

The Board of Trustees of the University of Central Arkansas convened in a called teleconference meeting at 3:30 p.m., Wednesday, July 21, 2010 with the following officers and members present:

Chair:	Dr. Harold Chakales
Secretary:	Mr. Bobby Reynolds
	Mr. Victor Green
	Mr. Rush Harding, III
	Mrs. Kay Hinkle

Mr. Randy Sims and Mr. Scott Roussel were absent.

ACTION AGENDA

“Contract Review Procedures” (Board Policy No. 416)

Pursuant to Board Policy No. 416, “Contract Review Procedures,” the administration must seek Board approval for (i) Any contract which will require the expenditure by the University of funds (at anytime) in excess of \$250,000; or (ii) Any contract with a term exceeding one (1) year, unless the Office of General Counsel certifies, in writing, that the contract may be terminated by the University on the giving of written notice of ninety (90) days or less.

The administration is seeking Board approval for the following contracts:

1. University of Central Arkansas and Imperial Foods, Inc., North Little Rock, AR
snack vending provider
2. University of Central Arkansas and Novell, Incorporated, Provo, Utah.
Annual licensing for network operating systems
3. University of Central Arkansas and Faulkner Plumbing and Mechanical, Mayflower,
AR
Heating and air conditioning for Arkansas Hall

The following resolution was unanimously adopted upon motion by Bobby Reynolds and a second by Kay Hinkle:

“BE IT RESOLVED: That the Board of Trustees authorizes the administration to enter into contracts with the companies listed above.”

Property Exchange with HDR Properties, LLC

At May 7, 2010 Board meeting, a proposed property exchange agreement between the University and HDR Properties, LLC, an Arkansas limited liability company (“HDR”) was approved.

The University owns approximately five (5) acres on the east side of Donaghey Avenue across from the softball field. The softball team uses a portion of the house for locker rooms, and the softball coach resided in the remainder of the house, but has since moved out. Two appraisals were performed on the University property. One in September of 2008 was \$1,100,000, and the second in January of 2010 was \$1,336,000. The average of these two appraisals is \$1,218,000.

HDR owns four houses - three on Western Avenue and one on Augusta Avenue. Monthly rents on these houses aggregate approximately \$4,850. HDR’s properties were appraised on two occasions. One in September of 2008 was \$572,000, and the second in January of 2010 was \$538,000. These two appraisals average \$555,000.

Under the exchange agreement approved on May 7, 2010, and subsequently signed by the parties, the respective properties would be exchanged, and in addition HDR would pay to the University the sum of \$720,000 cash at closing. Using the higher of the two HDR appraisals, the University would receive property and cash totaling \$1,258,000.

The closing was to occur on or before July 1, 2010, but HDR was given the right to extend the closing date until September 1, 2010, if it needed the additional time to arrange suitable financing. Under the agreement if suitable financing was not in place, then HDR does not have to close. HDR has exercised its right to extend the closing until September 1, 2010.

The reason this matter is on the agenda is due to a request by HDR for a reduction in the cash payment to be made at closing. HDR had the University property surveyed and the acreage is 4.76 acres, not 5.0 acres. HDR has requested a reduction in the amount of cash to be paid at closing. HDR’s request was that the price be reduced by \$60,000 (determined by taking the reduction in acreage times the price per square foot to be paid in cash and property to the University.)

After discussion, the proposal is that, subject to consideration and approval by the Board of Trustees, the cash payment at closing will be \$700,000, a reduction of \$20,000.

The following resolution was unanimously adopted upon motion by Victor Green and a second by Rush Harding:

“BE IT RESOLVED, that the Board of Trustees authorizes the University to amend the Exchange Agreement with HDR Properties, LLC, to reduce the cash payment at closing to the sum of \$700,000 due to the reduction in acreage of the University property.”

There being no further business to come before the Board, the meeting was adjourned upon motion by Harold Chakales with a second by Kay Hinkle.

**The University of Central
Arkansas Board of Trustees**

Harold Chakales
Chair

Bobby Reynolds
Secretary

