

AGREEMENT

This Agreement ("Agreement") entered into between the Board of Trustees of the University of Central Arkansas ("Board"), acting through its Chairman, Randall Sims, and Lu Hardin ("Hardin").

Explanatory Statement

The purpose of this Agreement and the intent of the parties is to set forth their agreement and understanding for Hardin to separate from service as the President of the University of Central Arkansas ("University"). This Agreement supersedes all other agreements or understandings between the parties made at anytime prior hereto. It is the specific intent of the parties that this Agreement, and its terms, shall be the sole document governing Hardin's separation from service as the University's President.

Recitals

WHEREAS, Hardin became the 8th President of the University and was appointed under and pursuant to an Employment Agreement dated the 23rd day of September, 2002; and

WHEREAS, Hardin is currently serving under a five-year "rolling" contract dated October 1, 2003, which automatically adds an additional year on each anniversary date; and

WHEREAS, as of the date of this Agreement, there are four years remaining on his employment agreement of October 1, 2003; and

WHEREAS, during Hardin's service as the University's President, among many notable achievements, the University (i) was removed from censure by the American Association of University Professors; (ii) achieved record enrollment growth, such that the fall enrollment for 2008 will be in excess of 13,000 students; (iii) has increased the ACT scores of entering freshman students; and (iv) is making a successful transition to Division I athletics; and

WHEREAS, through Hardin's leadership, working along with Dr. Alan Sugg, President of the University of Arkansas System, a committee was formed which promoted, campaigned for, and had approved by the voters of the State of Arkansas, a higher education bond issue; and such bond issue has provided capital construction funds for all colleges and universities, and will result in a new Business Administration Building for the University; and

WHEREAS, the Board, in recognition of Hardin's accomplishments and work for and on behalf of the University for his six years of service, and Hardin have reached an agreement under and pursuant to which Hardin will

separate from service as President of the University on the terms and conditions as set forth herein.

Agreement of the Parties

NOW, THEREFORE, for and in consideration of the matters set forth herein, and intending to be legally bound hereby, the Board and Hardin agree as follows:

1. **Sabbatical Leave.** In recognition of his work and dedicated service as President of the University, the Board hereby awards Hardin a sabbatical commencing on the date of his separation from service, and expiring on June 30, 2009. During such period, Hardin shall be paid at the same rate of pay (\$252,874), on an annualized basis that he is being paid as of the date of this Agreement, subject to all federal and state tax withholdings. Such sums shall be paid as normal payroll of the University. During such period he shall further be entitled to a contribution for retirement benefits, as well as all fringe benefits (including, but not limited to, health insurance, life insurance, disability insurance and benefits) as are set forth in the Employment Agreement of October 1, 2003. The UCA Foundation has agreed to fund the current year private fund portion of the President's salary. Any future private fund portion to be paid would be at the discretion and consideration of the Foundation Board.

2. **Severance Pay.** The Board also agrees to pay Hardin severance pay under one of the following options. The determination of which option applies shall be within the sole discretion of the University:

(a) **Option #1:** Severance pay in monthly installments commencing on July 1, 2009, and ending on September 30, 2012, at the same rate and upon the same terms and conditions, as he is being paid on the date hereof, but such amount shall not exceed \$252,874 for any fiscal year; with the state portion being the amount set forth in the applicable law for the UCA President's salary, and any private portion being paid, if and when agreed to by the UCA Foundation Board. If this option is selected by the Board, he shall also be entitled to a contribution for retirement benefits, and all other fringe benefits described in paragraph 2 of this Agreement and more particularly set forth in the Employment Agreement of October 1, 2003; or

(b) **Option #2:** A lump sum severance payment in the amount of \$670,162.35 to be paid to Hardin not later than July 10, 2009. If this option is selected, the parties agree that Hardin shall also be deemed to be a retirement benefits eligible effective on July 1, 2009, and the University shall pay his health insurance premiums until September 30, 2012.

3. **Separation from Service as President.** Hardin hereby agrees to separate from service as President of the University, and such separation agreement is hereby accepted by the Board, acting through its chairman, on

the terms and conditions set forth herein. Hardin's separation from service to the University shall be effective at 4:30 P.M. Central Time on September 16, 2008.

4. Occupancy of President's Home. The Board and Hardin agree that Hardin and his wife shall be entitled to reside in the President's Home until November 1, 2008, under the same terms and conditions as set forth in the Employment Agreement.

5. Return of Property: Automobile. On September 16, 2008, Hardin agrees to return to the University any and all personal property or other items belonging to the University, including any and all credit cards, keys, computers or other property. Provided, however, with regard to his automobile, he may be allowed to use and possess such vehicle until 4:30 P.M. on October 1, 2008, as provided for in the Employment Agreement of October 1, 2003.

6. Benefits Eligible Employee. The parties agree that on September 30, 2012, that Hardin shall be deemed to be "retirement benefits eligible" for purposes of University policies.

7. Payment to Continue. The amounts to be paid hereunder to Hardin shall inure to his heirs and assigns in the event of death.

8. Mutual Release. By the execution and delivery of this Agreement, the Board and Hardin, each release the other from and against any and all claims, demands, causes of action, expenses or costs, whether known or unknown, and arising at anytime, and whether in contract, tort or otherwise. It is in the intent of this provision to fully, completely and forever release any and all such claims from the beginning of time until the date hereof. Notwithstanding the foregoing, however, nothing shall prevent either party hereto from enforcing the terms of this Agreement.

9. Entire Agreement. This Agreement represents the entire agreement and understanding of the parties on the terms hereof, and supersedes all other agreements between them, specifically including the Employment Agreement of October 1, 2003, and any and all board resolutions between such date and the date hereof concerning Hardin's employment. It shall be binding upon the respective parties and their heirs, successors and assigns.

10. Governing Law. The laws of the State of Arkansas shall govern the interpretation of this Agreement. Nothing herein shall be deemed to waive the sovereign immunity of the University.

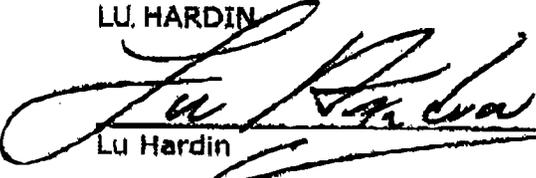
EXECUTED by the parties on this 2nd day of Sept,
2008.

BOARD OF TRUSTEES
UNIVERSITY OF CENTRAL ARKANSAS



Randall Sims, Chairman

LU. HARDIN



Lu Hardin