

Following appropriate notice to members of the press, the Board of Trustees of the University of Central Arkansas met via telephone conference at 3:00 p.m. Tuesday, December 4, 2001. The following trustees participated in the call:

Chair:	Mr. Randy Sims
Vice Chair:	Mr. Rush Harding
Secretary:	Mr. Kelley Erstine
	Mrs. Elaine Goode
	Mr. Rickey Hicks
	Mr. Scott Roussel
	Mr. Dalda Womack

There being a quorum of the Board, the following business was transacted:

EXECUTIVE SESSION

Executive session, for the purpose of considering a personnel matter, was declared unanimously upon motion by Mr. Harding with a second by Mr. Hicks.

OPEN SESSION

The Board of Trustees and Dr. Winfred Thompson desire to enter into an agreement resolving all issues of Dr. Thompson's employment relationship with the university. Dr. Thompson has served the university for approximately fourteen years. Earlier this year, Dr. Thompson announced his intent to resign as president and begin a previously approved one-year sabbatical on July 1, 2002. The Board and Dr. Thompson desire for this sabbatical to begin January 1, 2002, and the Board waives the expectation that Dr. Thompson will return to the university at the end of the sabbatical.

The attached separation agreement and release resolves all issues related to Dr. Thompson's employment relationship with the university. The payments specified in the separation agreement and release, except for the amounts specified in the deferred compensation plan, shall be drawn from the Board of Trustees Endowment. This endowment was established by the Board of Trustees in 1996 and consists of excess revenue from auxiliary services that has been set aside on an annual basis, and accumulated interest earnings.

The following resolution was adopted unanimously with a roll call vote upon motion by Mr. Harding with a second by Mr. Hicks:

“BE IT RESOLVED: THAT THE BOARD OF TRUSTEES ADOPTS THE ATTACHED SETTLEMENT AGREEMENT AND RELEASE RESOLVING ALL ISSUES RELATED TO WINFRED L. THOMPSON’S EMPLOYMENT RELATIONSHIP WITH THE UNIVERSITY; AND

BE IT FURTHER RESOLVED: THAT THE PAYMENTS SPECIFIED IN THE SETTLEMENT AGREEMENT AND RELEASE, EXCEPT FOR THE AMOUNTS SPECIFIED IN THE DEFERRED COMPENSATION PLAN, SHALL BE DRAWN FROM THE BOARD OF TRUSTEES ENDOWMENT; AND

BE IT FURTHER RESOLVED: THAT THE BOARD CHAIR IS AUTHORIZED TO MAKE CLERICAL OR OTHER CHANGES THAT DO NOT MATERIALLY ALTER THE AGREEMENT.”

SEPARATION AGREEMENT AND RELEASE

Recitals

A. This Separation Agreement and Release (hereinafter "Agreement") is made by and between Dr. Winfred L. Thompson (hereinafter "Dr. Thompson") and the University of Central Arkansas (hereinafter "University") through its Board of Trustees. Dr. Thompson and the University may be referred to as "Parties" or as a "Party" to this Agreement.

B. Dr. Thompson commenced employment as President of the University of Central Arkansas on April 01, 1988, and will end employment on December 21, 2001. The University and Dr. Thompson wish to settle and resolve all issues or matters relative to or concerning the recruitment, hiring, employment, or separation from employment of Dr. Thompson with the University. The parties wish to enter into a written agreement to govern the settlement and resolution of any and all issues or matters.

Terms

In consideration of the agreements and undertakings described in this Agreement, the receipt and sufficiency of which is hereby acknowledged, both Dr. Thompson and the University agree to the following terms.

1. *Termination of Employment:* Dr. Thompson's employment with the University will terminate at 4:45 p.m. on December 21, 2001.

2. *Release:*

(a) Subject to Dr. Thompson's rights to enforce the terms and conditions of this Agreement, Dr. Thompson releases and forever discharges the University, each trustee, agent, employee, and officer of the University, from any and all claims, demands, actions, causes of action, civil rights claims, state or federal lawsuits, unemployment compensation claims, administrative claims, claims commission claims, debts, demands for sums of money or damages of any nature whatsoever, claims to any employment-related benefits such as retroactive pay, holidays or insurance benefits, claims for attorney's fees, costs, including any claims under federal and state civil rights statutes, and all other demands of any nature or description in law or in equity, known or unknown, for any relief, including, without limitation, economic and non-economic losses or damages on account of, or in any way arising from, or as a result of any act, omission, or event relating to the hiring, employment, resignation, and termination from employment of Dr. Thompson with the University. Dr. Thompson

understands and acknowledges that he waives any and all rights and claims arising under the Age Discrimination in Employment Act (hereinafter "ADEA"), 29 U.S.C. 621, et seq., except those rights or claims that may arise after the date of this Agreement.

Notwithstanding the above release, in the event that Dr. Thompson remains unemployed, he shall not be prohibited from filing for unemployment compensation based on the negotiated severance from the University.

(b) Except for its enforcement of any of the terms of this Agreement and in recognition of the indemnity obligations referenced in 3(b), the University hereby releases and forever discharges Dr. Thompson from and against any and all claims and/or demands it may now have or hereafter assert for any act or omission from April 01, 1988 to December 21, 2001.

3. *Duty to Defend and Indemnify:*

(a) Dr. Thompson covenants and agrees that he is responsible for and shall hold harmless, defend and indemnify the University from and against all third party claims, defined as the Internal Revenue Service, the State of Arkansas, the Department of Finance and Administration, the City of Conway, and any and all other taxing authorities, tribunals, courts and commissions, arising from or relating to the payments specified in sections five and six of this Agreement.

(b) The University covenants and agrees to indemnify and hold Dr. Thompson harmless from and against any and all claims, demands, causes of action, judgments, costs or expenses, including, but not limited to, reasonable attorney's fees (collectively the "Claims or Expenses"), if such claims or expenses arise out of, or are related in any manner to (i) his employment by the University; (ii) his duties or responsibilities as President; or (iii) such other matters or allegations which have as their basis the performance of his role and responsibility as President. If a claim or allegation relating to or arising out of his duties as President is made, the indemnification clause stated above will apply. In the event it is determined that Dr. Thompson, while serving as President, acted outside the course and scope of his employment and/or not in conformity with all state and federal laws, and related rules and regulations, Dr. Thompson covenants and agrees to indemnify and hold the University harmless from and against any and all claims, demands, causes of action, judgments, costs or expenses, including, but not limited to, reasonable attorney's fees. This indemnity shall survive this Agreement and shall apply regardless of whenever or however such claims or expenses are asserted.

4. *Return of University Equipment:* Except as permitted for exercising occupancy rights under section eight of this Agreement, effective December 21, 2001, Dr. Thompson will return to

the University any and all equipment, computers, telephones, keys, material, books, records, documents, and any other property belonging to the University.

5. *Employment Agreement and Deferred Compensation Plan:* In consideration of Dr. Thompson's desire to step down as President on December 21, 2001, the University extends Dr. Thompson's sabbatical leave an additional six months for a total period of one and one-half years, commencing on January 1, 2002, and concluding on June 30, 2003. During this period, the University agrees to pay to Dr. Thompson, on a monthly basis through regular payroll processes, one hundred percent of his current annualized salary, \$178,200.00, (\$14,850 per month for each month of the sabbatical). If during the period of compensation for sabbatical leave, Dr. Thompson commences employment with any agency or institution of the State of Arkansas, Dr. Thompson will forfeit any and all remaining monthly payments relating to sabbatical leave. The University specifically waives any requirement that Dr. Thompson return to a faculty position upon completion of the sabbatical leave as contemplated in the employment agreement, and further states that this Agreement terminates all aspects of Dr. Thompson's employment with the University. Payment of the funds reflected in this paragraph shall be drawn from the Board of Trustees Endowment.

Except as set forth in the forfeiture language above, after December 21, 2001, Dr. Thompson may perform services for, or be employed by, any other person or entity, whether public or private.

The benefits relating to the August 15, 1997 "Plan of Deferred Compensation for the President of [the] University of Central Arkansas" (hereinafter "deferred compensation plan") will be available to Dr. Thompson in accordance with the terms of the deferred compensation plan and subsequent amendments to the extent they are consistent with state and federal laws, and rules and regulations of the Department of Finance and Administration. The university will make the final book entry of \$15,000.00 towards the deferred compensation plan during January 2002.

6. *Payments for Release of Tenure:* In accordance with the provisions of Ark. Code Ann. § 24-7-101, the University agrees to make two (2) payments to Dr. Thompson for a total amount of \$240,000.00 for his release of tenure. These payments are in recognition of the relinquishment of Dr. Thompson's tenure rights that are hereby released by Dr. Thompson. No part of the payments shall be construed as the payment and/or receipt of wages to Dr. Thompson. A payment of \$120,000.00 will be paid to Dr. Thompson on or about January 01, 2002, and on or about June 30, 2003. Payment of the funds reflected in this paragraph shall be drawn from the Board of Trustees Endowment. Dr. Thompson is responsible for the payment of state and federal taxes as may be required by applicable statutes. Within seven calendar days of receipt of each payment, Dr. Thompson will make a \$25,000.00 gift to the University of Central Arkansas Foundation, Inc. to be designated in a manner determined by Dr. Thompson. In the event of the death of Dr. Thompson

prior to any or all payments being made under this paragraph, any remaining amounts will be paid to his estate. In that event, within seven calendar days of receipt of each payment, Dr. Thompson's estate will make a \$25,000.00 gift to the University of Central Arkansas Foundation, Inc. to be designated in a manner determined by the estate.

7. *Fringe Benefits:* On or about July 01, 2003, the University will consider Dr. Thompson a benefits-eligible retiree.

8. *Presidential House:* Dr. Thompson shall be entitled to reside in the Presidential House through February 28, 2002, at the University's expense.

9. *Automobile Allowance:* Dr. Thompson shall be entitled to receive the current automobile allowance provided through December 21, 2001.

10. *No Other Monetary Compensation:* The University will not pay to or for the benefit of, nor provide to or for the benefit of Dr. Thompson any amounts, sums, or contributions other than those described in this Agreement. Dr. Thompson waives and relinquishes any and all claims for annual leave.

11. *Title and Successor:* Until and including December 21, 2001, Dr. Thompson will maintain and be entitled to the use of the title of President. Effective December 21, 2001 at 4:45 p.m., all chief operating officer duties and executive power for the operation of the University will be vested in such individual(s) as the Board of Trustees designates.

12. *Official Statement and Reference Letters:* On a mutually agreed upon date, the University will announce that Dr. Thompson has submitted his resignation as President, effective at 4:45 p.m. on December 21, 2001, to pursue other professional opportunities. The announcement of Dr. Thompson's resignation will contain the following: (a) a listing of Dr. Thompson's accomplishments while at the University; (b) a statement from the Board of Trustees that extends its' and the University's appreciation to Dr. Thompson for his years of service to the University; (c) a statement from Dr. Thompson that extends his appreciation to the University and its Board of Trustees for having had the opportunity to serve as President of the University for approximately fourteen years. The parties will mutually prepare and agree upon the exact wording of the official statement. In reference letters and responses to direct inquiries, the University will state that Dr. Thompson has submitted his resignation as President to pursue other professional opportunities, effective at 4:45 p.m. on December 21, 2001.

13. *Mutual Non-Disparagement*: Dr. Thompson agrees that in discussing his relationship with the University he shall not disparage, discredit or otherwise treat the University, its officials or employees, in a detrimental manner. The Board of Trustees agrees that in discussing the University's relationship with Dr. Thompson that it shall not disparage, discredit or otherwise treat Dr. Thompson in a detrimental manner.

14. *Notice*: Unless otherwise specified, written notice to be provided under the terms of this Agreement shall be personally delivered or sent by certified or registered mail, return receipt requested, and postage fully prepaid, addressed as follows:

If to the Board of Trustees to: Mr. Randy Sims, Chairman
Board of Trustees
First State Bank
P.O. Box 966
Conway, AR 72033

If to Dr. Thompson to: Dr. Winfred L. Thompson
1022 Oak Street
Conway, AR 72032

15. *Entire Agreement, Incorporation, and Supersession*: This Agreement contains and comprises the entire understanding of the parties, and it incorporates the employment agreement and deferred compensation plan previously referenced, and subsequent amendments to one or both documents dated May 08, 1998, May 07, 1999, May 05, 2000, and May 07, 2001. This Agreement supersedes any documents, terms, letters, or any other provisions relating to Dr. Thompson's employment with the University, including, without limitation, published and unpublished employment policies, handbooks, procedures, programs and plans authorized by the University to the extent they are in conflict with this Agreement. This Agreement supersedes any and all prior understandings or agreements between the parties, and there are no additional promises, representations, terms, or provisions.

16. *Limitation of Applicability*: Dr. Thompson understands that he may revoke this Agreement for a period of seven days after signing it. To be effective, the revocation must be in writing and delivered to the individual who executed this Agreement on behalf of the University. This Agreement will not become effective or enforceable until this seven-day period has expired. If this Agreement is not revoked within the seven-day period, it will be fully enforceable without any further affirmative action by either party.

17. *No Admission of Liability*: The parties agree that nothing contained in this Agreement and no actions taken by any party with respect to this Agreement will be construed as an admission by any party of any liability, wrongdoing, or obligation. The parties understand and acknowledge that this Agreement is intended merely to avoid issues or matters and the expenditure of costs and attorneys fees.

18. *Severability and Binding Effect*: Each provision of this Agreement is intended to be severable. If any provision is held to be invalid, or void, or unenforceable by a court or commission of competent jurisdiction for any reason whatsoever, such ruling will not affect the validity of the remainder of this Agreement. Each party acknowledges that this Agreement is binding on the heirs, personal representatives, administrators, insurers, assigns, predecessors, and successors of the respective parties.

19. *Assignment*: Neither this Agreement nor any of the parties' rights, interests or obligations under this Agreement may be assigned by either of the parties without the prior written consent of a duly authorized representative of the other.

20. *Governing Law*: The laws governing the construction of and terms of this Agreement are the laws of the State of Arkansas.

21. *Amendment*: This Agreement may be amended only by a written instrument signed by the parties.

22. *Headings and References*: Headings in this Agreement are for convenience of reference, and will not be deemed to expand or limit the meaning of any provision of this Agreement. References in this Agreement are references to sections of this Agreement unless otherwise specified.

23. *Voluntary Agreement*: Dr. Thompson acknowledges that he has read this Agreement and fully and completely understands the terms of this Agreement and their significance. Dr. Thompson accepts these terms and enters into this Agreement freely, voluntarily, and without reservation.

This Agreement is dated the ____ day of December, 2001. In witness of this Agreement, Dr. Thompson and Mr. Randy Sims, Chairman of the Board of Trustees, have signed this Agreement, and have placed the date alongside each signature.

Mr. Hicks nominated Dr. John Smith, Vice President for Financial and Administrative Services, as Interim President. The nomination was seconded by Mr. Roussel and passed unanimously by roll call.

Mr. Sims announced that a special Board meeting will be held at noon Wednesday, December 12, 2001, at Crews and Associates, Inc. in Little Rock.

President Thompson expressed his appreciation to members of the Board of Trustees for their support and guidance. President Thompson also expressed his appreciation to his staff, past and present. President Thompson stated that whatever the university has accomplished during his tenure has been a result of a wonderful team of people. President Thompson further stated that it has been a wonderful experience for him and Mrs. Thompson; they will continue to support the university and urged alumni and friends of the institution to do so as well. President Thompson's official statement is attached.

Mr. Sims reviewed some of President Thompson's accomplishments as President of UCA and stated that he has done a remarkable job. On behalf of the Board of Trustees, Mr. Sims stated that President Thompson has the Board's undying gratitude for the job he has accomplished. The Board's official statement is attached.

There being no further business to come before the Board, the meeting was adjourned upon motion by Mr. Hicks with a second by Mr. Erstine.

Mr. Randy Sims, Chair

Mr. Kelley Erstine, Secretary

OFFICIAL STATEMENT BY WINFRED THOMPSON

Since April 1, 1988, I have had the privilege and honor to serve as the seventh president of the University of Central Arkansas. Mrs. Thompson and I will always be grateful to the Board of Trustees for their guidance, and to faculty, staff, students, and alumni for making our years here so rewarding and enjoyable. The kindness of the people of Conway has made it a pleasure to be part of this community, and the local political leadership has in large part been responsible for UCA's growth and improvement.

I urge all friends and supporters of the university to support the new leadership, as will Carmen and I, to make UCA an even better institution in the future.

On a personal note, I thank the members of the Board, past and present, for their friendship and support and members of my personal staff over the past thirteen years for their dedication. It has been a joy to work with such congenial and capable people.

OFFICIAL STATEMENT BY BOARD OF TRUSTEES

The Board of Trustees has accepted the resignation of Dr. Winfred L. Thompson as President of the University of Central Arkansas effective at the close of business on December 21, 2001. Since April 01, 1988, Dr. Thompson has served as the seventh president of UCA. Dr. Thompson leaves UCA to pursue other professional opportunities.

Even the casual outside observer could not help but notice the transformation of UCA from a teacher training school to an outstanding comprehensive institution of higher education. Although not exhaustive or in any manner complete, the following represents some of the more noteworthy accomplishments of which Dr. Thompson and the Board of Trustees are proud:

(a) Approximately \$125 million in new construction and renovation of existing facilities. In particular, Baridon Hall; Brewer-Hegeman Conference Center; College Square, the independent living center; Estes Stadium; HPER Center; Irby Hall; Laney Hall; McAlister Hall; Math and Technology Building; New Residence Hall; Lewis Science Center; McCastlain Hall; Physical Therapy Building; Reynolds Performance Hall; Schichtl Hall; Snow Fine Arts Building; Stanley Russ Mass Communications Building; Student Center; Torreyson Library; UCA Police Department Building; and Writing, Rhetoric, and Speech Building.

(b) Beautification of the campus through landscaping, the elimination of interior parking and roads, and the conformance to a uniform architectural style;

- (c) Increase in student enrollment while simultaneously improving the quality of student attending UCA. Increase in the average ACT score from approximately twenty (20) to approximately twenty-three (23);
- (d) A significant increase in operating money for the university;
- (e) Increase in salaries and benefits for faculty and staff;
- (f) Expansion of the Honors College and the development of the Residential College concept;
- (g) Development of the Office of International Programs to bring students from abroad, and for developing study abroad opportunities for UCA students, including the campus in Maastricht, the Netherlands;
- (h) Development of programs in the arts, benefiting the university, the community and the state; and
- (i) Doctoral programs in School Psychology and Physical Therapy.

The Board of Trustees extends its and the University's appreciation to Dr. Thompson for his approximately fourteen (14) years of service to the University, and for the many goals he has accomplished during his tenure. These accomplishments have elevated the University of Central Arkansas to the standing it holds in the higher education community within the State of Arkansas and beyond. The Board of Trustees and the University wish Dr. Thompson much success as he moves on to new professional opportunities.

Dr. Thompson extends his and Carmen's appreciation to the Board of Trustees and the University for having had the opportunity to serve as President. Dr. Thompson wishes the University well in its search for a new president, and expresses his confidence that his successor will serve the University well during this interim period.