

**AGENDA**  
**ARKANSAS STATE UNIVERSITY**  
**BOARD OF TRUSTEES**  
**Friday, January 20, 2012**  
**2:00 p.m.**  
**ASU System Office - Teleconference**

**I. Call to Order**

Mr. Ron Rhodes, Chair

**\*II. Agenda**

- **Proposed ASU-System Resolutions**
  - Resolution approving the ASU System to amend the Bylaws of the Board of Trustees.
  - Resolution approving the ASU System to refund ASU-Jonesboro Series 2004 student fee revenue bonds.
  - Resolution approving the ASU System to issue bonds to allow for the acquisition, construction, and equipping of new housing facilities on the ASU-Jonesboro campus.
  - Resolution approving the ASU System to issue bonds to allow for improvements to Kays Hall on the ASU-Jonesboro campus.
  
- **Proposed ASU-Newport Resolution**
  - Resolution approving ASU-Newport to borrow a sum not to exceed \$2 million to construct an academic classroom and laboratory facility on the ASU-Newport Jonesboro campus.

**\*III. Adjournment**

**\*Action Items**

**Arkansas State University  
Board of Trustees  
January 20, 2012**

The Arkansas State University Board of Trustees met by conference call on Friday, January 20, 2012. The call originated from the ASU System conference room in Jonesboro. Mr. Ron Rhodes, chair of the Board of Trustees, called the meeting to order at 2:00 p.m. A roll call of the board confirmed that, Ron Rhodes, chair; Mike Gibson, vice chair; Charles Luter, and Howard Slinkard were present by telephone with Dan Pierce, secretary, present in the conference room.

A number of system staff – Charles Welch, Julie Bates, Steve Owens, Lucinda McDaniel, Pam Kail, Barbara Coker, and Jo LunBeck; ASU-Jonesboro staff – Dan Howard, Rick Stripling, Cristian Murdock, Dean Lee, Ed Kremers, Russ Hannah, and Gina Bowman; and media representative Sherry Pruitt, Jonesboro Sun, were also present. Along with board members, the following joined the teleconference: Robert Evans, John Davidson, Tom Moore, Eugene McKay, members of the ASU-Jonesboro staff, Larry Williams, Adam Adair, Shep Russell, Ryan Bowman, Dennis Hunt, Paul Phillips, and Jack Trumper. Media representatives included Greg Chance, KASU; Ken Heard, Arkansas Democrat-Gazette; and Lindsey Blakely, The Herald.

**ASU System Resolutions:**

- Resolution 12-01 approving ASU System to amend the Bylaws of the Board of Trustees.
- Resolution 12-02 approving the ASU System to refund ASU-Jonesboro Series 2004 student fee revenue bonds.

- Resolution 12-03 approving the ASU System to issue bonds to allow for the acquisition, construction, and equipping of new housing facilities on the ASU-Jonesboro campus.
- Resolution 12-04 approving the ASU System to issue bonds to allow for improvements to Kays Hall on the ASU-Jonesboro campus.

Dr. Welch explained that Resolution 12-01 to amend the Bylaws of the Board of Trustees would allow the board chair to appoint the liaison to the ASU Foundation rather than automatically having the secretary of the board serve. Resolution 12-02 would refund bonds that were previously issued. Resolution 12-03 would allow bonds to be issued for construction of an Honor's residence facility and Greek housing. Resolution 12-04 would provide for improvements to Kays Hall, primarily a new heat, ventilation, and air conditioning upgrade.

Upon motion by Mr. Luter, second by Mr. Gibson, Resolutions 12-01 through 12-04 were approved.

AYES: Rhodes, Gibson, Pierce, Luter, Slinkard

NAYS: None

**ASU-Newport Resolution:**

- Resolution 12-05 approving ASU-Newport to borrow a sum not to exceed \$2 million to construct an academic classroom and laboratory facility on the ASU-Newport Jonesboro campus.

Dr. Welch said that it is more cost effective to obtain a loan rather than a bond request for construction projects at the Technical Center campus in Jonesboro. The terms are not to exceed 15 years at 4% fixed term interest rate. Dr. Larry Williams added that the loan is not to exceed the 4% interest but could be lower.

Upon motion by Mr. Slinkard, second by Mr. Pierce, Resolution 12-05 was approved.

AYES: Rhodes, Gibson, Pierce, Luter, Slinkard

NAYS: None

Upon motion by Mr. Luter, second by Mr. Gibson, the board retired into executive session at 2:08 p.m.

AYES: Rhodes, Gibson, Pierce, Luter, Slinkard

NAYS: None

Dr. Welch announced: "This body has voted to retire into executive session to consider the personnel action items. We will reconvene in public session following this executive session to present and vote on any action arrived at in private."


The board reconvened at 2:36 p.m. Mr. Rhodes announced there was no action taken during the executive session.

Upon motion by Mr. Pierce, second by Mr. Slinkard, the meeting adjourned at 2:38 p.m.

AYES: Rhodes, Gibson, Pierce, Luter, Slinkard

NAYS: None

  
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Dan Pierce, Secretary

  
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Ron Rhodes, Chair

**EXECUTIVE SUMMARY**

Contact: Dr. Charles L. Welch (501) 660-1000

**ACTION ITEM:** The Arkansas State University System requests approval to amend the Bylaws of the Board of Trustees of Arkansas State University.

**ISSUE:** The Board of Trustees wishes to amend their Bylaws.

**BACKGROUND:**

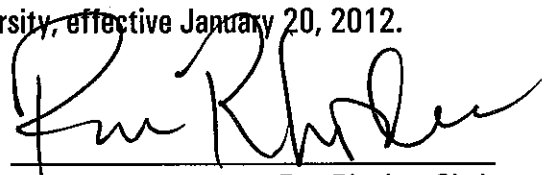
- The Board of Trustees of Arkansas State University adopted bylaws on September 7, 2007, in order to effectively manage the University; to provide for a definitive, orderly form of governance; and to secure and continue a superior institution of higher education.
- On September 9, 2011, the Board amended the Bylaws to designate the Secretary to serve as liaison to the Arkansas State University Foundation, Inc. as an ex-officio non-voting member of the Board of Directors and Executive Committee.
- The Board desires to amend these bylaws to provide for the chair of the Board to appoint a member to serve as liaison to the Arkansas State University Foundation, Inc.
- The Board is charged with the management and control of Arkansas State University.
- These amendments to the Bylaws will assist the Board of Trustees in fulfilling their responsibility and authority.

**RECOMMENDATION/RESOLUTION:**

Be it resolved that the Arkansas State University Board of Trustees approves and adopts the amendment to the Bylaws of the Board of Trustees of Arkansas State University, effective January 20, 2012.



Dan Pierce, Secretary



Ron Rhodes, Chair

**EXECUTIVE SUMMARY**

Contact: Julie Bates (501) 660-1000

**ACTION ITEM:** Arkansas State University System ("ASU System") requests approval to refund certain outstanding bonds through the issuance of bonds in the maximum principal amount of \$8,250,000 and to execute an official statement, bond purchase agreements, supplemental trust indenture and related documents.

**ISSUE:** The Board of Trustees (the "Board") of Arkansas State University (the "University") is authorized under the Constitution and laws of the State of Arkansas, including particularly Act No. 62 of 1947, as amended (codified at Arkansas Code Annotated Sections 6-62-301 et seq.) (the "Act") to borrow money for the purpose of acquiring, constructing and equipping capital improvements for use by the University and to refund bonds issued under the Act to finance such capital improvements.

**BACKGROUND:**

- The Board has previously issued its Student Fee (Consolidated Building System) Revenue Refunding and Construction Bonds, Series 2004 (the "Series 2004 Bonds"), in the original principal amount of \$11,555,000, under the Act for the purpose of financing and refinancing capital improvements on or for the campus of Arkansas State University-Jonesboro ("ASU-Jonesboro").
- The ASU System and ASU-Jonesboro have recommended and the Board has determined that it is in the best interest of the University to refund the Series 2004 Bonds (the "Refunding") and that the Refunding should be financed by the Board's Student Fee Revenue Refunding Bonds (Jonesboro Campus) (the "Bonds") in a total aggregate principal amount not to exceed \$8,250,000.
- The Bonds are to be secured pursuant to a Trust Indenture dated as of December 1, 2010 between the Board and The Bank of New York Mellon Trust Company, N.A., St. Louis, Missouri, as trustee (the "Trustee"), as supplemented by the Supplemental Indenture, as hereinafter identified.
- The Bonds are to be issued on the terms and in the form set forth in a Supplemental Trust Indenture (the "Supplemental Indenture") between the Board and the Trustee.
- 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 authorize the President of the University to deem final the Preliminary Official Statement and to authorize its use; (iii) to authorize the pricing of the Bonds and the execution of Bond Purchase Agreements in connection therewith; and (iv) to authorize the execution of the Supplemental Indenture and related documents, all relating to the security and issuance of the Bonds.
- The Board intends to work with Friday, Eldredge & Clark, LLP, Little Rock, Arkansas as bond counsel and Stephens Inc. as underwriter for the Bonds (the "Underwriter").

**EXECUTIVE SUMMARY**

Contact: Julie Bates (501) 660-1000

**RECOMMENDATION/RESOLUTION:**

Be it resolved that the Board hereby approves, authorizes and directs the issuance, execution and delivery of the Bonds in an aggregate principal amount not to exceed \$8,250,000. The Bonds shall mature not later than the final maturity date of the Series 2004 Bonds and have a true interest cost (after taking into account original issue discount and premium and Underwriter's discount but excluding costs of issuing and insuring such Bonds) not greater than 5%. The Bonds may be issued in one or more series if necessary to differentiate the tax treatment of interest on the Bonds for federal income tax purposes. The series descriptions in the name of the Bonds shall indicate the year in which the Bonds are issued and, if more than one series is issued, shall contain a letter designation per series starting with "A."

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

- (a) a Supplemental Indenture, to be dated as of the date of the Bonds, between the Board and the Trustee, setting forth the terms and conditions of the Bonds and providing for the issuance of the Bonds;
- (b) a Bond Purchase Agreement for each series of the Bonds, dated as of the date of execution, between the Board and Underwriter, setting forth the purchase price (which shall include an Underwriter's discount not greater than 1%) and the other terms and conditions upon which a series of the Bonds will be sold to the Underwriter; and
- (c) a Continuing Disclosure Agreement, dated as of the date of the Bonds, between the Board and the Trustee, setting forth certain obligations of the Board to make continuing disclosure of financial information and listed events to the secondary municipal marketplace, as set forth in Rule 15c2-12 of the Securities and Exchange Commission.

The Supplemental Indenture, the Bond Purchase Agreements, and the Continuing Disclosure Agreement 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 Supplemental Indenture, the Bond Purchase Agreements 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 is hereby authorized to (i) accept the final maturity schedule and interest rates for the Bonds if he deems such rates and maturity schedule to be appropriate and within the authority granted by this Resolution and execute the final Bond Purchase Agreements, and (ii) execute the Continuing Disclosure Agreement.

**EXECUTIVE SUMMARY**

Contact: Julie Bates (501) 660-1000

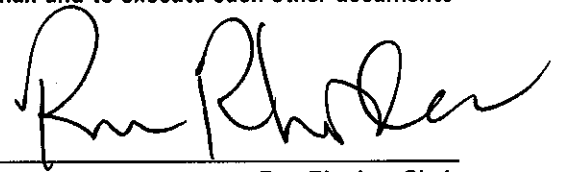
In order to provide credit enhancement for the Bonds, the Board recognizes that it may be economically desirable to obtain a policy or policies of municipal bond insurance and a policy or surety bond for a debt service reserve (the "Policies"). The Board hereby authorizes the President of the University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

The Board hereby authorizes and ratifies the use of a Preliminary Official Statement in the marketing of the Bonds. The Preliminary Official Statement for the Bonds is hereby approved in substantially the form presented to the Board. 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 and necessary to accomplish the issuance of the Bonds.

The Chairman and Secretary of the Board, the President of the University, the Vice President for Finance of the University and the Vice Chancellor for Finance and Administration of ASU-Jonesboro 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 ASU-Jonesboro, 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 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.



Dan Pierce, Secretary



Ron Rhodes, Chair



**EXECUTIVE SUMMARY**

Contact: Julie Bates (501) 660-1000

**ACTION ITEM:** Arkansas State University System ("ASU System") requests approval to finance new housing facilities on the campus of Arkansas State University-Jonesboro ("ASU-Jonesboro") through the issuance of bonds in the maximum principal amount of \$16,500,000 and to execute an official statement, bond purchase agreements, supplemental trust indenture and related documents.

**ISSUE:** The Board of Trustees (the "Board") of Arkansas State University (the "University") is authorized under the Constitution and laws of the State of Arkansas, including particularly Act No. 62 of 1947, as amended (codified at Arkansas Code Annotated Sections 6-62-301 et seq.) to borrow money for the purpose of acquiring, constructing and equipping capital improvements for use by the University.

**BACKGROUND:**

- The ASU System has identified the need for financing the acquisition, construction and equipping of new housing facilities, including particularly, without limitation, Greek housing facilities and a new honors dormitory, all on the campus of Arkansas State University-Jonesboro (collectively, the "Project").
- The ASU System and ASU-Jonesboro have recommended that the best method of financing all or a portion of the costs of the Project will be through the issuance of Board of Trustees of Arkansas State University Housing System Revenue Bonds (Jonesboro Campus) (the "Bonds") in a total principal amount not to exceed \$16,500,000.
- The ASU System will obtain, pursuant to Arkansas Code Annotated Section 6-62-306, a resolution of the Arkansas Higher Education Coordinating Board giving its economic feasibility advice regarding the Project.
- 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 and to pay the costs of issuing and insuring the Bonds.
- The Bonds are to be secured pursuant to a Trust Indenture dated as of December 1, 2010 between the Board and BancorpSouth Bank, Stuttgart, Arkansas, as trustee (the "Trustee"), as supplemented by the Supplemental Indenture, as hereinafter identified.
- The Bonds are to be issued on the terms and in the form set forth in a Supplemental Trust Indenture (the "Supplemental Indenture") between the Board and the Trustee.
- 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) to authorize the President of the University to deem final the Preliminary Official Statement and to authorize its use; (iii) to authorize the pricing of the Bonds and the execution of Bond Purchase Agreements in connection therewith; and (iv) to authorize the execution of the Supplemental Indenture and related documents, all relating to the security and issuance of the Bonds.

**EXECUTIVE SUMMARY**

Contact: Julie Bates (501) 660-1000

- The Board intends to work with Friday, Eldredge & Clark, LLP, Little Rock, Arkansas as bond counsel and Stephens Inc. and Crews & Associates, Inc. as underwriters for the Bonds (the "Underwriters").

**RECOMMENDATION/RESOLUTION:**

Be it resolved that the Board hereby approves, authorizes and directs the issuance, execution and delivery of the Bonds in an aggregate principal amount not to exceed \$16,500,000. The Bonds shall mature not later than March 1, 2042 and have a true interest cost (after taking into account original issue discount and premium and Underwriters' discount but excluding costs of issuing and insuring such Bonds) not greater than 5.65%. The Bonds may be issued in one or more series if necessary to differentiate the tax treatment of interest on the Bonds for federal income tax purposes. The series descriptions in the name of the Bonds shall indicate the year in which the Bonds are issued and, if more than one series is issued, shall contain a letter designation per series starting with "A."

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

- (a) a Supplemental Indenture, to be dated as of the date of the Bonds, between the Board and the Trustee, setting forth the terms and conditions of the Bonds and providing for the issuance of the Bonds;
- (b) a Bond Purchase Agreement for each series of the Bonds, dated as of the date of execution, between the Board and the Underwriters, setting forth the purchase price (which shall include an Underwriters' discount not greater than 1%) and the other terms and conditions upon which each series of the Bonds will be sold to the Underwriters; and
- (c) a Continuing Disclosure Agreement, dated as of the date of the Bonds, between the Board and the Trustee, setting forth certain obligations of the Board to make continuing disclosure of financial information and listed events to the secondary municipal marketplace, as set forth in Rule 15c2-12 of the Securities and Exchange Commission.

The Supplemental Indenture, the Bond Purchase Agreements, and the Continuing Disclosure Agreement 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 Supplemental Indenture, the Bond Purchase Agreements 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 is hereby authorized to (i) accept the final maturity schedule and interest rates for the Bonds if he deems such rates and maturity schedule to be appropriate and within the authority granted by this Resolution and execute the final Bond Purchase Agreements, and (ii) execute the Continuing Disclosure Agreement.

**EXECUTIVE SUMMARY**

Contact: Julie Bates (501) 660-1000

In order to provide credit enhancement for the Bonds, the Board recognizes that it may be economically desirable to obtain a policy or policies of municipal bond insurance for the Bonds (collectively, the "Policy"). The Board hereby authorizes the President of the University to solicit proposals from municipal bond insurers, and if the terms and conditions of such Policy are favorable and provide economic benefit to the Board, to obtain such Policy. 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.

The Board hereby authorizes and ratifies the use of a Preliminary Official Statement in the marketing of the Bonds. The Preliminary Official Statement is hereby approved in substantially the form presented to the Board. 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 and necessary to accomplish the issuance of the Bonds.

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 ASU-Jonesboro. 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 the purpose of U.S. Treasury Regulation Section 1.150-2.

The Chairman and Secretary of the Board, the President of the University, the Vice President for Finance of the University and the Vice Chancellor for Finance and Administration of ASU-Jonesboro 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 ASU-Jonesboro, 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 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.



Dan Pierce, Secretary



Ron Rhodes, Chair

**EXECUTIVE SUMMARY**

Contact: Julie Bates (501) 660-1000

**ACTION ITEM:** Arkansas State University System ("ASU System") requests approval to finance improvements to Kays Hall on the campus of Arkansas State University-Jonesboro ("ASU-Jonesboro") through the issuance of bonds in the maximum principal amount of \$3,700,000 and to execute an official statement, bond purchase agreement, supplemental trust indenture and related documents.

**ISSUE:** The Board of Trustees (the "Board") of Arkansas State University (the "University") is authorized under the Constitution and laws of the State of Arkansas, including particularly Act No. 62 of 1947, as amended (codified at Arkansas Code Annotated Sections 6-62-301 et seq.) to borrow money for the purpose of acquiring, constructing and equipping capital improvements for use by the University.

**BACKGROUND:**

- The ASU System has identified the need for financing improvements to Kays Hall on the campus of ASU-Jonesboro, including particularly, without limitation, a new HVAC system (the "Project").
- The ASU System and ASU-Jonesboro have recommended that the best method of financing all or a portion of the costs of the Project will be through the issuance of Board of Trustees of Arkansas State University Student Fee Revenue Bonds (Jonesboro Campus) (the "Bonds") in a total principal amount not to exceed \$3,700,000.
- The ASU System will obtain, pursuant to Arkansas Code Annotated Section 6-62-306, a resolution of the Arkansas Higher Education Coordinating Board giving its economic feasibility advice regarding the Project.
- The proceeds of the sale of the Bonds shall be used to accomplish the Project, to fund a debt service reserve and to pay the costs of issuing and insuring the Bonds.
- The Bonds are to be secured pursuant to a Trust Indenture dated as of December 1, 2010 between the Board and The Bank of New York Mellon Trust Company, N.A., St. Louis, Missouri, as trustee (the "Trustee"), as supplemented by the Supplemental Indenture, as hereinafter identified.
- The Bonds are to be issued on the terms and in the form set forth in a Supplemental Trust Indenture (the "Supplemental Indenture") between the Board and the Trustee.
- 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) to authorize the President of the University to deem final the Preliminary Official Statement and to authorize its use; (iii) to authorize the pricing of the Bonds and the execution of a Bond Purchase Agreement in connection therewith; and (iv) to authorize the execution of the Supplemental Indenture and related documents, all relating to the security and issuance of the Bonds.

**EXECUTIVE SUMMARY**

Contact: Julie Bates (501) 660-1000

- The Board intends to work with Friday, Eldredge & Clark, LLP, Little Rock, Arkansas as bond counsel and Stephens Inc. and Crews & Associates, Inc. as underwriters for the Bonds (the "Underwriters").

**RECOMMENDATION/RESOLUTION:**

Be it resolved that the Board hereby approves, authorizes and directs the issuance, execution and delivery of the Bonds in an aggregate principal amount not to exceed \$3,700,000. The Bonds shall mature not later than March 1, 2037 and have a true interest cost (after taking into account original issue discount and premium and Underwriters' discount but excluding costs of issuing and insuring the Bonds) not greater than 4.50%.

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

- (a) a Supplemental Indenture, to be dated as of the date of the Bonds, between the Board and the Trustee, setting forth the terms and conditions of the Bonds and providing for the issuance of the Bonds;
- (b) a Bond Purchase Agreement for the Bonds, dated as of the date of execution, between the Board and the Underwriters, setting forth the purchase price (which shall include an Underwriters' discount not greater than 1%) and the other terms and conditions upon which the Bonds will be sold to the Underwriters; and
- (c) a Continuing Disclosure Agreement, dated as of the date of the Bonds, between the Board and the Trustee, setting forth certain obligations of the Board to make continuing disclosure of financial information and listed events to the secondary municipal marketplace, as set forth in Rule 15c2-12 of the Securities and Exchange Commission.

The Supplemental Indenture, the Bond Purchase Agreement, and the Continuing Disclosure Agreement 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 Supplemental 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 is hereby authorized to (i) accept the final maturity schedule and interest rates for the Bonds if he deems such rates and maturity schedule to be appropriate and within the authority granted by this Resolution and execute the final Bond Purchase Agreement, and (ii) execute the Continuing Disclosure Agreement.

**EXECUTIVE SUMMARY**

Contact: Julie Bates (501) 660-1000

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 for the Bonds (the "Policy"). The Board hereby authorizes the President of the University to solicit proposals from municipal bond insurers, and if the terms and conditions of such Policy are favorable and provide economic benefit to the Board, to obtain such Policy. 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.

The Board hereby authorizes and ratifies the use of a Preliminary Official Statement in the marketing of the Bonds. The Preliminary Official Statement is hereby approved in substantially the form presented to the Board. 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 and necessary to accomplish the issuance of the Bonds.

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 ASU-Jonesboro. 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 the purpose of U.S. Treasury Regulation Section 1.150-2.

The Chairman and Secretary of the Board, the President of the University, the Vice President for Finance of the University and the Vice Chancellor for Finance and Administration of ASU-Jonesboro 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 ASU-Jonesboro, 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 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.



Dan Pierce, Secretary



Ron Rhodes, Chair

**EXECUTIVE SUMMARY**

Contact: Dr. Larry Williams (870) 512-7851

**ACTION ITEM:** Arkansas State University-Newport (ASUN) requests approval to borrow a sum not to exceed \$2 million to construct an academic classroom and laboratory facility on the ASU-Newport Jonesboro campus.

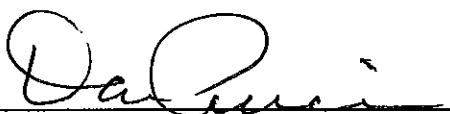
**ISSUE:** The Board of Trustees must approve all requests for financing for the campuses.

**BACKGROUND:**

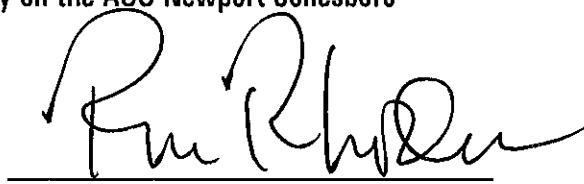
- ASUN is constructing an academic classroom facility on its Jonesboro campus which will include classrooms and laboratory space.
- ASUN would like to borrow a sum not to exceed \$2 million from a local bank.
- The \$2 million loan would be at a term not to exceed 15 years at an interest rate not to exceed 4.0%.
- The projected debt service would be approximately \$173,568 per annum. The maintenance costs for the facility are estimated at \$2.50 per square foot, or \$35,000. The source of funds for the debt service and for maintenance of the building is tuition and fees revenue.
- ASUN's additional loan debt will not exceed the Arkansas Higher Education Coordinating Board requirement that annual debt service not exceed 25% of tuition and fees revenue.
- This loan information must be sent to the Arkansas Department of Higher Education for approval after the Board of Trustees adopts this resolution. The next regularly scheduled meeting is January 27, 2012.

**RECOMMENDATION/RESOLUTION:**

Be it resolved that Arkansas State University-Newport is approved to borrow a sum not to exceed \$2 million to construct an academic classroom and laboratory facility on the ASU-Newport Jonesboro campus.



Dan Pierce, Secretary



Ron Rhodes, Chair