Board must authorize and direct the issuance and delivery of a Trust Indenture (the "Indenture");

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of University of Central Arkansas, Conway, Arkansas:

Section 1. That the execution and delivery of the Notes to the purchaser, Hill, Crawford & Lanford Incorporated, Little Rock, Arkansas (the "Purchaser"), for the purchase price of par and accrued interest for Notes bearing interest at the rate of 8.9% per annum, all as set forth in detail in the form of Indenture hereinafter authorized, be and the same are hereby approved, authorized and directed.

Section 2. That to provide for the issuance of the Notes and to prescribe the terms upon which the Notes are to be secured, executed, authenticated, accepted and held, the Chairman of the Board is hereby authorized and directed to execute and acknowledge an Indenture, and the Secretary of the Board is hereby authorized and directed to execute and acknowledge the Indenture and to affix the seal of the University thereto and to attest the same, and to cause the Indenture to be accepted, executed and acknowledged by the Trustee, with the form and contents of the Indenture, which constitutes and is hereby made a part of this Authorizing Resolution (the "Resolution") to be substantially as follows, to-wit:

TRUST INDENTURE

This TRUST INDENTURE (the "Indenture"), dated as of June 1, 1981, by and between the BOARD OF TRUSTEES OF UNIVERSITY OF CENTRAL ARKANSAS, an educational institution organized under and existing by virtue of the laws of the State of Arkansas, with its principal office and post office address at Conway, Arkansas (the "Board"), and PEOPLES BANK & TRUST CO., a banking institution duly organized and existing under and by virtue of the laws of the State of Arkansas and

having its principal office and place of business in the City of Mountain Home, Arkansas (the "Trustee");

WITNESSETH:

WHEREAS, the Board is authorized under the Constitution and laws of the State of Arkansas, particularly Act No. 62 of the Acts of the General Assembly of the State of Arkansas for the year 1947, as amended ("Act No. 62"), to borrow money for the constructing and equipping of buildings, structures and facilities; and

WHEREAS, the Board has determined, and hereby finds and declares, that there is an immediate need for (i) constructing and equipping a Maintenance Building (the "Project"), and (ii) paying expenses in connection with the issuance of the Notes; and

WHEREAS, the Board does not have sufficient funds to construct and equip the Project but can obtain the same by the issuance of Notes under the authority of Act No. 62; and

WHEREAS, the Board has determined to issue and sell its Bond Anticipation Notes in the principal amount of \$300,000 (the "Notes"); and

WHEREAS, in order to secure the payment of the principal of and interest on the Notes and to establish and declare the terms and conditions upon which the Notes are to be issued and held, the Board has duly authorized and directed the execution and delivery of this Indenture; and

WHEREAS, the Notes, the provisions for registration and transfer, and the Trustee's Certificate to be endorsed thereon are all to be in substantially the following form, with necessary or appropriate variations, omissions and insertions as permitted or required by this Indenture, to-wit:

(Form of Note)

UNITED STATES OF AMERICA
STATE OF ARKANSAS
BOARD OF TRUSTEES OF
UNIVERSITY OF CENTRAL ARKANSAS
CONWAY, ARKANSAS
8.9% BOND ANTICIPATION NOTE

No. _____

\$5,000

KNOW ALL MEN BY THESE PRESENTS:

That the Board of Trustees (the "Board") of University of Central Arkansas, Conway, Arkansas (the "University"), an educational institution, acknowledges itself to owe and for value received hereby promises to pay to the registered owner hereof, on the first day of June, 1984, the principal sum of

FIVE THOUSAND DOLLARS

and to pay interest hereon from the date hereof at the rate of 8.9% per annum payable on June 1 and December 1 of each year, commencing December 1, 1981, until the principal amount hereof has been paid. Both the principal of and interest on this Note shall be payable in any coin or currency which, on the respective dates of payment of such principal and interest, is legal tender for the payment of debts due the United States of America. Principal shall be payable at the principal office of Peoples Bank & Trust Co., in Mountain Home, Arkansas, Trustee under the Indenture hereinafter described or of its successor as such Trustee (the "Trustee", "Paying Agent" and "Note Registrar"). Payment of interest shall be by check or draft mailed to the

registered owner at his address on the Note registration book maintained by the Trustee.

This Note is one of an issue designated "Board of Trustees of University of Central Arkansas, Conway, Arkansas Bond Anticipation Notes" in the principal amount of Three Hundred Thousand Dollars (\$300,000), dated June 1, 1981 (the "Notes"). The Notes are being issued for the purpose of financing, together with other available funds, (i) the cost of constructing and equipping a Maintenance Building (the "Project") and (ii) paying necessary expenses in connection with the issuance of the Notes. The Notes are all issued under and are equally and ratably secured and entitled to the protection given by a Trust Indenture, dated as of June 1, 1981 (the "Indenture"), duly executed and delivered by the Board, to the Trustee, to which Indenture and all indentures supplemental thereto, reference is hereby made for the provisions, among others, with respect to the custody and application of the proceeds of the Notes, the collection and disposition of revenues, the nature and extent of the security, the rights, duties and obligations of the Board and the Trustee, and the rights of the registered owners of the Notes. An executed counterpart of the Indenture is on file at the office of the Trustee.

The Notes are issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas, including particularly Act No. 62 of the Acts of the General Assembly of the State of Arkansas for the year 1947, as amended, and pursuant to a Resolution of the Board. The Notes do not constitute an indebtedness for which the faith and credit of the State of Arkansas or any of its revenues are pledged, and are not secured by a mortgage or lien on the Project or on any other land or building belonging to the State of Arkansas or the Board. As specified in detail in the Indenture, the payment of interest on the Notes is secured by a pledge of, and the interest is payable from, revenues derived from a Student Fee (in the form of an allocation from the regular student fees), initially fixed at \$6.00 per student per regular term (regular term consisting of two semesters each year and lasting approximately nine months). The Board covenants that at or prior to the maturity date of the Notes it will issue permanent bonds in sufficient amount and use the proceeds to retire the principal of the Notes.

The Notes shall not be subject to redemption prior to maturity.

The Note shall at all times be registered as to principal and interest and may be transferred in the manner, with the effect and subject to the terms and conditions endorsed hereon. Subject to the provisions for registration and transfer endorsed hereon, nothing contained in this Note or in the Indenture shall affect or impair the negotiability of this Note and this Note shall be deemed a negotiable instrument under the laws of the State of Arkansas and is issued with the intent that the laws of the State of Arkansas will govern its construction.

In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Notes issued under the Indenture and then outstanding may become or may be declared due and payable before the stated maturity thereof, together with the interest accrued thereon.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

The registered owner of this Note shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to be done precedent to and in the issuance of the Note have been properly done, have happened and have been performed in regular and due time, form and manner as required by law; that the Notes do not exceed any constitutional or statutory limitation; and that provision has been made for the payment of the principal of and interest on the Notes as provided in the Indenture.

This Note shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the Certificate hereon endorsed by the Trustee.

IN WITNESS WHEREOF, the Board of Trustees of University of Central Arkansas, Conway, Arkansas, has caused this Note to be executed in its name by the facsimile signature of the Chairman of the Board, thereunto duly authorized and its corporate seal to be affixed and attested by the Secretary of the Board, all as of the first day of June, 1981.

BOARD OF TRUSTEES OF
UNIVERSITY OF CENTRAL ARKANSAS
Conway, Arkansas

ATTEST:

By (facsimile signature)
Chairman, Board of Trustees

Secretary, Board of Trustees

(SEAL)

(Form of Trustee's Certificate)

CERTIFICATE

This is one of the Notes described in the within mentioned Indenture.

PEOPLES BANK & TRUST CO
Mountain Home, Arkansas

By _____
Authorized Signature

PROVISIONS FOR REGISTRATION AND TRANSFER

This Note shall at all times be registered as to principal and interest on the registration book of the Board maintained by the Bond Registrar, which shall make mention of such registration in the registration blank below. This Note may be transferred only upon an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, such transfer to be made on such book and endorsed hereon by the Bond Registrar.

Date of Registration	Name of Registered Owner	Signature of Bond Registrar

; and

WHEREAS, all things necessary to make the Notes, when authenticated by the Trustee and issued, as in this Indenture provided, valid, binding and legal obligations of the Board, and to constitute this Indenture a valid and binding agreement securing the payment of the principal of and interest on all Notes issued

hereunder, have been done and performed, and the creation, execution and delivery of this Indenture, and the creation, execution and issuance of the Notes, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, the Board does hereby authorize and order the Notes issued and in consideration of the premises and of the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Notes by the registered owners thereof, and in order to secure the payment of the principal of and interest on the Notes according to their tenor and effect, does hereby stipulate, covenant and agree with the Trustee and with the respective registered owners, from time to time, of the Notes or any part thereof, as follows, that is to say:

ARTICLE I

DEFINITION OF SPECIAL TERMS

Section 101. Unless the context otherwise requires, the terms defined in this Article shall, for all purposes of this Indenture and of any indenture supplemental hereto, have the meanings hereinafter specified; the following definitions to be equally applicable to both the singular and plural forms of any of the terms herein defined.

Section 102. In addition to the words and terms elsewhere defined in this Indenture, the following words and terms as used in this Indenture shall have the following meanings:

"Board" or "Board of Trustees" - The Board of Trustees of the University of Central Arkansas, Conway, Arkansas.

"Chairman" and "Chairman of the Board of Trustees" - The presiding officer of the Board of Trustees of the University whose title is Chairman of the Board of Trustees.

"Fiscal Year" - The University's fiscal year.

"holder" - As to any Note, the registered owner thereof.

"Notes" - Board of Trustees of University of Central Arkansas, Conway, Arkansas Bond Anticipation Notes, issued and secured by this Indenture, authorized in the total principal amount of \$300,000.

"outstanding hereunder" - All Notes which have been authenticated and delivered under this Indenture except for the payment of which cash (or investments authorized by Section 1201 hereof) shall have theretofore been deposited with the Paying Agent and Notes reported mutilated, destroyed or lost which have been replaced by other Notes pursuant to the provisions of Section 208 of this Indenture.

"Paying Agent" - Shall mean the same Bank as the Trustee.

"person" - Shall include natural persons, firms, associations and corporations.

"Project" - Refers to the Maintenance Building being constructed and equipped out of the proceeds of the Notes (and other funds).

"Secretary" and "Secretary of the Board of Trustees" - Shall mean the Secretary and recording officer of the Board of Trustees of the University whose title is Secretary of the Board of Trustees.

"Trust Estate" - The revenues pledged by this Indenture as security for the indebtedness of the Board evidenced by the Notes issued hereunder.

"Trustee" - Shall mean Peoples Bank & Trust Co., or its successors in trust.

"University" - University of Central Arkansas, Conway, Arkansas, an educational institution organized under and existing by virtue of the laws of the State of Arkansas. The reference shall also mean the Board in the case of covenants or agreements falling within the jurisdiction of the Board.

ARTICLE II

FORM, EXECUTION AND REGISTRATION OF NOTES

Section 201. The aggregate principal amount of Notes that may be issued under and secured by this Indenture is limited to \$300,000, except as to substitute Notes issued under Section 208 hereof.

Section 202. The Notes shall be registered as to principal and interest in substantially the form heretofore set forth. The Notes are being issued in the principal amount of \$300,000. The Notes shall be in the denomination of \$5,000 each, shall be numbered consecutively from 1 to 60, inclusive, and shall bear interest at the rate of 8.90% per annum (as set forth in the maturity schedule below). Interest thereon shall be payable semiannually on June 1 and December 1 of each year, commencing December 1, 1981. The Notes shall mature on June 1, 1984.

Both the principal of and interest on the Notes shall be payable in any coin or currency which, on the respective dates of payment of such principal and interest, is legal tender for the payment of debts due the United States of America. Principal shall be payable at the principal office of the Trustee under the Indenture or of its successor as such Trustee. Payment of interest shall be by check or draft mailed to the registered owner at his address on the bond registration book maintained by the Trustee.

Section 203. The Notes shall be executed on behalf of the Board by the Chairman and Secretary of the Board (with the facsimile signature of the Chairman and the manual signature of the Secretary) and shall have impressed thereon the seal of the University. The facsimile signature of the Chairman shall have the same force and effect as if he had personally signed. The interest on the Notes shall be payable from the Bond Anticipation Note Fund (sometimes referred to in the Indenture as the "Note Fund"), as hereinafter set forth, and shall be a valid claim of the holders thereof against such fund and the revenues pledged to such fund, which revenues are hereby pledged and mortgaged for the equal and ratable payment of the Notes (subject to the right to use unneeded surplus as provided in Section 505 hereof), and provision has been made for an amount of pledged revenues sufficient to provide for the payment of the principal of and interest on the Notes, and the Trustee's and Paying Agent's fees, as the same become due, to be deposited into the Note Fund. The Board covenants that at or prior to the maturity date of the Notes it will issue permanent bonds in sufficient amount and use the proceeds to retire the principal of the Notes. The Notes and interest thereon are not secured by a mortgage or lien on the Project or any other land or building belonging to the State of Arkansas or the Board. In case any officer whose signature or facsimile of which signature shall appear on any Notes shall cease to be such officer before the delivery of such Notes, such signatures or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until such delivery.

Section 204. Only such Notes as shall have endorsed thereon a Certificate of Authentication substantially in the form hereinafter set forth, duly executed by the Trustee, shall be entitled to any right or benefit under this Indenture. No Note shall be valid or obligatory for any purpose unless and until such Certificate of Authentication shall have been duly executed by the Trustee and such Certificate of the Trustee upon any such Note shall be conclusive evidence that such Note has been duly authenticated and delivered under this Indenture. The Trustee's Certificate of Authentication on any Note shall be deemed to have been duly executed if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the Certificate of Authentication on all of the Notes which may be issued thereunder.

Section 205. The Bond Registrar shall keep books for the registration and for the transfer of the Notes as provided in this Indenture. Notes shall be transferred only upon an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, such transfer to be made on such books and endorsed on the Note by the Bond Registrar. Such transfer may not be to bearer. No charge shall be made to any holder for the privilege of registration and transfer hereinabove granted, but any holder requesting any such registration or transfer shall pay any tax or other governmental charge required to be paid with respect thereto.

Section 206. The person in whose name a Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of and interest on such Notes shall be made only to or upon the order of the registered owner thereof or his legal representative, and neither the Board, nor the Bond Registrar shall be affected by any notice to the contrary, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

Section 207. The Board shall file with the Trustee a resolution, certified by its Secretary, awarding the sale of the Notes to the purchaser, and the Trustee shall be entitled to rely upon the resolution as to the name of the purchaser and the amount of the purchase price and as to the type of Notes desired by the purchaser. The Board shall deliver the Notes to the purchaser upon receipt of payment therefor.

Section 208. In case any Note issued hereunder shall become mutilated or be destroyed or lost, the Board shall, if then permitted by law, cause to be executed, and the Trustee may authenticate and deliver, a new Note of like date, number, maturity and tenor in exchange and substitution for and upon a cancellation of such mutilated Note, or in lieu of and in substitution for such Note, destroyed or lost, upon holder's paying the reasonable expenses and charges of the Board and the Trustee in connection therewith, and, in the case of a Note destroyed or lost, his filing with the Trustee evidence satisfactory to it and to the Board that such Note was destroyed or lost, and of his ownership thereof, and furnishing the Board and the Trustee with indemnity satisfactory to them

Section 209. All Notes which are paid shall be cancelled and, at the option of the Trustee, either (i) cremated, shredded or otherwise disposed of or (ii) returned to the Board. In the case of cremating, shredding or other disposition pursuant to (i) above, the Trustee shall execute and forward to the Board an appropriate certificate describing the Notes involved and the manner of disposition.

ARTICLE III

REDEMPTION OF NOTES

Section 301. The Notes are not redeemable prior to maturity.

ARTICLE IV

NOTE PROCEEDS AND CONSTRUCTION ACCOUNT

Section 401. From the proceeds of the sale of the Notes, there shall be deposited in the Note Fund the accrued interest plus the amount in addition thereto, if any be necessary, required for the payment of interest on the Notes until pledged revenues are available in sufficient amount. The additional amount, if any, required to be deposited shall be specified in a letter of instructions to the Trustee at the time of the delivery of the Notes. The balance of the proceeds of the sale of the Notes shall be deposited in such depository or depositories holding membership in the Federal Deposit Insurance Corporation as may be lawfully designated by the Board from time to time, such deposit to be in an account designated "1981 Construction Fund" (the

"Construction Fund"). Except as provided in Article VI of this Indenture (pertaining to investments), moneys in the Construction Fund shall be expended only for the construction of the Project, including the payment of interim financing, if any, architectural fees, legal fees and other necessary expenses incidental to the construction and to the issuance of the Notes. For each disbursement there shall be prepared a requisition signed by the Treasurer of the University stating in respect of each such payment:

- (1) The item number of the payment;
- (2) The name of the person, firm or corporation to whom payment is due;
- (3) The amount to be paid; and
- (4) The purpose by general classification for which the obligation to be paid was incurred.

And, in the case of all construction expenses over which the architects shall exercise supervision (which in general shall include all expenses except architectural fees, legal fees, and expenses pertaining to the issuance of the Notes), the requisition shall be accompanied by a certificate signed by the architect certifying his approval. One copy of the requisition with accompanying certificate shall be filed with the depository or depositories in which the Construction Fund is deposited and one copy shall be filed in the office of the Treasurer of the University. Whenever the word "Treasurer" is used throughout this Article IV or any other article of this Indenture, the term shall include any person, regardless of title, performing the normal duties of a treasurer and having charge of and responsibility for the finances, moneys and accounts pertaining thereto of the University.

Section 402. When the construction of the Project shall have been completed, this fact shall be evidenced by the filing with the Trustee and with the depository or depositories in which the Construction Fund is deposited of a certificate signed by the Treasurer of the University and the Chairman of the Board, which certificate shall set forth the date of such completion and shall state that all obligations which are payable from the Construction Fund have been discharged. Any remaining balance shall be deposited in the Note Fund. Upon receipt of the above described certificate, the depository or depositories with which the Construction Fund is deposited shall pay or transfer any remaining balance therein pursuant to the written direction or check signed by the Treasurer of the University.

ARTICLE V

DISPOSITION OF PLEDGED REVENUES

Section 501. The Notes are not secured by a mortgage or lien on the Project or on any other land or building belonging to the State of Arkansas or the Board. The interest on the Notes is primarily secured by a first lien on and pledge of Student Fees (in the form of an allocation from the regular student fees) initially fixed at \$6.00 per student per regular term (regular term consisting of two semesters each year and lasting approximately nine months). The Board covenants to always maintain the Student Fee at that amount (including the obligation to increase the same if and when necessary) which will produce annual revenues sufficient, together with other revenues available to the Board for the payment of debt service on the Notes to produce not less than an amount not less than 125% of the annual interest requirements of the Notes. All pledged revenues shall be deposited as and when received into the Revenue Fund (hereinafter created in Section 502).

The Treasurer of the University shall be the custodian of all revenues, and he shall give bond for the faithful discharge of his duties as such custodian. All revenues shall be deposited to the extent and in the manner herein provided by the Treasurer in such depository or depositories for the University as may be lawfully

designated by the Board from time to time; subject, however, to the giving of security as now or as hereafter may be required by law, separate and apart from all other funds of the Board of the University.

Section 502. There is hereby created and established a special fund to be known as the "Revenue Fund Account" (sometimes referred to as the "Revenue Fund") which shall be maintained, so long as any of the Notes are outstanding, in a bank which is a member of the Federal Deposit Insurance Corporation, and which shall be expended and used only in the manner herein specified. There shall be deposited in the Revenue Fund, as and when received, all of the revenues from the pledged Student Fee.

The amount in the Revenue Fund in excess of the amount insured by the Federal Deposit Insurance Corporation must be continuously secured by bonds or other direct or fully guaranteed obligations of the United States of America or invested as herein authorized.

Section 503. There is hereby created and established a separate trust fund in the name of the Board to be known as "Bond Anticipation Note Fund" (which will sometimes be referred to in this Indenture as the "Note Fund"), which will be maintained as long as any of the Notes are outstanding in a bank which is a member of the Federal Deposit Insurance Corporation. The amount of the Bond Fund in excess of the amount insured by the Federal Deposit Insurance Corporation must be continuously secured by bonds or other direct or fully guaranteed obligations of the United States of America or invested as hereinafter authorized in Article VI.

Section 504. (a) There shall be deposited into the Note Fund from the Revenue Fund the sums in the amounts and at the times hereinafter set forth for the purpose of providing funds for the payment of the interest on the Notes as due.

(b) There shall be deposited into the Note Fund the accrued interest received from the sale of the Notes which shall be credited against the amount to be deposited in the Note Fund on the next interest payment date. In addition, there shall be deposited into the Note Fund the following at the times indicated:

(i) On or before May 15 and November 15 of each year the amount that will become due as interest on the next succeeding interest payment date (which dates are June 1 and December 1 of each year); and

(ii) At the time of each deposit under (i) above the amount that will become due for Trustee's and Paying Agent's fees on the next interest or principal and interest payment date.

(c) The funds in the Note Fund shall be used solely for the payment of the principal of and interest on Notes secured by this Indenture, and Trustee's and Paying Agent's fees, and for no other purposes.

Section 505. Subject to the making the foregoing maximum deposits, the Board may use excess funds in the Revenue Fund for any other lawful purpose.

ARTICLE VI

INVESTMENTS

Section 601. (a) Moneys held for the credit of the Construction Fund may, pursuant to the direction of the Board, be invested and reinvested by the depository bank in direct obligations of or obligations the principal and interest on which are guaranteed by, the United States of America or in bank certificates of deposit, provided that such direction shall be accompanied by a certificate of the architect as to when the funds to be so invested will be needed for the construction, and the obligations in which investment is made must have maturity dates on or prior to the dates so certified by the architect.

(b) Moneys held for the credit of any other fund shall, pursuant to the direction of the Board, be invested and reinvested by the depository bank in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, in bank certificates of deposit or in any other lawful investment, which shall mature, or be subject to redemption by the holder thereof, at the option of the holder, not later than the date or dates when the money held for the credit of the particular fund will be required for the purposes intended, as determined by the Board.

(c) Obligations so purchased as an investment of moneys in any such fund shall be deemed at all times to be a part of such fund, and the interest accruing thereon and any profit realized from such investment shall be credited to such fund, and any loss resulting from such investment shall be charged to such fund.

ARTICLE VII

PARTICULAR COVENANTS

Section 701. The Board covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, and in each and every Note executed, authenticated and delivered hereunder, and in all resolutions of the Board pertaining thereto; that it will promptly pay the principal of and interest on every Note issued hereunder in coin or currency which, on the respective dates of payment of such principal and interest, is legal tender for the payment of debts due the United States of America, on the dates and in the places and manner prescribed in such Notes, and to that end hereby pledges its full faith and credit to the fullest extent permitted under the Constitution and laws of the State of Arkansas

Section 702. The Board covenants that it is duly authorized under the Constitution and laws of the State of Arkansas to issue the Notes and to execute this Indenture and to pledge the revenues in the manner and to the extent hereinabove set forth; that all action on its part for the issuance of the Notes and the execution and delivery of this Indenture has been duly and effectively taken; and that the Notes in the hands of the holders thereof are and will be valid and enforceable obligations of the Board according to the import thereof.

Section 703. The Board covenants that so long as any Notes issued hereunder shall be outstanding and unpaid, the Board will keep proper books of record and account in which full, true and correct entries will be made of all dealings and all transactions relating to the properties, business and financial affairs of the Board, and that it will:

(a) At such times as the Trustee shall reasonably request, furnish statements in reasonable detail showing the income, expenditures and financial condition of the Board;

(b) From time to time furnish to the Trustee such data as to the plants, properties and equipment of the Board as the Trustee shall reasonably request;

(c) On or before ninety (90) days after the end of each fiscal year, furnish to the Trustee detailed reports of audit, based on an examination sufficiently complete to comply with generally accepted auditing standards, covering the operations of the Board for the fiscal year next preceding, and showing the income and expenses for such period. A copy of the audit shall be mailed to any holder who shall have placed his name and address on file with the Treasurer of the Board for that purpose.

The Board further covenants that all books, documents and vouchers relating to the plans, properties, business and affairs of the Board shall at all times be open to the inspection of such accountants or other agents as the Trustee may from time to time designate.

Section 704. The Board covenants that it will, upon request of the Trustee, execute and deliver such further instruments and do such further acts as may be necessary or proper to carry out more effectually the purposes of this Indenture.

ARTICLE VIII

DEFAULT PROVISIONS AND REMEDIES

Section 801. Each of the following events is hereby declared "an event of default", that is to say, if:

(a) Payment of the principal of any of the Notes shall not be made when the same shall become due and payable; or

(b) Payment of any installment of interest on any of the Notes shall not be made within thirty (30) days after the same shall become due and payable; or

(c) The Board shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

(d) Any proceeding shall be instituted, with the consent or acquiescence of the Board, for the purpose of effecting a composition between the Board and its creditors and for the purpose of adjusting the claims of such creditors pursuant to any Federal or State statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable out of pledged revenues; or

(e) The Board shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Notes or in this Indenture, and such default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Board by the Trustee, which may give notice in its discretion and shall give such notice upon the written request of holders of not less than twenty percent (20%) in principal amount of the Notes then outstanding.

Section 802. Upon the happening and continuance of any event of default specified in Section 801 of this Article, then and in every such case the Trustee may, and upon the written request of the holders of not less than twenty percent (20%) in principal amount of the Notes then outstanding shall, by a notice in writing to the Board, declare the principal of all of the Notes then outstanding (if not then due and payable) to be due and immediately payable, and upon such declaration the same shall become and be immediately due and payable, anything contained in the Notes or in the Indenture to the contrary notwithstanding.

Section 803. Upon the happening and continuance of any event of default specified in Section 801 of this Article, then and in every such case the Trustee may proceed, and upon the written request of the holders of not less than twenty percent (20%) in principal amount of the Notes then outstanding hereunder shall proceed, subject to the provisions of Section 902 of this Indenture, to protect and enforce its rights and the rights of the holders of the Notes under the applicable laws of the State of Arkansas or under this Indenture by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, including mandamus, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights.

Section 804. Anything in this Indenture to the contrary notwithstanding, if at any time the moneys in the Note Fund shall not be sufficient to pay the principal of or the interest on the Notes as the same become due and payable (either by their terms or by acceleration of maturities under the provisions of Section 802 of this Article), such moneys, together with any moneys available or thereafter becoming available for such purposes, whether through the exercise of the remedies in this Article provided for or otherwise, shall be applied as follows:

(a) Unless the principal of all the Notes shall have become or shall have been declared due and payable, all such moneys shall be applied to the payment to the persons entitled thereto of all installments of interest then due, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege.

(b) If the principal of the Notes shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Notes, without preference or priority of principal over any other installment of interest, or of any Note over any other Note, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as it shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the holder of any Note until such Note shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 805. In case any proceedings taken by the Trustee on account of any default shall have been discontinued or abandoned for any reason, then and in every such case, the Board, and the Trustee, and the holders of the Notes shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

Section 806. Anything in this Indenture to the contrary notwithstanding, the holders of a majority in principal amount of the Notes then outstanding hereunder shall have the right, subject to the provisions of Section 902 of this Indenture, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to the holders of Notes not parties to such direction.

Section 807. No holder of any of the Notes shall have any right to institute any suit, action, mandamus or other proceeding, in equity or at law, for the execution of any trust hereunder or for the protection or enforcement of any right under this Indenture or under the laws of the State of Arkansas, unless such holder shall have previously given to the Trustee written notice of the event of default or breach of trust or duty on account of which such suit, action or proceeding is to be taken, and unless the holders of not less than ten percent (10%) in principal amount of the Notes then outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or granted by the laws of the State of Arkansas, or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the cost, expense and liabilities to be incurred therein or

thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time, and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture or to any other remedy hereunder. It is understood and intended that no one or more holders of the Notes hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right hereunder except in the manner herein provided, that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all holders of such outstanding Notes, and that any individual rights of action or to the right given to one or more of such holders by law are restricted by this Indenture to the rights and remedies herein provided.

Section 808. All rights of action under this Indenture or under any of the Notes secured hereby, enforceable by the Trustee, may be enforced by it without the possession of any of the Notes or the production thereof on the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the holders of such Notes, subject to the provisions of this Indenture.

Section 809. No remedy herein conferred upon or reserved to the Trustee or to the holders of the Notes is intended to be exclusive of any other remedy or remedies herein provided, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder.

Section 810. No delay or omission of the Trustee or of any holders of the Notes to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy given by this Article to the Trustee and the holders of the Notes, respectively, may be exercised from time to time and as often as may be deemed expedient.

The Trustee may, and upon the written request of the holders of not less than fifteen percent (15%) in principal amount of the Notes then outstanding shall, waive any default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Indenture or before the completion of the enforcement of any other remedy under this Indenture, but no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

Section 811. The Trustee shall mail to all registered owners of the Notes then outstanding at their addresses as they appear on the registration books, and to all other holders who shall have filed their names and addresses with the Trustee for such purpose, written notice of the occurrence of any event of default set forth in clause (a) or clause (b) of Section 801 of this Article within thirty (30) days after any such event of default shall have occurred. The Trustee shall not, however, be subject to any liability to any holder by reason of its failure to mail any notice required by this Section.

Section 812. The Board covenants that it will not take any action or suffer or permit any action to be taken or condition to exist which causes or may cause the interest payable on the Notes to be subject to federal income taxation. Without limiting the generality of the foregoing, the Board covenants that the proceeds of the sale of the Notes will not be used directly or indirectly in such manner as to cause the Notes to be treated as "arbitrage bonds" within the meaning of Section 103(3) of the Internal Revenue Code of 1954, as amended.

ARTICLE IX

CONCERNING THE TRUSTEE

Section 901. The Trustee accepts and agrees to execute the trusts imposed upon it by this Indenture, but only upon the terms and conditions set forth in this Article and subject to the provisions of this Indenture, to all of which the parties hereto and the respective holders of the Notes agree.

Section 902. The Trustee shall be under no obligation to institute any suit, or to take any remedial proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability; the Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Trustee, without indemnity, and in any such case the Board shall reimburse the Trustee from Project revenues for all costs and expenses, outlays and other counsel fees and other reasonable disbursements properly incurred in connection therewith. If the Board shall fail to make such reimbursement, the Trustee may reimburse itself from any moneys in its possession under the provisions of this Indenture and shall be entitled to a preference therefor over any of the Notes outstanding hereunder.

Section 903. The Trustee shall be under no obligation to see that any duties herein imposed upon the Board, any depository, or any party other than itself, or any covenants herein contained on the part of any party other than itself to be performed, shall be done or performed, and the Trustee shall be under no obligation for failure to see that any such duties or covenants are so done or performed. The Trustee may, however, and upon the request of the holders of ten percent (10%) in principal amount of the outstanding Notes, and upon being provided with adequate funds for that purpose and indemnified to its satisfaction, shall (without prejudice to the rights arising by reason of such default) advance or expend moneys or to in any manner protect the rights of the holders of the Notes under their Notes or this Indenture; and for any such advancement or expenditure, the Trustee shall be reimbursed or may reimburse itself as hereinabove provided in Section 902.

Section 904. The Trustee shall not be liable or responsible because of the failure of the Board or of any of its employees or agents to make any collections or deposits or to perform any act herein required of them or because of the loss of any moneys arising through the insolvency or the act, default or omission of any depository in which such moneys shall have been deposited under the provisions of this Indenture. The Trustee shall not be responsible for the application of any of the proceeds of the Notes or any moneys deposited with it and paid out, withdrawn or transferred in accordance with the provisions of this Indenture. The immunities and exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

Section 905. Subject to the provisions of any contract between the Board and the Trustee, the Board shall pay to the Trustee from the pledged revenues reasonable compensation for all services performed by it hereunder and also all its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees incurred in and about the administration and execution of the trusts hereby created and the performance of its powers and duties hereunder, and, from such pledged revenues, shall indemnify the Trustee against any liabilities which it may incur in the proper exercise and performance of its powers and duties hereunder. If the Board shall fail to make any payment required by this Section, the Trustee may make such payment from any moneys in its possession under the provisions of this Indenture and shall be entitled to a preference therefor over any of the Notes outstanding hereunder.

Section 906. In case at any time it shall be necessary or desirable for the Trustee to make any investigation respecting any fact preparatory to taking or not taking any action or doing or not doing anything as such Trustee, and in any case in which this Indenture provides for permitting or taking any action, the Trustee may rely upon any certificate required or permitted to be filed with it under the provisions of this Indenture, and any such certificate shall be evidence of such fact to protect it in any action that it may or may not take or in respect of anything it may or may not do, in good faith, by reason of the supposed existence of such fact. Except as otherwise provided in this Indenture, any request, notice or other instrument from the Board to the Trustee shall be deemed to have been signed by the proper party or parties if signed by the President or Secretary of the Board.

Section 907. The bank or trust company acting as Trustee under this Indenture, and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the Notes issued under the provisions of this Indenture, and may join in any action which any holder may be entitled to take with like effect as if such bank or trust company were not the Trustee.

Section 908. The recitals, statements and representations contained herein and in the Notes (excluding the Trustee's certificate on the Notes) shall be taken and construed as made by and on the part of the Board and not by the Trustee, and the Trustee assumes and shall be under no responsibility for the correctness of the same. The Trustee shall have no responsibility in respect of the validity or sufficiency of this Indenture or the due execution or acknowledgment thereof, or in respect of the validity of the Notes or the due execution or issuance thereof.

Section 909. The Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith and in accordance with the terms of this Indenture, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, Note or other paper or document which it shall in good faith believe to be genuine and to have been adopted or signed by the proper board or to have been prepared and furnished pursuant to any of the provisions of this Indenture, or upon the written opinion of any attorney (whom may be counsel for the University), architect or accountant believed by the Trustee to be qualified in relation to the subject matter. The Trustee shall not be bound to recognize any person as a holder of any Note or to take any action at his request unless such Note shall be deposited with the Trustee.

Except as otherwise provided in this Indenture, the Trustee shall not be obligated to take notice or be deemed to have notice of any event of default hereunder, unless specifically notified in writing of such event of default by the holders of not less than ten percent (10%) in principal amount of the Notes hereby secured and then outstanding, or to take any action or proceeding by reason of any statement or report filed with it under the provisions of this Indenture or by reason of any information contained therein.

Section 910. The Trustee may resign and thereby become discharged from the trusts hereby created, by notice in writing to be given to the Board not less than thirty (30) days before such resignation is to take effect, but such resignation shall take effect immediately upon the appointment of a new Trustee hereunder if such new Trustee shall be appointed before the time limited by such notice and shall then accept the trusts hereof.

Section 911. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, signed by the holders of not less than a majority in principal amount of the Notes hereby secured and then outstanding and filed with the Board. A photostatic copy of each such instrument shall be delivered promptly by the Board to the Trustee. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee, by any court of competent jurisdiction upon the application of the Board or the holders of not less than ten percent (10%) in

principal amount of the Notes then outstanding hereunder.

Section 912. If at any time hereafter the Trustee shall resign, be removed, be dissolved, or otherwise become incapable of acting, or if the bank or trust company acting as Trustee shall be taken over by any governmental official, agency, department or board, the position of Trustee shall thereupon become vacant. If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, the Board shall appoint a Trustee to fill such vacancy.

At any time within one year after such vacancy shall have occurred, the holders of a majority in principal amount of the Notes hereby secured and then outstanding, by an instrument or concurrent instruments in writing, signed by such holders or their attorneys in fact thereunto duly authorized and filed with the Board, may appoint a successor Trustee, which shall supersede any Trustee theretofore appointed by the Board. Photostatic copies of each such instrument shall be delivered promptly by the Board to the predecessor Trustee and to the Trustee so appointed by the holders.

If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section, the holder of any Note outstanding hereunder or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Section 913. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the Board, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, shall become duly vested with all rights, immunities, powers and trusts, and subject to all the duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of its successor or of the Board, and upon payment of the compensation, expenses, charges and other disbursements of such predecessor which are payable pursuant to the provisions of Section 905 of this Article, execute and deliver an instrument transferring to such successor Trustee all the rights, immunities, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all property and moneys held by it hereunder to its successor. Should any instrument in writing from the Board be required by any successor Trustee for more fully and certainly vesting in such Trustee the rights, immunities, powers and trusts hereby vested or intended to be vested in the predecessor Trustee, any such instrument in writing shall and will, on request, be executed, acknowledged and delivered by the Board.

Notwithstanding any of the foregoing provisions of this Article, any bank or trust company having power to perform the duties and execute the trusts of this Indenture and otherwise qualified to act as Trustee hereunder with or into which the bank or trust company acting as Trustee may be merged or consolidated, or to which the assets and business of such bank or trust company may be sold, shall be deemed the successor of the Trustee.

Each retiring Trustee shall cease to be paying Agent and Bond Registrar and the successor Trustee shall become and assume all of the duties as Paying Agent and Bond Registrar in addition to the duties as Trustee.

ARTICLE X

EXECUTION OF INSTRUMENTS BY HOLDERS AND PROOF OF OWNERSHIP OF NOTES

Section 1001. Any request, direction, consent or other instrument in writing required or permitted by this Indenture to be signed or executed by holders may be

in any number of concurrent instruments of similar tenor and may be signed or executed by such holders or their attorneys or legal representatives. Proof of the execution of any such instrument and of the ownership of Notes shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee with regard to any action taken by it under such instrument if made in the following manner:

(a) The fact and date of the execution by any person of any such instrument may be proved by the verification of any officer in any jurisdiction who, by the laws thereof, has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of a witness to such execution.

(b) The fact of the holding of Notes hereunder by any holder and the amount and the numbers of such Notes and the date of his holding the same shall be proved by the registration books kept under the provisions of Section 205 of this Indenture.

ARTICLE XI

SUPPLEMENTAL INDENTURES

Section 1101. The Board and the Trustee may, from time to time and at any time, enter into such indentures supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental indentures shall thereafter form a part hereof),

(a) to cure any ambiguity or formal defect or omission in this Indenture or in any supplemental indenture, or

(b) to grant to or confer upon the Trustee for the benefit of the holders any additional rights, remedies, powers, authority, or security that may lawfully be granted to or conferred upon the holders or the Trustee.

Section 1102. Subject to the terms and provisions contained in this Section, and not otherwise, the holders of not less than 66-2/3% in aggregate principal amount of the Notes then outstanding shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Board and the Trustee of such Indenture or Indentures supplemental hereto as shall be deemed necessary or desirable by the Board for the purpose of modifying, altering, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that nothing contained shall permit, or be construed as permitting, (a) an extension of the maturity of the principal of or the interest on any Note issued hereunder, or (b) a reduction in the principal amount of any Note or the rate of interest thereon, or (c) a preference or priority of any Note or Notes over any other Note or Notes, or (d) a reduction in the aggregate principal amount of the Notes required for consent to such supplemental indenture. Nothing herein contained, however, shall be construed as making necessary the approval by holders of the execution of any supplemental indenture as authorized in Section 1101 of this Article.

If at any time the Board shall request the Trustee to enter into any supplemental indenture for any of the purposes of this Section, the Trustee shall, at the expense of the Board, cause notice of the proposed execution of such supplemental indenture to be mailed, postage prepaid, to all registered owners of Notes at their addresses as they appear on the registration books. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal office of the Trustee for inspection by all holders. The Trustee shall not, however, be subject to any liability to any holder by reason of its failure to mail the notice required

by this Section, and any such failure shall not affect the validity of such supplemental indenture when consented to and approved as provided in this Section.

Whenever, at any time within one year after the date of the first publication of such notice, the Board shall deliver to the Trustee an instrument or instruments in writing purporting to be executed by the holders of not less than 66-2/3% in aggregate principal amount of the Notes then outstanding, which instrument or instruments shall refer to the proposed supplemental indenture described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Trustee may execute such supplemental indenture in substantially such form, without liability or responsibility to any holder of any Note, whether or not such holder shall have consented thereto.

If the holders of not less than 66-2/3% in aggregate principal amount of the Notes outstanding at the time of the execution of such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no holder of any Note shall have the right to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Board from executing the same or from taking any action pursuant to the provisions thereof.

Upon the execution of any supplemental indenture pursuant to the provisions of this Section, this Indenture shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Board, the Trustee and all holders of Notes then outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Section 1103. The Trustee is authorized to join with the Board in the execution of any such supplemental indenture and to make the further agreements and stipulations which may be contained therein. Any supplemental indenture executed in accordance with the provisions of this Article shall thereafter form a part of this Indenture, and all of the terms and conditions contained in any such supplemental indenture as to any provision authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes. In case of the execution and delivery of any supplemental indenture, express references may be made thereto in the text of any Notes issued thereafter, if deemed necessary or desirable by the Trustee.

Section 1104. In each and every case provided for in this Article, the Trustee shall be entitled to exercise its discretion in determining whether or not any proposed supplemental indenture, or any term or provision therein contained, is proper or desirable, having in view the purposes of such instrument, the needs of the Board, the rights and interests of the holders, and the rights, obligations and interests of the Trustee, and the Trustee shall not be under any responsibility or liability to the Board or to any holder or to anyone whomsoever for its refusal in good faith to enter into any such supplemental indenture if such indenture is deemed by it to be contrary to the provision of this Article. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of any counsel approved by it, who may be counsel for the Board, as evidence that any such proposed supplemental indenture does or does not comply with the provisions of this Indenture, and that it is not proper for it, under the provisions of this Article, to join in the execution of such supplemental indenture.

ARTICLE XII

DE FEASANCE

Section 1201. If the whole amount of the principal of and the interest on

the Notes as due and payable to maturity shall be paid or sufficient moneys shall be held by the Trustee for such purpose under the provisions of this Indenture (if such moneys are invested in noncallable direct or fully guaranteed obligations of the United States of America having maturity dates on or prior to the date the moneys will be needed, there may be included in determining the sufficiency of the moneys, the interest to be earned on such investments) and provision shall also be made for paying all other sums payable hereunder by the Board, then and in that case the rights, title and interest of the Trustee shall thereupon cease, determine and become void, and the Trustee in such case, on demand of the Board, shall release this Indenture and shall execute such documents to evidence such release as may be reasonably required by the Board, and shall turn over to the Board or to such officer, board or body as may then be entitled by the law to receive the same any moneys remaining in its hands other than moneys held for the principal of and interest on the Notes.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 1301. All covenants, stipulations, obligations, and agreements of the Board contained in this Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the University and of each department and agency of the University to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall bind or inure to the benefit of the successor or successors thereof from time to time and any officer, board, body or commission to whom or which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

Except as otherwise provided in this Indenture, all rights, powers and privileges conferred and duties and liabilities imposed upon the University or the Board by the provisions of this Indenture shall be exercised or performed by the Board, or by such other officers, board, body or commission as may be required by law to exercise such powers or to perform such duties.

No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any member, agent or employee of the Board in his individual capacity, and neither the members of the Board nor any official executing the Notes shall be liable personally on the Notes or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 1302. Any notice, demand, direction, request or other instrument authorized or required by this Indenture to be given to or filed with the Board, the University or the Trustee shall be deemed to have been sufficiently given or filed for all purposes of this Indenture if and when sent by registered or certified mail, return receipt requested:

#083 0

#083 1 of

#083 2 to

All documents received by the Trustee under the provisions of this Indenture or photographic copies thereof, shall be retained in its possession, subject at all reasonable times to the inspection of the Board, any holder, and the agents and representatives thereof.

Section 1303. Except as herein otherwise expressly provided, nothing in this Indenture expressed or implied is intended or shall be construed to confer

upon any person, firm or corporation other than the parties hereto and the holders of the Notes issued under the provisions of this Indenture any right, remedy or claim, legal or equitable, under or by reason of this Indenture or any provision hereof, this Indenture and all its provisions being intended to be and being for the sole and exclusive benefit of the parties hereto and the holders from time to time of the Notes issued hereunder.

Section 1304. Nothing in the Notes or in this Indenture shall be construed as pledging the faith and credit of the State of Arkansas or as creating any debt of the State.

Section 1305. In case any one or more of the provisions of this Indenture or of the Notes issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Indenture or of said Notes, but this Indenture and said Notes shall be construed and enforced as if such illegal or invalid provision had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in the Notes or in this Indenture shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Board to the full extent permitted by law. No member, officer, agent or employee of the Board shall incur any personal liability in acting or proceeding or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Indenture and the laws of the State of Arkansas. This Indenture is executed with the intent that the laws of the State of Arkansas shall govern its construction.

Section 1306. The officers and agent of the University or the Board are hereby authorized and directed to do all things and acts required of them by the Notes and this Indenture for the full, punctual and complete performance of all of the terms, covenants, provisions and agreements contained in the Notes and in this Indenture.

IN WITNESS WHEREOF, the Board of Trustees of University of Central Arkansas, Conway, Arkansas, for and on behalf of the University, has caused this Indenture to be executed by its Chairman and its Secretary and to be sealed with the corporate seal of the University, and Peoples Bank & Trust Co., has caused this Indenture to be executed on its behalf by its Vice President and Trust Officer and its corporate seal to be impressed hereon and attested by its _____ all as of the day and year first above written.

BOARD OF TRUSTEES OF UNIVERSITY OF
CENTRAL ARKANSAS, CONWAY, ARKANSAS

ATTEST:

BY _____
Chairman, Board of Trustees

Secretary, Board of Trustees

(SEAL)

PEOPLES BANK & TRUST CO.
Mountain Home, Arkansas

BY _____

(title)

ATTEST:

(SEAL)

Section 3. That the officers of the Board and of the University are hereby authorized and directed to do any and all lawful things to effect the execution of the Indenture, its acceptance by the Trustee, the execution and delivery of the Notes, the performance of all obligations of the Board and of the University, and the execution and delivery of all papers, documents, certificates and other instruments of whatever nature that may be necessary or desirable for carrying out the authority conferred by this Resolution or evidencing the authority and its exercise.

ADOPTED AND APPROVED this 5th day of June, 1981.

ATTEST:

Chairman, Board of Trustees of
University of Central Arkansas,
Conway, Arkansas

Secretary, Board of Trustees of
University of Central Arkansas,
Conway, Arkansas

(SEAL)

Adoption of the following resolution was approved upon motion made by Mrs. Hammans, seconded by Dr. Sneed, and passed by unanimous vote:

"RESOLVED: Employees who travel out-of-state as an official representative of the University may be reimbursed for actual food and lodging expenses if they exceed the authorized daily maximum. Permission for such an exception must be given by the Travel Administrator in advance of the trip."

Following a discussion on athletics, the Board reiterated its interest in moving to a higher level of competition provided the Purple Circle Board raised the additional funding necessary.

Adoption of the following resolution was approved upon motion made by Mr. Burton, seconded by Mrs. Hammans, and passed by unanimous vote:

"RESOLVED: The University of Central Arkansas adopts the following policy on eligibility for students to receive financial aid:

1. Only students classified as UCA "Regular" are eligible to receive student financial aid. * (Regular students are defined as those students enrolled in credit courses and seeking degrees.) Those classified as 'Special' students are not eligible to receive student financial aid.

*Financial aid in this document refers to BEOG, NDSL, SEOG, CWSP, Guaranteed Bank Loans, Nursing Loans and Nursing Scholarships, and Arkansas State Scholarships.

2. UCA students receiving financial aid who are administratively withdrawn due to non-attendance are not eligible for financial aid for the remainder of the semester or the following regular semester (Fall/Spring).

3. If the financial aid awarded a student is based on full-time attendance, students must maintain and successfully complete the semester with a minimum of 9 credit hours. Likewise, students awarded financial aid on three-quarter time basis must maintain and successfully complete the semester enrolled for a minimum of 6 credit hours. Students receiving aid as half-time recipients must maintain and successfully complete the semester enrolled for a minimum of

6 credit hours. (i.e., full-time students must maintain and successfully complete 9 credit hours; three-quarter, 6 credit hours; and half-time, 6 credit hours.) Students dropping classes below the minimum would not be eligible for aid for the following regular semester (Fall/Spring). Students with extenuating circumstances who can not fulfill this requirement should contact the Student Aid Office.

4. Students with a 0.00 GPA are considered as NOT making measurable progress and financial aid will not be awarded for the following semester (Fall/Spring).

5. Students must maintain the minimum grade point average as required by the academic suspension policy. The minimum requirements for student aid recipients will be:

At the end of:	30 hrs.	45 hrs.	60 hrs.	75 hrs.	90 hrs.
Minimum GPA:	1.00	1.50	1.75	1.90	2.00

If a student is academically suspended he/she will not be eligible for financial assistance upon readmittance to the university. When the student returns to the university he/she must pay his/her own way for one semester. In order to be reinstated on financial aid, the student must maintain a 2.00 GPA for that semester.

6. Entering freshmen are permitted to attend two semesters to establish financial aid academic standing. However, students with 0.00 GPA are considered as not making academic progress."

Adoption of the following resolution was approved upon motion made by Dr. Johnson, seconded by Mrs. Hammans, and passed by unanimous vote:

"RESOLVED: Beginning the Fall Semester, 1981, the Officers in the Department of Public Safety shall carry firearms while on duty."

Copies of the financial report as of April 30, 1981 were distributed and interpreted by Mr. Bob McCormack, Controller.

Following distribution of copies of the Operating Budget for Fiscal Year 1981-82, motion to approve was made by Dr. Sneed, seconded by Mr. Jones, and adopted by unanimous vote.

Executive session for the purpose of considering personnel was declared upon motion made by Dr. Johnson, seconded by Mrs. Hammans, and passed by unanimous vote.

The following appointments, resignations, adjustments, and leaves as recommended by President Farris were approved upon motion made by Dr. Johnson, seconded by Mr. Burton, and passed by unanimous vote:

Appointments:

1. Janice A. Hardin, Instructor of Special Education, effective August 15, 1981 for a total salary of \$14,000 (9 months).
2. Denis Winter, Instructor of Music, effective August 15, 1981 for a total salary of \$14,000 (9 months).
3. Betty Hubbard, Instructor of Health Education & Coordinator of Drug Education Project, effective May 15, 1981 through May 14, 1982 for a total salary of \$11,700.
4. Betty Martin, Associate Professor of Nursing, effective August 15, 1981 for a total salary of \$26,000 (9 months).
5. Ruth Rogers, Associate Professor of Nursing, effective August 15, 1981 for a total salary of \$26,000 (9 months).

6. Offie Lites, Instructor of Journalism & University Photographer, effective July 1, 1981 for a total salary of \$22,750 (12 months).
7. Kenneth Green, Jr., Instructor of Management, effective August 15, 1981 for a total salary of \$19,000 (9 months).
8. Roger Abshire, Instructor of Marketing, effective August 15, 1981 for a total salary of \$17,500 (9 months). This is a terminal appointment.
9. J. D. Gingerich, Instructor of Political Science, effective July 1, 1981 through August 31, 1981 for a total salary of \$3083.22.
10. Lillian C. Parrish, Associate Professor of Accounting, effective August 15, 1981 for a total salary of \$27,200 (9 months).
11. Jim Hastings, Manager of Athletic Concessions & Tennis Coach, August 1, 1981 through May 30, 1982 for a total salary of \$12,000 plus waiver of fees.

Resignations:

1. Josephine Tan, Assistant Professor of Economics, effective May 15, 1981.
2. Patricia Lowrey, Instructor of Library Science, effective June 30, 1981.
3. Marilyn Miller, Instructor of Physical Therapy, effective August 15, 1981.
4. Stephen Whitney, Assistant Professor of Counseling & Psychology, effective May 15, 1981.
5. Cynthia Crawford, Assistant Librarian, effective June 30, 1981.
6. J. C. Rothwell, Instructor of Accounting, effective May 15, 1981.
7. James Dickey, Instructor of Physical Education, effective June 30, 1981.
8. Sue Thompson, Professor & Chairperson, Department of Home Economics, effective August 15, 1981.

Adjustments:

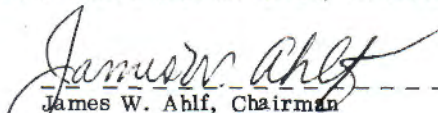
1. Linda Richardson, change rank from Visiting Instructor of Economics & Finance to Instructor of Economics & Finance.
2. Wiltou Hill, Public Safety Officer II, change annual salary from \$11,986 to \$11,258 (12 months).
3. Billy Wood, Public Safety Officer II, change annual salary from \$11,986 to \$11,258 (12 months).
4. Joseph Arn, Assistant Professor of Vocational Education, effective July 1, 1981, change annual salary from \$25,284 to \$25,848 (12 months).
5. Phillip Anderson, change appointment from Assistant Professor of English @ \$18,480 for 9 months to Assistant Professor & Chairman, Department of English, effective July 1, 1981 for a total salary of \$30,000 (12 months).
6. Rex Lovell, for the month of June, 1981, salary will be \$2,208.33 as Assistant Professor of Physical Education with tenure and Baseball Coach. Effective July 1, 1981, change title from Assistant Professor of Physical Education with tenure and Baseball Coach @ an annual salary of \$23,500 (12 months) to Assistant Professor of Physical Education with tenure, Baseball Coach, and Director of Athletic Activities @ an annual salary of \$26,500 (12 months).
7. Bill Stephens, for the month of June, 1981, salary will be \$2,208.33 as Instructor of Physical Education and Track Coach. Effective July 1, 1981, change title from Head Track Coach @ an annual salary of \$23,500 (12 months) to Director of Athletic Administration & Head Track Coach @ an annual salary of \$26,500 (12 months)

Leaves:

1. Donna Smith, Instructor of Accounting, extend academic leave through May, 1982, without pay.
2. John Erwin, Director of Vocal Music, July, 1981, without pay.

In open meeting, appointments, resignations, adjustments, and leaves, as recommended by President Farris in executive session, were approved upon motion made by Dr. Johnson, seconded by Mr. Burton, and passed by unanimous vote.

There being no further business to come before the Board, the meeting was adjourned.



James W. Ahlf, Chairman



Bill Johnson, Secretary