



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

TO: BOARD OF TRUSTEES
FROM: LU HARDIN
DATE: APRIL 27, 2007

A handwritten signature in cursive script, appearing to read "Lu", with a long horizontal flourish extending to the right.

Scott Roussel came by my office this afternoon following the Foundation Board meeting (he is the Board of Trustee liaison for the Foundation Board) and we were discussing the Board agenda for Friday's meeting. Based on the success we have enjoyed over the past five years, he asked if I would consider a pay raise or one time bonus. If you will remember, Rush Harding moved two years ago that at the end of five years I would receive \$300,000, plus accrued interest, if I were to remain at UCA for a period of five years and I was to receive the same percentage increase that a tenured professor receives each year. Scott asked if I would consider a bonus this one year.

Last year, Alan Sugg, President of the University of Arkansas System, and I were making approximately the same salary at \$235,000. The university, subsequently raised John White and Alan Sugg to \$285,000. I believe it would be very ill-advised to get into a "raise race" with U of A. Secondly, this Board has been very kind to me, and though I have never asked for an increase, you have been very generous with raises. Scott asked if I would consider a one-time \$100,000 bonus, exclusive of the \$300,00, to be done quietly in Executive Session. I told him I thought that would be very generous should the Board decide to do that. I am passing this on to you at his request.

Please understand, Mary and I feel blessed to be at UCA and to work with each of you. My thanks to Scott and to each of you.

Best wishes.

LH:sl



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

TO: BOARD OF TRUSTEES
FROM: LU HARDIN
DATE: MAY 4, 2007
RE: BONUS

A handwritten signature in black ink, appearing to read 'Lu', with a long, sweeping horizontal line extending to the right.

Regardless of the outcome, I appreciate the possibility of a bonus as I conclude my fifth year at UCA. I understand this is separate from the five-year \$300,000 annuity and Rush Harding's motion, should I stay 3 1/2 more years as President of UCA. That annuity matures in August of 2010. In the past bonuses have been paid, such as Clint Conque's \$50,000 bonus last year, from the Trustees fund, which of course replenishes itself from auxiliary money, i.e. profits from the cafeteria and the bookstore and is not state revenue. Clint's was reimbursed from the private athlete funds. Tom Courtway and I are continuing to research this, but legally the bonus can be paid from this fund. My request would be for any bonus that is voted to be paid July 1. This may be voted on with all of the other bonuses and raises, which we have many of because of catching-up with the new money, or voted on separately. That is simply a decision to be made by the Board. Hopefully, this information is helpful.

LH:sl

Lu Hardin,
Office of the President

UNIVERSITY OF CENTRAL ARKANSAS



201 Donaghey Avenue
Conway, Arkansas 72095
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 = \$444,500
*David Gearhart University of Ark.	\$293,800 + \$150,000 deferred = \$443,500
*Robert Khayat Old Miss (15,000 students)	\$423,100 + deferred compensation exists, but amount is not ascertainable
*Robert Foglesong Mississippi State (17,000 students)	\$423,100 + deferred compensation exists, but amount is not ascertainable
*Lu Hardin UCA	\$252,300

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".

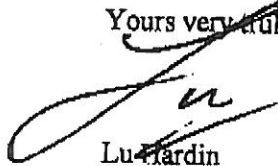
***Finally, the vote of the Board to grant \$300,000 at the end of five years' employment has been taken and is of record.** We are now concluding three full years. This money has been fully sequestered by Paul McLendon, and I would request that this be paid as a partial "catch up" as the third year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


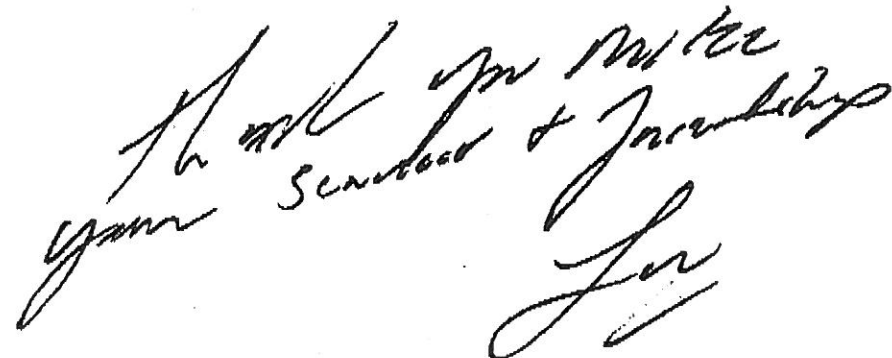
***Although in the highly unlikely event that I should leave to accept another university position during the next five years, the \$300,000 would be fully repaid to UCA.**

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

*Thank you for
service & leadership*
 

TO: Rita Fleming
Director of Human Resources

FROM: Randy Sims
Chairman, Board of Trustees

DATE: May 28, 2008

RE: Deferred Compensation

Three years ago, the University of Central Arkansas Board of Trustees voted to award President Lu Hardin a \$300,000 bonus subject to President Hardin remaining at UCA. The funds from the Trustees' special fund have accrued over the last several years. In the May 2, 2008 Board meeting, the Trustees voted to award this bonus immediately, confirming the vote three years ago.

In the May 2, 2008 meeting, the Board of Trustees also voted a \$150,000 deferred compensation to be paid in January 2008 and \$150,000 every January thereafter. This is deferred compensation and not a raise. It is subject to contingencies and relevant federal law that applies to compensation being deferred.

A handwritten signature in black ink, appearing to read "Randy Sims". The signature is written in a cursive, flowing style with a prominent initial "R".