

The Board of Trustees of the University of Central Arkansas convened in a called teleconference meeting at 11:00 a.m., Friday, January 16, 2015, with the following officers and members present:

Chair:	Mr. Brad Lacy
Vice Chair:	Ms. Shelia Vaught
	Mr. Bunny Adcock
	Mr. Victor Green
	Ms. Kay Hinkle
	Mr. Bobby Reynolds

Ms. Elizabeth Farris was absent.

ACTION AGENDA

Property Acquisition – 242 Donaghey Avenue, Conway, AR

The Ozark Pizza Company, LLC, owns the property located at 242 Donaghey Avenue, commonly referred to as the “Papa John’s property.” Acquisition of this property will allow for the construction of Donaghey Hall located in the Donaghey District at UCA. The Papa John’s property is a tract of land situated on the corner of Donaghey Avenue and Bruce Street. The property consists of a 3,200 square foot building on approximately .12 acres (5,227 square feet).

During the past year, informal discussions have been held from time-to-time with the owners of the property; however, the university had never made a formal offer to purchase the property. After the Board of Trustees approved a request to proceed with the design and construction of Donaghey Hall, the administration again contacted Ozark Pizza Company.

The Papa John’s property appraised in May 2014 for \$185,000. On November 14, 2014, Ozark Pizza Company was offered the sum of \$185,000, the option to remain in the current location until retail space in Donaghey Hall was completed, and the right of first refusal to lease retail space in Donaghey Hall for 10 years.

In a December 8, 2014, response, Ozark Pizza Company made a counter offer requesting \$435,000 for the property, relocation compensation of \$270,000, and a 10-year lease for retail space with automatically renewable 10-year options. Ozark Pizza Company provided an appraisal prepared for Prime Bank (Edmond, Oklahoma) in July 2012 with a market value of \$347,000.

In a revised offer on December 16, 2014, Ozark Pizza Company was offered \$236,000. The offer specified that the closing would occur prior to February 1, 2015, and that the property would be vacated by March 15, 2015. The offer further provided that the university would pay an additional \$100,000 incentive if the property was vacated by March 1, 2015.

In correspondence dated December 29, 2014, Ozark Pizza Company again declined the university’s offer, and made a counter offer in the amount of \$435,000 plus relocation

compensation of \$140,000. Ozark Pizza Company also requested to remain in the existing facility until July 1, 2015.

After a series of offers and counter offers, President Courtway sent a revised offer to Ozark Pizza Company on January 12, 2015. Ozark Pizza Company was offered \$236,000. The offer specified that the closing would occur prior to February 1, 2015, and that the property would be vacated by May 1, 2015. The offer further provided that the university would pay an additional \$164,000 incentive if the property was vacated by April 15, 2015. Ozark Pizza Company accepted the offer on January 13, 2015. A copy of the offer and acceptance is attached. The closing of the proposed acquisition is conditioned upon the approval of the Board of Trustees.

The following resolution was unanimously adopted upon motion by Bunny Adcock and second by Shelia Vaught:

“BE IT RESOLVED: That the Board of Trustees approves the transaction described above with Ozark Pizza Company, LLC, for the sale and purchase of a building with a street address of 242 Donaghey Avenue, Conway, Arkansas, for the sum of \$236,000, plus an additional payment of \$164,000 if the property is vacated by April 15, 2015, and the president and such other officials of the University of Central Arkansas, as the president may from time-to-time designate, are hereby authorized and directed to enter into and execute such other documents, agreements and instruments as are necessary and required to consummate the foregoing purchase.”



January 12, 2015

Mr. Jim Brown
Ozark Pizza Company, LLC
4150 South 100th East Avenue, Suite 212
Tulsa, OK 74146

RE: OFFER & ACCEPTANCE – 242 Donaghey Avenue, Conway, AR 72034

Dear Mr. Brown:

This letter is a follow-up to your counter-offer received on January 9, 2015. We do not accept your counter-offer, and all prior offers that we have proposed are rescinded. I am, however, making one final offer in an attempt to resolve this matter by tomorrow. The “move out day” remains the same as my previous offer, but I have increased the overall money.

Subject to the satisfaction of all of the provisions and conditions set forth herein, the Board of Trustees of the University of Central Arkansas (“**Buyer**”) offers to purchase from the Ozark Pizza Company, LLC (“**Sellers**”) the property described below for the sum of Two Hundred Thirty Six Thousand Dollars (\$236,000), plus the Buyer’s share of the closing costs.

The property subject to this offer and acceptance is a building and lot located at 242 Donaghey Avenue, Conway, Arkansas, 72034, and is more particularly described as follows:

The West 75 feet of Lot 1 and the West 75 feet of the North 20 feet of Lot 2, Block 68, Boulevard Addition to the City of Conway, Arkansas, Faulkner County.

The foregoing legal description shall be referred to as the “Property.” If a survey shall establish a different legal description, the parties agree to modify the legal description to conform to the survey, the intent of the parties being that the entire parcel owned by the Sellers is to be conveyed at closing.

The terms and conditions of this offer to purchase are as follows:

1. The closing date will occur at a mutually acceptable date to be agreed upon by both parties, but shall occur not later than February 1, 2015;
2. Buyer shall be entitled to possession of the Property at closing; however, we would permit your business to remain in your existing facility until May 1, 2015. As part of such possession, however, your company would be required to indemnify and hold UCA harmless

from and after the closing until the date we take possession. Your company will not be required to pay rent, but you would remain responsible for all maintenance costs, utilities, repairs, taxes, and any other costs necessary to use the building. From and after the execution of this agreement, but prior to closing, you also agree to provide to Buyer, or designated representatives, reasonable access to the property for purposes of planning, site work, and preliminary work. In the event you vacate the building prior to April 15, 2015, the university will pay you an additional One Hundred Sixty Four Thousand Dollars (\$164,000) for your inconvenience.

3. A policy of title insurance satisfactory to Buyer, insuring unencumbered fee simple title to the Property in Buyer as of closing shall be procured and paid for by Sellers;
4. Sellers shall deliver at closing (a) a warranty deed in standard form conveying fee simple absolute title to the Property (and any mineral interests owned by Seller), free from all liens, claims or encumbrances of any kind with the grantee being "The Board of Trustees of the University of Central Arkansas" and (b) an assignment of any leases and all rents from the Property, if any;
5. Any and all taxes or assessments on the Property for the current year will be prorated at closing. Sellers shall be responsible for all real property taxes for previous years;
6. Buyer and Sellers will share the cost of closing fees and document preparation. No revenue stamps shall be required due to an exemption under Arkansas law for conveyances by or to a state agency (Buyer);
7. If any personal property shall be stored or situated on the Property, the same shall be removed prior to closing or once vacated, whichever is later;
8. Sellers represent and warrant to Buyer that Sellers are the sole owner of the Property, and no other person or entity has any form of ownership interest in, or right to use or occupy the Property, and further, that Sellers are in sole and exclusive possession of the Property, except for leases, copies of which have been delivered to representatives of Buyer;
9. Sellers represent and warrant to Buyer that all liens against the Property and all money owed on the Property, if any, are the responsibility of Sellers, and if existing will be satisfied and paid in full at, or prior to, closing;
10. Sellers represent and warrant to Buyer that there are no unrecorded rights-of-way for roadway, utilities or other matters affecting the Property;
11. Sellers represent and warrant to Buyer that there is no loss arising from oil, gas, or other minerals conveyed, retained, or assigned, or from any other activity concerning sub-surface rights

Ozark Pizza Company, LLC
January 12, 2015
Page 3

or ownership of the subject property, including but not limited to the right of egress or ingress for said sub-surface purposes;

12. Sellers represent and warrant to Buyer that there are no proceedings, either pending or threatened, which, if decided adversely to Sellers, would constitute a lien on the Property; nor are there any money judgments entered by a court against Sellers that constitute a lien on the Property.

13. Sellers represent and warrant to Buyer that there are no unrecorded contracts of sale, options to purchase, or any other kind of agreement with any person or entity, affecting the Property;

14. Sellers shall be responsible for all risk of loss to the Property and improvements thereon (if any) prior to closing;

15. If Buyer desires to have a survey of the Property performed prior to closing, Sellers agree to cooperate in having the survey performed. Any survey shall be at the expense of Buyer;

16. Sellers represent and warrant that to the best of Sellers' knowledge, no hazardous wastes or materials of any kind have been generated, produced or stored upon the Property, and that to the best of Sellers' knowledge, no such hazardous wastes exist today on the Property; and

17. Sellers shall complete and deliver, prior to closing, the attached "Disclosure Form" which will become part of the Offer and Acceptance document. Failure to make any disclosure required by the Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that order, shall be a material breach of the terms of the contract. Any contractors, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the Buyer.

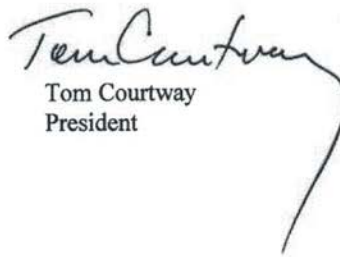
18. Buyer's obligations under this agreement are expressly conditioned upon the prior approval of the Board of Trustees of the University of Central Arkansas. This agreement and Buyer's obligations hereunder shall not be a valid and binding legal obligation of Buyer until approved by resolution duly adopted by the Board of Trustees of the University of Central Arkansas.

If the terms are agreeable to you, please sign and deliver the original to Warren Readnour, General Counsel, University of Central Arkansas, Wingo Hall 207, 201 Donaghey Avenue, Conway, AR 72035. If you have any questions this week, you may call me on my cell phone at 501-472-7495.

Ozark Pizza Company, LLC
January 12, 2015
Page 4

This offer shall terminate and be of no effect unless it is signed by Sellers, and delivered to Warren Readnour, General Counsel, by 4:00 P.M. Central Time on Tuesday, January 13, 2015.

Sincerely,

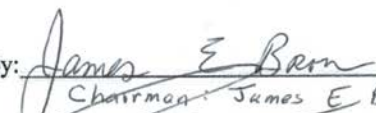


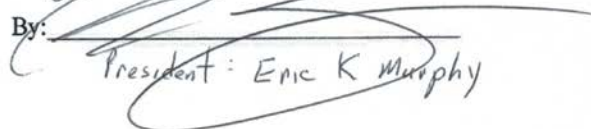
Tom Courtway
Tom Courtway
President

ACCEPTANCE BY SELLERS

The offer set forth above and all terms and conditions are hereby accepted on this 13th day of January, 2015, at 11:00 (A.M. or P.M.).

Ozark Pizza Company, LLC

By: 
Chairman: James E. Brown

By: 
President: Eric K. Murphy

Request for Authorization to Issue Bonds to Finance the Design and Construction of Donaghey Hall and to Hire General Contractor and Construction Manager

On September 16, 2014, the Board of Trustees approved a request for the university to proceed with the design and construction of Donaghey Hall located in the Donaghey District at UCA.

The board further approved a request to pursue the economic feasibility of the bond financing as required by the Arkansas Higher Education Coordinating Board (AHECB). The bonds are to be in an amount not to exceed \$17,500,000 and an interest rate not to exceed 5.75%. The economic feasibility study was approved at the October 31, 2014 meeting of AHECB.

The administration now requests that the Board of Trustees authorize the issuance of Capital Improvement Bonds in an amount not to exceed \$17,500,000 at a rate not to exceed 5.75%. If approved by the board, bonds in the amount of approximately \$3.5 million will be taxable and approximately \$14 million will be tax-exempt. The debt will be serviced with auxiliary revenues of the university, the housing revenue from residents of the housing units and the rents from the retail and commercial tenants.

This is an alternative delivery method (ADM) project. The general contractor, if approved by the board, will work with the architectural firm on the project design and development of construction documents for the construction of Donaghey Hall. The project will be bid and/or negotiated by the general contractor, who will provide the university with a guaranteed maximum price (GMP).

A Request for Qualifications (RFQ) was issued for a general contractor for the construction of Donaghey Hall. The RFQ submittal deadline was October 7, 2014, and 11 firms responded. A committee was selected to evaluate the submissions and select a general contractor for the construction of the project. The top five ranked companies were interviewed on October 15, 2014.

The committee recommended Nabholz Construction/Doyne Construction as the general contractor and construction manager. The negotiated rate for the contractor to manage the project is 4.75%. This contract was reviewed by Legislative Council in November.

The following resolution was unanimously adopted upon motion by Bunny Adcock and second by Bobby Reynolds. Victor Green abstained from the vote.

“BE IT RESOLVED: That the Board of Trustees hereby adopts the bond resolution attached hereto, and authorizes the issuance and delivery of the bonds set forth therein for the terms and rates therein set forth, and further authorizes the administration to take all other steps as may be necessary and required to issue said bonds for the purpose of financing Donaghey Hall.

BE IT FURTHER RESOLVED: That the Board of Trustees authorizes the administration to hire Nabholz Construction/Doyne Construction for the purpose of

overseeing and constructing Donaghey Hall and to make contract awards in accordance with applicable law.”

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

AUTHORIZING THE ISSUANCE OF UP TO \$17,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF BOARD OF TRUSTEES OF THE UNIVERSITY OF CENTRAL ARKANSAS HOUSING SYSTEM REVENUE BONDS FOR THE PURPOSE OF FINANCING ALL OR A PORTION OF THE COSTS OF (A) ACQUIRING, CONSTRUCTING, FURNISHING AND EQUIPPING DONAGHEY HALL AND (B) ACQUIRING, CONSTRUCTING, IMPROVING, RENOVATING, EQUIPPING AND/OR FURNISHING OTHER HOUSING SYSTEM FACILITIES; AUTHORIZING THE EXECUTION OF AN OFFICIAL STATEMENT, BOND PURCHASE AGREEMENT, TRUST INDENTURE AND RELATED DOCUMENTS; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO.

WHEREAS, the Board of Trustees (the “Board”) of the University of Central Arkansas (the “University”) is authorized under the Constitution and laws of the State of Arkansas (the “State”), including particularly Arkansas Code of 1987 Annotated, Title 6, Chapter 62, Subchapter 3 (the “Act”), to borrow money for the purpose of acquiring, constructing and equipping capital improvements for use by the University; and

WHEREAS, the Board hereby determines the need for financing all or a portion of the costs of certain facilities on or for the campus of the University, specifically (a) acquiring, constructing, furnishing and equipping the mixed-use facility to be known as Donaghey Hall, which facility shall be part of the University’s Housing System, and (b) acquiring, constructing, improving, renovating, equipping and/or furnishing other Housing System facilities (collectively, the “Project”); and

WHEREAS, the staff of the University has recommended, and the Board has determined and hereby finds and declares, that the best method of financing all or a portion of the costs of the Project will be through the issuance of its Board of Trustees of the University of Central Arkansas Student Housing System Revenue Capital Improvement Bonds (Donaghey Hall Project) (the “Bonds”) in a total aggregate principal amount not to exceed \$17,500,000; and

WHEREAS, the University has obtained, pursuant to Arkansas Code of 1987 Annotated Section 6-62-306, a resolution of the Arkansas Higher Education Coordinating Board giving its advice that the Project is economically feasible; and

WHEREAS, the proceeds of the sale of the Bonds shall be used to accomplish the Project, to fund capitalized interest, to fund a debt service reserve, to pay the costs of issuing the Bonds, and if desirable, to pay costs of insuring the Bonds; and

WHEREAS, the Bonds will be general obligations of the Board, and payment of debt service on the Bonds will be equally and ratably secured by “Pledged Revenues,” (as defined in the Indenture (hereinafter defined)), which are generally revenues received by the University from operation of all student housing facilities (including the Project) and independent living facilities now or hereafter owned and operated by the University (including any parlor fees or similar fees paid by any students or organizations with respect to the use of any University-owned sorority or fraternity house, or the National Pan-Hellenic Council facility), the Christian Dining Hall Building, the Student Union building, including but not limited to the bookstore, snack bar and game room therein, and the Project, remaining after payment of Current Expenses (as defined in the Indenture hereinafter identified); and

WHEREAS, the Bonds are to be issued on the terms and in the form set forth in a Trust Indenture to be dated as of the date of the Bonds (the “Indenture”) between the Board and Bank of the Ozarks (the “Trustee”); and

WHEREAS, the Board wishes to express its current intent to reimburse certain funds and accounts for all expenditures related to the Project from the proceeds of the Bonds and desires that, with respect to the Bonds, such reimbursement shall comply with Treasury Regulation Section 1.150-2 (the “Regulation”) so that proceeds of the Bonds will be deemed spent when such reimbursement is made; and

WHEREAS, in order to proceed with the Project and its financing, it is necessary for the Board (i) to authorize the issuance and marketing of the Bonds; (ii) designate Friday, Eldredge & Clark, LLP as bond counsel and Crews & Associates, Inc. as underwriter for the Bonds (the “Underwriter”); (iii) to authorize the President of the University to deem final the Preliminary Official Statement and to authorize its use; (iv) to authorize the pricing of the Bonds and the execution of a Bond Purchase Agreement with the Underwriter in connection therewith; and (v) to authorize the execution of the Indenture and related documents, all relating to the security and issuance of the Bonds;

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

Section 1. In order to finance all or a portion of the costs of the Project, to fund capitalized interest, to fund a debt service reserve and to pay the costs of issuing and insuring the Bonds, the Board hereby approves, authorizes and directs the issuance, execution and delivery of the Bonds in an aggregate principal amount not to exceed \$17,500,000. The Bonds shall be issued in two series. One series shall be designated “Series 2015A” and the other series shall be designated “Series 2015B”. The Bonds designated as Series 2015A shall be issued as tax-exempt bonds for federal income tax purposes. The Bonds designated Series 2015B shall be issued as taxable bonds for federal income purposes, and the name of such Series 2015B Bonds may, but is not required to, include the word “Taxable” as a reference. The Bonds shall mature not later than thirty years after the date of delivery and have a true interest cost (after taking into account original issue discount and premium and Underwriter's discount but excluding costs of issuing such Bonds) not greater than 5.75%.

Section 2. In order to provide for the issuance of the Bonds and to prescribe the terms under which the Bonds will be secured, executed, authenticated, accepted and held, the Chairman, Secretary and Assistant Secretary of the Board, the President of the University and one or more Vice Presidents of the University as designated by the President, are hereby authorized to execute all documents necessary to the issuance of the Bonds, including without limitation:

- (a) the Indenture setting forth the terms and conditions of the Bonds and providing for the issuance of the Bonds;
- (b) a Bond Purchase Agreement between the Board and the Underwriter setting forth the purchase price (which shall include an Underwriter's discount not greater than 0.465%) and the other terms and conditions upon which the Bonds will be sold to the Underwriter; and
- (c) a Continuing Disclosure Agreement, between the Board and the Trustee, setting forth certain obligations of the Board to make continuing disclosure of financial information and material events to the secondary municipal marketplace, as set forth in Rule 15c2-12 of the Securities and Exchange Commission.

The Indenture, the Bond Purchase Agreement and the Continuing Disclosure Agreement are hereby authorized and shall be in substantially the form presented to this Board, but with such changes therein as shall be approved by the Chairman or the President. The Board recognizes that certain revisions may be made to the Indenture, the Bond Purchase Agreement and the Continuing Disclosure Agreement prior to the issuance of the Bonds, and hereby authorizes the Chairman or President to approve and accept such revisions, their signatures on each of such documents to constitute proof of their acceptance of such revisions. Specifically, the President or the Chairman is hereby authorized to (i) accept the final maturity schedule and interest rates for the Bonds if such President or Chairman deems such rates and maturity schedule to be appropriate and within the authority granted by this Resolution and execute the final Bond Purchase Agreement with the Underwriter, and (ii) execute the Continuing Disclosure Agreement. Prior to the sale of the Bonds, the President or the Chairman is hereby authorized to confer with Friday, Eldredge & Clark, LLP, as bond counsel, in allocating the principal amount of the Bonds between tax-exempt bonds and taxable bonds.

Section 3. In order to provide credit enhancement for the Bonds, the Board recognizes that it may be economically desirable to obtain a policy of municipal bond insurance (the "Policy"). The Board hereby authorizes the President of the University to obtain a Policy from among proposals by municipal bond insurers, if the terms and conditions of such Policy are favorable and provide economic benefit to the Board. The Chairman or President is hereby authorized and directed to execute all documents in connection with the Policy, provided that the Chairman or President determine that the terms and conditions of the Policy are favorable and provide economic benefit to the Board.

Section 4. The Board hereby authorizes the use of a Preliminary Official Statement in the marketing of the Bonds and authorizes the production of an Official Statement. The

Preliminary Official Statement is hereby approved in substantially the form presented to the Board. The Board recognizes that certain revisions may be made to the Preliminary Official Statement prior to its delivery to prospective purchasers, and hereby authorizes the Chairman or the President to approve and accept such revisions, the signature of either on such Preliminary Official Statement to constitute proof of acceptance of such revisions. The Board hereby authorizes the President to “deem final” for purposes of Rule 15c2-12 of the Securities and Exchange Commission the Preliminary Official Statement with such revisions as may be accepted by the President. The Board hereby further authorizes and approves the production of a final Official Statement, and authorizes and directs the President to execute and deliver the Official Statement, in such form as he deems acceptable, in connection with the issuance of the Bonds.

Section 5. The Bonds are authorized to be issued on a parity with all or any outstanding bonds that have financed facilities for the University’s Housing System to the extent that the various parity tests for those bonds can be met.

Section 6. The Chairman, Secretary and Assistant Secretary of the Board, and the President of the University and one or more Vice Presidents of the University (as designated by the President) are hereby authorized and directed to do any and all lawful things to effect the execution and delivery of the Bonds, 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. The Secretary or Assistant Secretary of the Board is hereby authorized to acknowledge and attest the signatures of the Chairman and the President and to execute such other documents as may be required in connection with the issuance of the Bonds.

Section 7. The Board hereby designates Friday, Eldredge & Clark, LLP, Little Rock, Arkansas as bond counsel and Crews and Associates, Inc. as Underwriter for the Bonds.

Section 8. Costs incurred in accomplishing the Project prior to the issuance of the Bonds will be paid from certain funds and accounts established and administered by the University. The Board intends to use certain proceeds from the issuance of the Bonds to reimburse such accounts. This Resolution shall constitute an “official intent” for purposes of the Regulation.

Section 9. The provisions of this Resolution are hereby declared to be separable and if any provision shall for any reason be held illegal or invalid, such holding shall not affect the validity of the remainder of this Resolution.

Section 10. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

ADOPTED: _____, 2015.

ATTEST:

By _____
Brad Lacy, Chair

Elizabeth Farris, Secretary

(SEAL)

Contract Review Procedures – Board Policy No. 416

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

The administration is seeking board approval for the following contract:

University of Central Arkansas and Faulkner Plumbing & Mechanical Inc.

The following resolution was unanimously adopted upon motion by Victor Green and second by Kay Hinkle:

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

SUMMARY

1. Parties: Agreement between the University of Central Arkansas and Faulkner Plumbing & Mechanical Inc. (Mayflower).
2. Purpose: The purpose is for the remodel of Harrin Hall.
3. Term: N/A.
4. University Funds to be paid: \$266,907.
5. Funds Received: None.
6. Public Bid/Purchasing Approval: A competitive Invitation for Bid (“IFB”) was issued to obtain a contractor to remodel Harrin Hall. The IFB opened on January 13, 2015.

Seven construction contractors submitted bids. The low bidder was Faulkner Plumbing & Mechanical with a total bid amount of \$266,907.00.

7. Special Provisions/Terms/Conditions: The completion date is March 31, 2015.
8. Approval/Notification to UCA Foundation: N/A.

Form prepared by: Warren Readnour, General Counsel

Date: January 15, 2015

There being no further business to come before the board the meeting was adjourned on motion by Bunny Adcock and second by Kay Hinkle.

**University of Central Arkansas
Board of Trustees**

Brad Lacy, Chair

Elizabeth Farris, Secretary