

MEMORANDUM OF UNDERSTANDING

UNIVERSITY OF CENTRAL ARKANSAS FOUNDATION, INC.

and

UNIVERSITY OF CENTRAL ARKANSAS

Bear Hall Fifth Floor – Skybox Suites

and

Weight Training Facility

This Memorandum of Understanding (“Agreement”) entered into on the date set forth below between the University of Central Arkansas Foundation, Inc., an Arkansas non-profit corporation (“**Foundation**”) and the University of Central Arkansas (“**University**”), an institution of higher education in the State of Arkansas.

Explanatory Statement

The purpose of this MOU and the intent of the Foundation and University is to set forth the terms and conditions pursuant to which the Foundation will (a) advance funds to UCA to enable UCA to pay for the fifth floor of “Bear Hall” on the UCA campus and (b) contract to have constructed and pay for a weight training facility to be constructed adjacent to the Pepsi Americas Building.

The fifth floor of Bear Hall, once completed, will house twelve (12) skybox suites to view football games and other events in Estes Stadium on the University’s campus.

The weight training facility will be constructed to house athletic training equipment to be utilized by the University’s student-athletes and others.

Recitals

WHEREAS, the University has issued bonds and to finance the construction of a new residence hall on the east side of Estes Stadium known as “Bear Hall”;

WHEREAS, Bear Hall will contain student housing on the first four floors, but there will be a fifth floor constructed as part of the project which shall consist of twelve stadium skybox suites with a view of First Security Field at Estes Stadium;

WHEREAS, the University also desires to have constructed a weight training facility adjacent to the Pepsi Americas Building to house weight training equipment and other facilities for the University's student-athletes;

WHEREAS, after discussing both projects, the parties have agreed that, as part of the Foundation's overall mission to support programs and activities of the University, that the Foundation will assist the University by paying for all of the costs of constructing and equipping the fifth floor of the Bear Hall and will also contract to have constructed and pay for the weight training facility, all subject to the agreements and understandings set forth in this Agreement;

WHEREAS, the total construction costs of the fifth floor of Bear Hall and the weight training facility are estimated to be \$3,750,000, and without the financial assistance and support of the Foundation, those improvements could not be made by the University;

WHEREAS, both parties agree that the fifth floor skybox suites and the weight training facility will be important additions to UCA's facilities, and the skybox suites will assist in fundraising efforts of the Foundation with alumni, friends and supporters of UCA, and moreover will add to the game day atmosphere for collegiate football games at UCA; and

WHEREAS, the Foundation and the University have agreed that for and in consideration of the Foundation's payment of all sums necessary to construct and equip the fifth floor of Bear Hall and the weight training facility, that the University will lease the fifth floor from the Foundation for the term set forth below and make certain payments to the Foundation.

Agreement of the Parties

NOW, THEREFORE, for and in consideration of the amounts to be paid by the Foundation for the construction of (a) the fifth floor skybox suites on Bear Hall and (b) the weight training facility adjacent to the Pepsi Americas Building, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, Foundation and the University agree as follows:

1. The Foundation agrees to pay and transfer to the University, as and when billed, or to the general contractor constructing the Bear Hall or the weight training facility projects (if directed by the University's Vice President for Finance and Administration), all costs and expenses for:

(a) the design, planning, construction and equipping of the fifth floor of Bear Hall; and

(b) the design, planning and construction of the weight training facility adjacent to the Pepsi Americas Building.

The parties agree that the plans and specifications for both projects shall be approved by appropriate officials of both entities.

2. It is the intent of the parties in entering into this Agreement that all costs attributable to the fifth floor skybox suites and the weight training facility shall be paid for with funds (a) contributed to or raised by the Foundation, or (b) borrowed by, or otherwise made available to, the Foundation.

3. (a) For the fifth floor of Bear Hall, it is possible, although not anticipated at this time, that a separate contract may be executed by and between the Foundation and the general contractor. However, upon the execution of this Agreement, the Foundation authorizes the University (and its officials) to enter into a contract with the general contractor for the construction of the fifth floor, and the Foundation agrees to pay and assume all costs associated with such contract as the same relates to the fifth floor. Throughout the construction of the fifth floor, the University agrees to keep the President of the Foundation fully informed of all costs and expenses incurred, or budgeted, for the construction and equipping of the fifth floor of Bear Hall.

(b) For the weight training facility, the parties understand and agree that the Foundation will enter into a separate contract with the general contractor.

4. Foundation's agreement to pay for the additions and improvements to the University's campus as set forth herein is based upon the understanding and representation that the fifth floor of the Bear Hall project, when completed, will consist of twelve (12) skybox suites with an unobstructed view of First Security Field at Estes Stadium. The entrances and exits to the fifth floor shall be separate from those of the other floors of Bear Hall. In addition, each skybox shall have the following amenities: electricity and electrical outlets; air conditioning and heating; appropriate cable and internet connections; systems; a sink; tile floors; ice storage; a service counter and cabinets; and such other amenities as the Foundation and the University (through the Director of Athletics and the Vice President for Finance and Administration) shall determine is necessary and appropriate for stadium skybox suites.

5. (a) For the fifth floor of Bear Hall, Foundation's funds will be paid, as and when requested by the University's Vice President for Finance and Administration (or designee), but only after the same is approved by the President of the Foundation. Prior to the advancement of funds, the request shall be accompanied by such invoices or other appropriate documentation as the President of the Foundation may reasonably request.

(b) For the weight training facility, the Foundation agrees to pay such sums directly to the general contractor or in such other manner as the parties may subsequently agree upon.

6. (a) Upon completion of the fifth floor skybox suites and the weight training facility, the parties agree that for the lease term set forth below, the fifth floor of Bear Hall shall be deemed to be owned by the Foundation. Upon the expiration of the Initial Term (as defined below), the parties agree that the fifth floor skybox suites shall then become the property of the University. At such time, the fifth floor shall be donated on an "as is" basis, and there shall be no representation or warranty by the Foundation to the University of the condition of any part of the fifth floor.

(b) The parties further agree, however, that upon completion, the weight training facility shall be donated by the Foundation to the University, and thereafter be the property of the University, subject to the University's making the lease payments set forth herein to the Foundation. From and after the date of the completion of the weight training facility and the donation of it to the University, the University shall insure and maintain it in all respects.

7. The parties agree that upon completion of the fifth floor of Bear Hall, the University shall lease the same (as the lessee) from the Foundation (as the lessor). The lease agreement shall require the approval of Arkansas Building Authority and the boards of the respective parties to this Agreement, and shall be in such form as the foregoing agency shall require. However, the parties, by entering into this Agreement understand and agree that the lease shall contain the following terms and conditions:

(a) The annual rent shall be the sum of \$_____ per year. The first such rental payment shall be due and payable on the ____ day of _____, 20____. Upon agreement of the parties, the annual rent may be paid in one or more installments. The Foundation understands and agrees that the rent to be paid to the Foundation is to be made from (i) rents received by the University for leasing of skybox suites and (ii) funds received by the University's Department of Athletics from the Southland Conference. The University agrees at all times that the aggregate amounts in (i) and (ii) shall be sufficient to pay the annual rent. The parties further agree that if any additional private contributions are received during the Initial Term of the lease for the skyboxes, that such additional private contributions shall be used by the Foundation to reduce the outstanding indebtedness owed on both the fifth floor and weight training facility projects. If, at anytime, there is an adjustment in the annual debt service of the Foundation on the projects as a result of additional private funds being raised, the parties agree to negotiate in good faith to reduce the annual rent contemplated by this section.

(b) University shall have the right to lease and let any and all skybox suites. Any and all lease agreements for the use of any skybox suite shall require the approval of the University's Director of Athletics and the President of the Foundation.

(c) The lease term shall commence on the date of completion of Bear Hall and the fifth floor (estimated to be August 1, 2012), and shall continue for a period until the end of the calendar year in which the Foundation has re-paid any and all principal and interest on all sums borrowed by the Foundation to pay all costs for the fifth floor and the weight training facility under this MOU. This period shall be referred to as the "Initial Term." The reason for the length of the Initial Term is to allow the Foundation sufficient time to collect the rent under this Agreement to re-pay any borrowed amounts used for the construction and equipping of the fifth floor of the Bear Hall project.

(d) During the Initial Term (and any renewal term of the lease) it shall be the obligation of the Foundation to properly insure the entire fifth floor against fire and extended coverage. Provided, however, that the parties shall work together on this insurance coverage, and the University's insurance coverage for the remaining floors of Bear Hall, so that in the event of a loss covered by insurance that the respective parties pay the correct amounts for repair or replacement. In addition, during the Initial Term (and any renewal term) Foundation shall

keep and maintain in good repair and tenantable condition, except in cases arising from acts of the University's agents or employees, the elevators, heating, air conditioning, plumbing and exterior walls. Provided, however, that the University agrees to keep and maintain the roof and the interior walls, and agrees to perform routine maintenance of the elevators, heating and air conditioning, plumbing and electrical, the common areas and the sidewalks and entrance lobby.

(e) In addition, University agrees to keep and maintain a policy of public liability insurance (in an amount not less than \$5 million per occurrence) covering the fifth floor and all common areas inside the building for access to the fifth floor, and name the Foundation as an additional insured.

(f) The parties agree that all general maintenance and routine cleaning costs of the fifth floor, all entrances, elevators and other common areas will be paid by the UCA Athletics Department. All utilities (gas, electric, telephone, cable television and internet) will be paid for by the UCA Athletics Department.

(g) The parties agree that notwithstanding any other provision of this Agreement, that the Foundation shall have the right to use and occupy one (1) skybox suite for a period of fifteen (15) years commencing on July 1, 2012 for the lump sum payment of \$200,000. Upon the expiration of that term, the Foundation shall be entitled to the use and occupancy of one skybox suite on a year-to-year basis at a rent to be agreed upon by the parties prior to the start of each fiscal year. The consideration for this agreement is the Foundation's past, continuing and future support of the programs of the University, and in addition, Foundation's financial support of the University's athletic programs.

(h) Upon the expiration of the Initial Term, all remaining skybox suites shall be under the control and operation of the University's Department of Athletics and it shall have the rental income from all such suites.

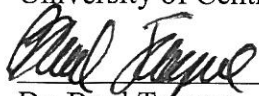
8. This Agreement shall be governed and construed in accordance with the laws of the State of Arkansas.

9. This Agreement shall be not a binding and enforceable obligation of either party until approved by an appropriate resolution adopted by the Board of Trustees of the University of Central Arkansas and the Board of Directors of the University of Central Arkansas Foundation, Inc., and if required, the written approval of the Arkansas Building Authority.

EXECUTED at Conway, Arkansas, effective the 11 day of March, 2011.



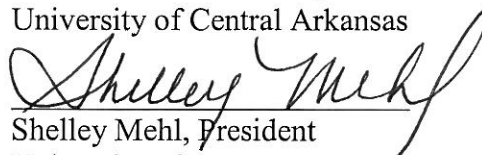
Allen C. Meadors, Ph.D., FACHE
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