

MINUTES FOR THE SPECIAL MEETING OF THE
UNIVERSITY OF ARKANSAS BOARD OF TRUSTEES
TELEPHONE CONFERENCE CALL
9:15 A.M., FEBRUARY 12, 2015

TRUSTEES PRESENT:

Chairman Jim von Grep; Trustees Jane Rogers; Reynie Rutledge; Ben Hyneman; David Pryor; Mark Waldrip; John Goodson; Stephen A. Broughton, MD; Cliff Gibson and Morrill Harriman.

UNIVERSITY ADMINISTRATORS
AND OTHERS PRESENT:

System Administration:

President Donald R. Bobbitt, Vice President for Finance and CFO Barbara Goswick, Vice President for Academic Affairs Michael K. Moore, Vice President for Administration Ann Kemp, General Counsel Fred Harrison, Interim Director of Communications Nate Hinkel, Director of Internal Audit Jacob Flournoy, Assistant to the President Angela Hudson and Associate for Administration Sylvia White.

UAFS Representative:

Vice Chancellor for Finance Darrell Morrison.

PCCUA Representatives:

Chancellor Steven Murray and Vice Chancellor for Finance Stan Sullivan.

Chairman von Grep called the special meeting of the Board of Trustees of the University of Arkansas to order at 9:16 a.m. on Thursday, February 12, 2015, via telephone conference call. Chairman von Grep called on Trustee Waldrip to convene the Audit and Fiscal Responsibility Committee to meet and then called on Trustee Broughton to convene the Buildings and Grounds Committee to meet. Chairman von Grep reconvened the full meeting of the Board at 9:23 a.m.

1. Report of Audit and Fiscal Responsibility Committee Meeting and Approval of Bond Refunding for PCCUA:

Audit and Fiscal Responsibility Committee Chairman Mark Waldrip reported on the Committee meeting held February 12, 2015, and moved that the full Board approve the Committee report and the resolution set forth below. Trustee Rutledge seconded the motion and the following resolution was approved:

RESOLUTION
OF THE BOARD OF TRUSTEES
OF THE UNIVERSITY OF ARKANSAS

AUTHORIZING THE ISSUANCE OF BOARD OF TRUSTEES OF THE UNIVERSITY OF ARKANSAS STUDENT FEE REFUNDING REVENUE BONDS (PHILLIPS COMMUNITY COLLEGE), FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING BONDS; 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 Arkansas (the "University") is authorized under the Constitution and laws of the State of Arkansas, including particularly Arkansas Code of 1987 Annotated, Title 6, Chapter 62, Subchapter 3 (the "Act") to borrow money for the purpose of constructing and equipping capital improvements to University facilities and to refund bonds issued under the Act to finance such capital improvements; and

WHEREAS, the Board has previously issued its Student Fee Refunding and Construction Revenue Bonds (Phillips Community College), Series 2009 (the "Series 2009 Bonds"), under the Act for the purpose of financing and refinancing capital improvements on or for the Stuttgart campus of Phillips Community College of the University of Arkansas ("PCCUA"); and

WHEREAS, the Series 2009 Bonds are in the outstanding principal amount of \$10,825,000, and the Series 2009 Bonds maturing after December 1, 2016 are subject to optional redemption by the Board without penalty on and after December 1, 2016; and

WHEREAS, it has been found and determined, based on the advice of the staff of the University and PCCUA, that the Board can, based on current market conditions,

recognize net present value savings by the refunding of all or portions of the outstanding Series 2009 Bonds (the "Refunding"), and that the Refunding should be financed by the Board's Student Fee Refunding Revenue Bonds (Phillips Community College) (the "Bonds"), the proceeds of the sale thereof to be used for accomplishing the Refunding and paying the costs of issuing the Bonds; and

WHEREAS, the Bonds will be general obligations of the Board, and payment of debt service on the Bonds will be specifically secured by "Pledged Revenues" which are defined as all revenues derived from the collection of tuition and student fees paid by students attending PCCUA; and

WHEREAS, in order to proceed with the financing, it is necessary for the Board (i) to authorize the issuance and marketing of the Bonds; (ii) to designate Raymond James & Associates, Inc. as underwriter for the Bonds (the "Underwriter"), (iii) to authorize the President of the University to deem final the Preliminary Official Statement for the Bonds and to authorize its use; (iv) to authorize the pricing of the Bonds and the execution of a Bond Purchase Agreement for the Bonds with the Underwriter in connection therewith; and (v) to authorize the execution of a Trust Indenture (hereinafter described) for the Bonds 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 ARKANSAS:

Section 1. After receiving advice and the recommendation of the Vice Chancellor for Finance and Administration of PCCUA, all or any portion of the Series 2009 Bonds may be refunded if such refunding would produce an aggregate net present value savings of at least three percent (3%) of the principal balance of the Series 2009 Bonds being refunded. In the event that such net present value savings threshold is met, the Bonds are hereby authorized to be issued to accomplish the Refunding of the Series 2009 Bonds selected for the Refunding. The Bonds shall have a final maturity date not later than the final maturity date of the Series 2009 Bonds being refunded. Any Series 2009 Bonds being refunded that mature after December 1, 2016, shall be called for redemption on such date.

The Bonds shall have in their name a series designation based on the year issued and, if there are multiple series, the name shall contain a letter to differentiate series, beginning with "A".

The Bonds shall be issued in an aggregate principal amount not greater than the amount needed to accomplish the Refunding and to pay the estimated costs of issuing the Bonds and accomplishing the Refunding.

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 and the President of the University are hereby authorized and directed to execute all documents necessary to the issuance of the Bonds, including, without limitation:

- (a) a Trust Indenture (the "Trust Indenture") to be dated as of the date of the Bonds, between the Board and BancorpSouth Bank, as trustee (the "Trustee"), 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 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 Trust Indenture, the Bond Purchase Agreement, and the Continuing Disclosure Agreement shall be in substantially the form presented to the Board with such changes as shall be approved by the Chairman or the President. The Board recognizes that certain revisions may be made to the Trust 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, the signature of either on the Bond Purchase Agreement, the Trust Indenture and the Continuing Disclosure Agreement 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, interest rates and reoffering yields for the Bonds if he deems such rates, yields and maturity schedule to be appropriate and within the authority granted by this resolution to order to achieve the minimum net present value savings and execute the 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 if advantageous for planning purposes or necessitated for federal income tax purposes.

The President is hereby authorized to negotiate an Underwriter's discount with the Underwriter that is not in excess of 0.8% of the par amount of the Bonds. The purchase price may include original issue premiums and discounts in such amounts as may be approved by the President.

Section 3. 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 for the Bonds. 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 the 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 for the Bonds, 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 4. The Chairman, Secretary and Assistant Secretary of the Board, and the President of the University 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 PCCUA, 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 to execute such other documents as may be required in connection with the issuance of the Bonds.

Section 5. The Board hereby expresses its intent to retain Raymond James & Associates, Inc., as Underwriter for the Bonds and Friday, Eldredge & Clark, LLP, Little Rock, Arkansas, as Bond Counsel for the Bonds ("Bond Counsel"). The President of the University and the Vice President for Finance of the University, in consultation with the Chancellor of PCCUA and the Vice Chancellor for Finance and Administration of PCCUA, are authorized to negotiate the terms and conditions of and agreements with Bond Counsel, and to execute such agreement as they determine are necessary and in the best interest of the University. If such negotiations are unsuccessful, the President shall so inform the Board, and the Board will identify other bond counsel with whom the President of the University and the Vice President for Finance of the University, in

consultation with the Chancellor of PCCUA and the Vice Chancellor for Finance and Administration of PCCUA, shall negotiate. Upon the conclusion of successful negotiations, Bond Counsel will complete documentation for the issuance of the Bonds upon such schedule and in such manner as the President of the University shall direct.

Section 6. 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 7. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

2. Report of Buildings and Grounds Committee Meeting and Approval of Resolution for UAM and UAFS:

Buildings and Grounds Committee Chairman Stephen Broughton reported on the Committee meeting held February 12, 2015, and moved that the full Board approve the Committee report and the resolution set forth below. Trustee Pryor seconded the motion and the following resolution was approved:

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ARKANSAS THAT the Board hereby ratifies and approves the execution and delivery by President Donald R. Bobbitt of two easements to Drew County over and across the following described property in Drew County, Arkansas, for installation of emergency sirens. The property is described on the attached drawing which is a part of this resolution. The easements have been reviewed as to form and content by the General Counsel. [The property description/drawing is on file in the official file of this meeting.]

BE IT FURTHER RESOLVED THAT the Board hereby ratifies and approves the execution by President Donald R. Bobbitt of an easement to Oklahoma Gas and Electric Company over and across property owned by the Board for the purpose of constructing underground gas and electric facilities to serve the Visual Arts Building on the campus of the University of Arkansas at Fort Smith. The property in Sebastian County, Arkansas, upon which the easement is located, is described in the attached and incorporated herein. The easement has been approved as to form and content by the General Counsel. [The property description is on file in the official file of this meeting.]

