

**AGENDA**  
**ARKANSAS STATE UNIVERSITY**  
**BOARD OF TRUSTEES**  
**Wednesday, October 24, 2012**  
**3:00 p.m.**  
**Teleconference**

I. Call to Order  
Mr. Ron Rhodes, Chair

\*II. Agenda

- Proposed ASU-System Resolutions
  - Resolution approving the ASU System to finance new housing facilities on the ASU-Jonesboro campus.
  - Resolution approving ASU System to finance improvements to Kays Hall on the campus of ASU-Jonesboro.
  - Resolution approving ASU System to refund the ASU-Beebe 2008 Student Fee Revenue Bonds.
  - Resolution approving ASU System to refund the 2008 Mountain Home Bonds and the 2009 Mountain Home Notes.
  - Resolution approving ASU System to refund the 2008 Newport Bonds and the 2008 Newport Refunding Bonds.

III. Other Business

\*IV. Adjournment

\*Action Items

**Arkansas State University  
Board of Trustees  
October 24, 2012**

The Arkansas State University Board of Trustees met by conference call on Wednesday, October 24, 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 3:01 p.m. A roll call of the board confirmed that, Ron Rhodes, chair; Mike Gibson, vice chair; and Howard Slinkard were present by telephone with Dan Pierce, secretary, and Charles Luter present in the conference room.

**ASU System Resolutions:**

- Resolution 12-35 approving the ASU System to finance new housing facilities on the ASU-Jonesboro campus.
- Resolution 12-36 approving the ASU System to finance improvements to Kays Hall on the campus of ASU-Jonesboro.
- Resolution 12-37 approving the ASU System to refund the ASU-Beebe 2008 Student Fee Revenue Bonds.
- Resolution 12-38 approving the ASU System to refund the 2008 Mountain Home Bonds and the 2009 Mountain Home Notes.
- Resolution 12-39 approving the ASU System to refund the 2008 Newport Bonds and the 2008 Newport Refunding Bonds.

President Charles Welch explained that Resolutions 12-35 and 12-36 are for additional financing for three previously approved housing projects. The Greek housing project initially had four houses but another house requested by Zeta Tau Alpha sorority was added which increased the cost of the project by \$1.6 million. The sorority has agreed to all the lease requirements placed on the other chapters, which provides revenue

to cover construction cost and the debt cost of the houses. The total bonded indebtedness on the Greek housing project is \$10 million. The balance of the bond funding is necessary to cover unforeseen increases in construction costs, and other changes such as site development, demolition of the existing houses, environmental and haz-mat costs, and construction of a retaining wall at the Kays house. Some of the additional funding is necessary for infrastructure purposes.

The Honors housing project initially cost \$5.5 million and with the increase will be \$6.7 million total in the construction fund or an approximate 20% increase. In 2009 when the other Honors buildings were completed, the cost per square foot was \$136; currently, the estimated cost is \$180. In addition, the price of wood is up 30%, metal has increased to \$80,000, plus the added costs related to site development.

The cost of the Kays Hall project to replace the heat and air conditioning systems increased with the addition of a fresh air system recommended by engineers.

An alternative bid process was used with construction management. The contractor and the architect evaluate each item and solicit bids and then submit a guaranteed maximum price. Multiple bids for each area or item are obtained and are made available for review. Preliminary figures are considered estimates, but once final figures are obtained they remain valid through the completion of the projects.

The remaining resolutions are for refunding of bonds or refinancing issues for the two-year campuses. ASU-Beebe will refund 2008 series bonds, which will save 9.5% or \$227,182 on a \$1.84 million par amount. ASU-Mountain Home will refund 2008 series bonds as well as a private loan which will be combined for a savings of 4.6% or \$395,631 on a \$6.985 million par amount. ASU-Newport will have two different refundings. One will allow a savings of 1.5% or \$227,032 on a \$1.835 million par amount, and the second

will allow a savings of 2.1% or \$307,486 on a \$3.73 million par amount. The second refunding is necessary to refund tax exempt bonds, which are now taxable as a result of privatizing the book store. The total overall savings is \$1,157,331 and each campus will use the savings to reduce debt service obligations.

Ryan Bowman of Friday, Eldredge, & Clark explained that funds could be used temporarily from some ASU-Jonesboro accounts on the various projects and then reimbursed once the bonds were issued.

Upon motion by Mr. Luter, second by Mr. Gibson, Resolutions 12-35 through 12-39 were approved.

AYES: Rhodes, Gibson, Pierce, Luter, Slinkard

NAYS: None

Upon motion by Mr. Slinkard, second by Mr. Pierce, the meeting adjourned at 3:28 p.m.

AYES: Rhodes, Gibson, Pierce, Luter

NAYS: Slinkard



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Dan Pierce, Secretary



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Ron Rhodes, Chair

**EXECUTIVE SUMMARY**

Contact: Charles L. Welch (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 aggregate principal amount of \$5,800,000 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 (the "Greek Facilities Project") and a new honors dormitory (the "Honors Project"), all on the campus of Arkansas State University-Jonesboro (collectively, the "Project").
- A portion of the costs of the Greek Facilities Project have been financed with proceeds of the Board's Housing System Revenue Bonds (Jonesboro Campus), Series 2012A (Federally Taxable) (the "2012A Jonesboro Bonds").
- A portion of the costs of the Honors Project have been financed with proceeds of the Board's Housing System Revenue Bonds (Jonesboro Campus), Series 2012B (the "2012B Jonesboro Bonds").
- The ASU System and ASU-Jonesboro have recommended that the best method of financing the remaining costs of the Greek Facilities Project will be through the issuance of Board of Trustees of Arkansas State University Housing System Revenue Bonds (Jonesboro Campus), Series 2012C (Federally Taxable) (the "2012C Jonesboro Bonds").
- The ASU System and ASU-Jonesboro have recommended that the best method of financing the remaining costs of the Honors Project will be through the issuance of Board of Trustees of Arkansas State University Housing System Revenue Bonds (Jonesboro Campus), Series 2012D (the "2012D Jonesboro Bonds").

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- 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 and the issuance of the 2012C Jonesboro Bonds and the 2012D Jonesboro Bonds (collectively, the "2012 Jonesboro Bonds").
- The 2012 Jonesboro 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.
- The 2012 Jonesboro 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 2012 Jonesboro 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 2012 Jonesboro 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 2012 Jonesboro Bonds.
- 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 (collectively, the "Underwriters") for the 2012 Jonesboro Bonds.

**RECOMMENDATION/RESOLUTION:**

Be it resolved that the Board hereby approves, authorizes, and directs the issuance, execution, and delivery of (a) the 2012C Jonesboro Bonds in an aggregate principal amount not to exceed \$4,500,000 and (b) the 2012D Jonesboro Bonds in an aggregate principal amount not to exceed \$1,300,000. The 2012C Jonesboro Bonds shall mature not later than March 1, 2042, and shall 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 2012C Jonesboro Bonds) not greater than 5%. The 2012D Jonesboro Bonds shall mature not later than March 1, 2042, and shall 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 2012D Jonesboro Bonds) not greater than 4%.

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The Chair and Secretary of the Board and the President of the University are hereby authorized to execute all documents necessary to the issuance of the 2012 Jonesboro Bonds, including without limitation:

- (a) a Supplemental Indenture, to be dated as of the date of the 2012 Jonesboro Bonds, between the Board and the Trustee, setting forth the terms and conditions of the 2012 Jonesboro Bonds and providing for the issuance of the 2012 Jonesboro Bonds;
- (b) a Bond Purchase Agreement for each series of the 2012 Jonesboro 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 1.10%) and the other terms and conditions upon which each series of the 2012 Jonesboro Bonds will be sold to the Underwriters; and
- (c) a Continuing Disclosure Agreement, dated as of the date of the 2012 Jonesboro 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 Chair 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 Chair 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 each series of the 2012 Jonesboro Bonds if he deems such rates and maturity schedules 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.

In order to provide credit enhancement for the 2012 Jonesboro Bonds, the Board recognizes that it may be economically desirable to obtain a policy or policies of municipal bond insurance and a policy or policies for a debt service reserve (collectively, 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 Chair or President is hereby authorized and directed to execute all documents in connection with the Policies,

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provided that the Chair 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 2012 Jonesboro 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 2012 Jonesboro Bonds.

Costs incurred in accomplishing the Honors Project prior to the issuance of the 2012D Jonesboro Bonds will be paid (a) first, from proceeds of the 2012B Jonesboro Bonds and (b) second, from certain funds and accounts established and administered by ASU-Jonesboro ("ASU Accounts"). The Board intends to use certain proceeds from the issuance of the 2012D Jonesboro Bonds to reimburse the ASU Accounts. This Resolution shall constitute an "official intent" for the purpose of U.S. Treasury Regulation Section 1.150-2.

The Chair 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 2012 Jonesboro 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 Chair and to execute such other documents as may be required in connection with the issuance of the 2012 Jonesboro Bonds.



Dan Pierce, Secretary



Ron Rhodes, Chair

**EXECUTIVE SUMMARY**

Contact: Charles L. Welch (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 \$1,600,000 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").
- A portion of the costs of the Project have been financed with proceeds of the Board's Student Fee Revenue Bonds (Jonesboro Campus), Series 2012C (the "Series 2012C Bonds").
- The ASU System and ASU-Jonesboro have recommended that the best method of financing the remaining 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 \$1,600,000.
- 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 and the issuance of 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.
- 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.

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- 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 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.
- 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 (collectively, the "Underwriters") for the Bonds.

**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 \$1,600,000. The Bonds shall mature not later than March 1, 2037, and shall 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 4.10%.

The Chair 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 1.10%) 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.

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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 Chair 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 Chair 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.

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 and a policy for a debt service reserve (collectively, 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 Chair or President is hereby authorized and directed to execute all documents in connection with the Policies, provided that the Chair 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 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 (a) first, from proceeds of the Series 2012C Bonds and (b) second, from certain funds and accounts established and administered by ASU-Jonesboro ("ASU Accounts"). The Board intends to use certain proceeds from the issuance of the Bonds to reimburse the ASU Accounts. This Resolution shall constitute an "official intent" for the purpose of U.S. Treasury Regulation Section 1.150-2.



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Contact: Charles L. Welch (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 \$2,000,000 and to execute an official statement, bond purchase agreement, 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 Revenue Bonds (Beebe Campus), Series 2008 (the "2008 Beebe Bonds"), in the original principal amount of \$2,080,000, under the Act for the purpose of financing capital improvements on or for the Searcy campus of Arkansas State University-Beebe ("ASU-Beebe").
- The ASU System and ASU-Beebe have recommended and the Board has determined that it is in the best interest of the University to refund the 2008 Beebe Bonds (the "Beebe Refunding") and that the Beebe Refunding should be financed by the Board's Student Fee Revenue Refunding Bonds (Beebe Campus) (the "2012 Beebe Bonds").
- The 2012 Beebe Bonds are to be secured pursuant to a Trust Indenture dated as of December 1, 2012, (the "Indenture") between the Board and The Bank of New York Mellon Trust Company, N.A., St. Louis, Missouri, as trustee (the "Trustee").
- The 2012 Beebe Bonds are to be issued on the terms and in the form set forth in the Indenture.
- In order to proceed with the financing, it is necessary for the Board (i) to authorize the issuance and marketing of the 2012 Beebe 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 2012 Beebe Bonds and the execution of a Bond Purchase Agreement in connection therewith; and (iv) to

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authorize the execution of the Indenture and related documents, all relating to the security and issuance of the 2012 Beebe Bonds.

- 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 (collectively, the "Underwriters") for the 2012 Beebe Bonds.

**RECOMMENDATION/RESOLUTION:**

Be it resolved that the Board hereby approves, authorizes, and directs the issuance, execution, and delivery of the 2012 Beebe Bonds in an aggregate principal amount not to exceed \$2,000,000. The 2012 Beebe Bonds shall mature not later than December 1, 2032, and shall 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 2012 Beebe Bonds) not greater than 3.50%.

The Chair and Secretary of the Board and the President of the University are hereby authorized to execute all documents necessary to the issuance of the 2012 Beebe Bonds, including without limitation:

- (a) the Indenture, to be dated as of the date of the 2012 Beebe Bonds, between the Board and the Trustee, setting forth the terms and conditions of the 2012 Beebe Bonds and providing for the issuance of the 2012 Beebe Bonds;
- (b) a Bond Purchase Agreement, 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 1.10%) and the other terms and conditions upon which the 2012 Beebe Bonds will be sold to the Underwriters;  
and
- (c) a Continuing Disclosure Agreement, dated as of the date of the 2012 Beebe 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.

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The 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 Chair 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 2012 Beebe Bonds, and hereby authorizes the Chair 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 2012 Beebe 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.

In order to provide credit enhancement for the 2012 Beebe Bonds, the Board recognizes that it may be economically desirable to obtain a policy of municipal bond insurance and a policy for a debt service reserve (collectively, 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 Chair or President is hereby authorized and directed to execute all documents in connection with the Policies, provided that the Chair 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 2012 Beebe Bonds. The Preliminary Official Statement for the 2012 Beebe 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 2012 Beebe Bonds.

The Chair 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-Beebe are hereby authorized and directed to do any and all lawful things to effect the execution and delivery of the 2012 Beebe Bonds, the performance of all obligations of the Board and of ASU-Beebe, and the execution and delivery of all papers, documents, certificates and other instruments of whatever nature that may be



**EXECUTIVE SUMMARY**

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

**ACTION ITEM:** Arkansas State University System ("ASU System") requests approval to refund certain outstanding indebtedness through the issuance of bonds in the maximum principal amount of \$7,600,000 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.) (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 Revenue Bonds (Mountain Home Campus), Series 2008 (the "2008 Mountain Home Bonds"), in the original principal amount of \$5,180,000, and its Tax-Exempt Notes (ASUMH), Series 2009 (the "2009 Mountain Home Notes"), in the original principal amount of \$2,500,000, under the Act for the purpose of financing capital improvements on or for the campus of Arkansas State University-Mountain Home ("ASU-Mountain Home").
- The ASU System and ASU-Mountain Home have recommended and the Board has determined that it is in the best interest of the University to refund the 2008 Mountain Home Bonds and the 2009 Mountain Home Notes (collectively, the "Mountain Home Refunding") and that the Mountain Home Refunding should be financed by the Board's Student Fee Revenue Refunding Bonds (Mountain Home Campus) (the "2012 Mountain Home Bonds").
- The 2012 Mountain Home 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.
- The 2012 Mountain Home 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.

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

- In order to proceed with the financing, it is necessary for the Board (i) to authorize the issuance and marketing of the 2012 Mountain Home 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 2012 Mountain Home 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 2012 Mountain Home Bonds.
- 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 (collectively, the "Underwriters") for the 2012 Mountain Home Bonds.

**RECOMMENDATION/RESOLUTION:**

Be it resolved that the Board hereby approves, authorizes, and directs the issuance, execution, and delivery of the 2012 Mountain Home Bonds in an aggregate principal amount not to exceed \$7,600,000. The 2012 Mountain Home Bonds shall mature not later than December 1, 2032, and shall 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 2012 Mountain Home Bonds) not greater than 4.25%.

The Chair and Secretary of the Board and the President of the University are hereby authorized to execute all documents necessary to the issuance of the 2012 Mountain Home Bonds, including without limitation:

- (a) a Supplemental Indenture, to be dated as of the date of the 2012 Mountain Home Bonds, between the Board and the Trustee, setting forth the terms and conditions of the 2012 Mountain Home Bonds and providing for the issuance of the 2012 Mountain Home Bonds;
- (b) a Bond Purchase Agreement, 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 1.10%) and the other terms and conditions upon which the 2012 Mountain Home Bonds will be sold to the Underwriters; and

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- (c) a Continuing Disclosure Agreement, dated as of the date of the 2012 Mountain Home 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 Chair 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 2012 Mountain Home Bonds, and hereby authorizes the Chair 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 2012 Mountain Home 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.

In order to provide credit enhancement for the 2012 Mountain Home Bonds, the Board recognizes that it may be economically desirable to obtain a policy of municipal bond insurance and a policy for a debt service reserve (collectively, 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 Chair or President is hereby authorized and directed to execute all documents in connection with the Policies, provided that the Chair 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 2012 Mountain Home Bonds. The Preliminary Official Statement for the 2012 Mountain Home 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 2012 Mountain Home Bonds.

**EXECUTIVE SUMMARY**

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

The Chair and Secretary of the Board, the President of the University, the Vice President for Finance of the University, and the Vice Chancellor for Administrative Affairs of ASU-Mountain Home are hereby authorized and directed to do any and all lawful things to effect the execution and delivery of the 2012 Mountain Home Bonds, the performance of all obligations of the Board and of ASU-Mountain Home, 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 Chair and to execute such other documents as may be required in connection with the issuance of the 2012 Mountain Home Bonds.



Dan Pierce, Secretary



Ron Rhodes, Chair

## **EXECUTIVE SUMMARY**

Contact: Charles L. Welch (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 \$6,100,000 and to execute an official statement, bond purchase agreements, 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 Revenue Bonds (Newport Campus), Series 2008 (the "2008 Newport Bonds"), in the original principal amount of \$2,075,000, and its Student Fee Revenue Refunding Bonds (Newport Campus), Series 2008 (the "2008 Newport Refunding Bonds"), in the original principal amount of \$4,400,000, under the Act for the purpose of financing and refinancing capital improvements on or for the campus of Arkansas State University-Newport ("ASU-Newport").
- The ASU System and ASU-Newport have recommended and the Board has determined that it is in the best interest of the University to refund the 2008 Newport Refunding Bonds and that such refunding should be financed by the Board's Student Fee Revenue Refunding Bonds (Newport Campus), Series 2012A (Federally Taxable) (the "2012A Newport Bonds").
- The ASU System and ASU-Newport have recommended and the Board has determined that it is in the best interest of the University to refund the 2008 Newport Bonds and that such refunding should be financed by the Board's Student Fee Revenue Refunding Bonds (Newport Campus), Series 2012B (the "2012B Newport Refunding Bonds").
- The 2012A Newport Bonds and the 2012B Newport Bonds (collectively, the "2012 Newport Bonds") are to be secured pursuant to a Trust Indenture dated as of December 1, 2012, (the "indenture") between the Board and Merchants & Planters Bank, Newport, Arkansas, as trustee (the "Trustee").

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

- The 2012 Newport Bonds are to be issued on the terms and in the form set forth in the Indenture.
- In order to proceed with the financing, it is necessary for the Board (i) to authorize the issuance and marketing of the 2012 Newport 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 2012 Newport Bonds and the execution of Bond Purchase Agreements in connection therewith; and (iv) to authorize the execution of the Indenture and related documents, all relating to the security and issuance of the 2012 Newport Bonds.
- 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 (collectively, the "Underwriters") for the 2012 Newport Bonds.

**RECOMMENDATION/RESOLUTION:**

Be it resolved that the Board hereby approves, authorizes and directs the issuance, execution, and delivery of (a) the 2012A Newport Bonds in an aggregate principal amount not to exceed \$4,050,000 and (b) the 2012B Newport Bonds in an aggregate principal amount not to exceed \$2,050,000. The 2012A Newport Bonds shall mature not later than May 1, 2028, and shall 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 2012A Newport Bonds) not greater than 3.90%. The 2012B Newport Bonds shall mature not later than December 1, 2032, and shall 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 2012B Newport Bonds) not greater than 3.45%.

The Chair and Secretary of the Board and the President of the University are hereby authorized to execute all documents necessary to the issuance of the 2012 Newport Bonds, including without limitation:

- (a) the Indenture, to be dated as of the date of the 2012 Newport Bonds, between the Board and the Trustee, setting forth the terms and conditions of the 2012 Newport Bonds and providing for the issuance of the 2012 Newport Bonds;
- (b) a Bond Purchase Agreement for each series of the 2012 Newport 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

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

greater than 1.10%) and the other terms and conditions upon which each series of the 2012 Newport Bonds will be sold to the Underwriters; and

- (c) a Continuing Disclosure Agreement, dated as of the date of the 2012 Newport 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 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 Chair or the President. The Board recognizes that certain revisions may be made to the Indenture, the Bond Purchase Agreements, and the Continuing Disclosure Agreement prior to the issuance of the 2012 Newport Bonds, and hereby authorizes the Chair 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 each series of the 2012 Newport Bonds if he deems such rates and maturity schedules 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.

In order to provide credit enhancement for the 2012 Newport Bonds, the Board recognizes that it may be economically desirable to obtain a policy of municipal bond insurance and a policy for a debt service reserve (collectively, 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 Chair or President is hereby authorized and directed to execute all documents in connection with the Policies, provided that the Chair 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 2012 Newport Bonds. The Preliminary Official Statement for the 2012 Newport 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

**EXECUTIVE SUMMARY**

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

President to execute and deliver the Official Statement, in such form as he deems acceptable and necessary to accomplish the issuance of the 2012 Newport Bonds.

The Chair and Secretary of the Board, the President of the University, the Vice President for Finance of the University, and the Vice Chancellor for Fiscal Affairs of ASU-Newport are hereby authorized and directed to do any and all lawful things to effect the execution and delivery of the 2012 Newport Bonds, the performance of all obligations of the Board and of ASU-Newport, 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 Chair and to execute such other documents as may be required in connection with the issuance of the 2012 Newport Bonds.



Dan Pierce, Secretary



Ron Rhodes, Chair