

Lu Hardin,  
Office of the President



UNIVERSITY OF CENTRAL ARKANSAS

201 Donaghey Avenue  
Conway, Arkansas 72035  
Telephone: (501) 450-3170

March 25, 2008

Mr. Randy Sims  
First State Bank  
620 Chestnut  
Conway AR 72032

Dear Randy,

Thank you and the Board of Trustees for approaching me about determining a compensation package consistent with comparable universities.

Candidly, I have been surprised with the results of my research. Here are the compensation figures from comparable universities:

*Alan Sugg University of Ark.	\$294,500 + \$150,000 deferred = <b>\$444,500</b>
*David Gearhart University of Ark.	\$293,800 + \$150,000 deferred = <b>\$443,500</b>
*Robert Khayat Old Miss (15,000 students)	<b>\$423,100 + deferred compensation</b> exists, but amount is not ascertainable
*Robert Foglesong Mississippi State (17,000 students)	<b>\$423,100 + deferred compensation</b> exists, but amount is not ascertainable
*Lu Hardin UCA	<b>\$252,300</b>

I had a lengthy conversation with Alan Sugg who offered the U of A tax attorney's assistance. However, the \$150,000 is paid quarterly into a fund each year in Alan's name per his investing direction.

Per the Board's question, I would respectfully request the following:

\* **No increase in salary.** While I will be almost \$50,000 below the U of A System and the U of A Chancellor, we should not increase the salary at this time. Because of state funding issues, we are looking at a five percent tuition increase. Arkansas State University is planning a 6.3% increase, and the U of A is planning a 6% increase.

\***Mary and I are committed to remaining in the President's Home** on the UCA campus for two reasons. One reason is perception. Even though the almost \$1,000,000 cost of a new home would be privately funded, we do not feel this is the time to move. Secondly, even though Mary and I genuinely appreciate Rush, Harold and Linda's work, we have decided that we enjoy the home and the close proximity to campus. It is a lot of work at times, but we are committed and very happy to stay here. We also appreciate the great tradition associated with presiding in this beautiful home.

\***I would respectfully request that \$150,000 per year be placed in a deferred income fund** identical to the U of A's policy beginning in January, 2008 and through the remaining contracted period. While the total package will be \$50,000 below the U of A, this is still very generous and fair. According to the U of A attorney, this does not require a public vote because it is "deferred".

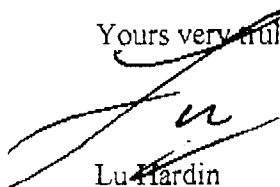
\*Finally, the vote of the Board to grant \$300,000 at the end of five years' employment has been taken and is of record. We are now concluding three full years. This money has been fully sequestered by Paul McLendon, and **I would request that this be paid** as a partial "catch up" as the third year is ending. Again, this vote has been taken, and the funds would simply be transferred.

\*Although in the highly unlikely event that I should leave to accept another university position during the next five years, **the \$300,000 would be fully repaid to UCA.**

Thank you for asking me to present this proposal. My commitment is to the University of Central Arkansas. I love UCA and this Board and am as excited about the next five years as I have been about the past six years. Making the compensation package comparable to the U of A certainly helps.

Thank you Randy, for your and the entire Board's leadership and foresight. It is an honor to work with all of you.

Yours very truly,



Lu Hardin