

**EMPLOYMENT AGREEMENT
FOR THE
PRESIDENT OF
INDIANA STATE UNIVERSITY**

I. INTRODUCTION

THIS EMPLOYMENT AGREEMENT (the “Agreement”) shall be effective as of the 1st day of July, 2008 (the “Effective Date”), between Dr. Daniel J. Bradley, a resident of the state of West Virginia (the “Employee”), and Indiana State University, an Indiana not-for-profit corporation (the “University”).

II. RECITALS

WHEREAS, through legislative action of the State of Indiana General Assembly, the Indiana State University Board of Trustees (the “Board”) has been empowered to hire employees of the University;

WHEREAS, following a national search conducted in accordance with the provisions of the University Handbook, including University policies regarding affirmative action, the Board believes the Employee possesses certain leadership, management, and administrative skills that would allow him to be an effective President of the University (“President”);

WHEREAS, Employee has indicated a desire by his participation in the search and interview process to be considered for the position of President; and

WHEREAS, the University desires to employ Employee as President of the University, and Employee desires to accept employment with the University as President of the University, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions contained herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

III. TERMS AND CONDITIONS OF THE AGREEMENT

1.0 Employment.

1.1 Position. The University agrees to employ Employee as President, Indiana State University, and Employee agrees to be employed by the University as its President.

1.2 Reporting. The President shall report directly to the Indiana State University Board of Trustees.

1.3 Duties. The Board shall have sole authority regarding employment actions regarding the President and shall delegate to the President such duties consistent with his position as President and as are normally associated with the administration of the University as defined in the University's Bylaws plus other duties as assigned in writing.

2.0 Term and Start Date.

2.1 Term. The term of this Agreement shall be for a term of four (4) years beginning July 1, 2008 and continuing through June 30, 2012, subject to the terms of this Agreement. The term of this Agreement may be extended at any time upon approval by the Board. Any extension of the initial terms stated herein shall be in writing and signed by both parties.

2.2 On-Campus Start Date. Employee shall commence his full-time employment on the University's campus as of July 31, 2008.

2.3 Renewal/Extension. The University and Employee shall meet for the purpose of discussing the renewal, extension, or non-renewal of this Agreement no later than June 30, 2011.

3.0 Compensation.

3.1 Base Salary. The prorated base salary for the period from July 31, 2008 through June 30, 2009, shall be Two Hundred Sixty-five Thousand Dollars (\$265,000.00) per annum; the base salary for subsequent fiscal years ending June 30, 2010, 2011, and 2012, respectively, shall be determined by the Board effective July 1 of each year. During the Term of this Agreement, Employee's base salary may be increased but not decreased. Base salary shall be payable in equal monthly installments on the first day of the month following the month in which the service was rendered.

3.2 Housing. The Employee shall, as a term and condition of his employment and for the benefit and convenience of the University for the period during which Employee serves as President, reside at Condit House located on the University campus. It is the desire of the Trustees that Condit House be used as the official residence of the President, and as such, shall provide Condit House to Employee on a cost-free basis. The University shall pay for the cost of all utilities, property insurance, housekeeping, maintenance and upkeep, furnishing, and other operating costs of Condit House. The Employee shall be responsible for any personal expenditures, such as personal food and incidentals. Employee shall also be responsible for maintaining insurance for his personal property at Condit House.

3.3 Automobile. The University shall provide an automobile to the Employee suitable for his position of President on such terms and conditions as are mutually acceptable. The Employee recognizes that the personal use of the automobile will be taxable income to him. Employee will be required to maintain a mileage log of his personal use of the automobile, in accordance with the policies and procedures of the University and IRS regulations.

3.4 Country Club. The University shall pay the initiation fee for the Employee to join Terre Haute Country Club and shall further directly pay the monthly dues and charges for as long as Employee serves as President. The amount of the monthly dues shall be paid directly by the University. The Employee agrees to reimburse the University for any charges incurred at the Club which are not for University related business.

3.5 Indianapolis Dining Club. The University shall pay the initiation fee for the Employee to join either The Skyline Club or The Columbia Club in Indianapolis and shall further directly pay the monthly dues and charges for as long as Employee serves as President. The Employee agrees to reimburse the University for any charges incurred at the Club which are not for University related business.

3.6 Annual Physical. The University will reimburse the Employee for out-of-pocket costs incurred for a routine annual physical examination, not to exceed One Thousand Five Hundred Dollars (\$1,500.00).

3.7 Moving Expenses. The University shall pay for the reasonable expenses incurred to move the Employee and his family and their personal property (including the packing and unpacking of such personal property) from West Virginia to Indiana. Employee shall obtain estimates from two national moving companies and shall utilize the company providing the lower estimate unless otherwise authorized by the President of the Board.

3.8 Vacation. Employee shall receive the same vacation leave that applies to the University's other senior administrators classified as Executive/Administrative/Professional (EAP). Accrual and payment of unused vacation time upon termination of employment shall be subject to the University's general policies regarding vacation leave.

3.9 Retiree Health Benefits. The University will provide a stipend to Employee equal to the cost of premiums for retiree health benefits in the Montana University System. The frequency and amount of such stipend shall depend upon the frequency of premiums due and the amount thereof.

3.10 Other Benefits. The Employee shall be eligible to participate in the group insurance and retirement programs and any payroll deduction programs on the

same basis and with the same employer contributions that apply to the University's other senior administrators classified as Executive/Administrative/Professional (EAP).

3.11 Outside Activities. The Employee agrees that his primary professional employment is that of President, Indiana State University and that he will not accept other employment without the consent of the President of the Board of Trustees. The Board President acknowledges that the Employee's involvement in the business and community life of Terre Haute, the State of Indiana, and the nation may benefit the University as well as him. The Employee acknowledges and understands that any benefits, remunerations, or perquisites outside of those contained in this Agreement are not part of the compensation owed to the Employee by the University and are not in any way guaranteed by the University or recognized as a responsibility of the University. Employee shall seek prior approval from the Board President before agreeing to serve on the board of directors of any for-profit or not-for-profit corporation. Any income received by Employee in connection with his outside activities shall have no effect on his compensation under this Agreement.

4.0 Tenure.

4.1 Recommendation for Tenure. The Board hereby agrees that it shall recommend Employee for consideration for tenure by the appropriate department in the appropriate college at the University commensurate with his academic credentials. The identity of the department will be determined after consultation with the Provost and Vice President for Academic Affairs. Employee acknowledges that a decision to grant tenure is wholly within the discretion of those parties empowered to make such determinations by the University promotion and tenure policy. The Board hereby agrees to approve any recommendation of tenure to the appropriate department pursuant to this Section.

4.2 Termination as President with Tenure. If tenure has been granted to Employee as provided in Section 4.1 of this Agreement, upon the conclusion of Employee's service as President:

4.2.1 Employee's tenure as a professor of the University shall continue and he shall be entitled to all the rights, privileges, and responsibilities customarily attendant to the grant of tenure at the University, as set forth in the University Handbook, as amended from time to time. Employee's faculty position shall be governed by the University's rules for tenured members of the faculty and not by this Agreement.

4.2.2 Providing Employee remains an active member of the faculty, Employee shall receive a salary of seventy percent (70%) of the amount of his last existing annual Base Salary as President of the University. Employee shall receive the same average annual percentage increase

provided to other tenured faculty members. Employee shall not be required to teach more than the normal teaching load as referenced under the University's policy.

4.3 Termination as President without Tenure. If tenure has not been granted to Employee as provided in Section 4.1 of this Agreement, and if Employee voluntarily terminates his services as President of the University, or the Board terminates Employee as President of the University, with or without cause, then Employee shall be entitled to a teaching assignment for a period of three (3) years following any such termination as President at a rate of pay equal to seventy percent (70%) of the amount of the last existing annual Base Salary as President of the University. Employee shall receive the same average annual percentage increase provided to other faculty members.

5.0 President's Duties.

5.1 In consideration of the annual salary and other benefits which may become due and payable to employee as President of the University, Employee promises and agrees to faithfully and conscientiously perform the duties assigned to him by the Board and those duties otherwise customarily expected of the President of the University; to devote full business time attention and energy to the duties of the office; to avoid any business or professional activities or pursuits that will prevent him from performing his duties hereunder; to use his best efforts to recognize and comply with the laws of the United States of America and the State of Indiana; and to assure that the University functions in accordance with the policies and procedures of the Board as contained in the University Handbook and in such other documents, directives, and publications as from time to time may be approved. Employee shall also endeavor to ensure that all of the chief administrative officers of the University shall also conduct themselves in accordance with these expectations.

6.0 Performance Review.

6.1 Annual Goals. Employee and Board mutually acknowledge the value of regular goal setting and performance reviews as a means of personal development and performance assessment. The President and Board shall mutually develop written, measurable goals on an annual basis which shall help define the priorities of the institution and provide a basis of assessing the annual performance of the Employee in fulfilling his role as President of the University.

6.2 Annual Assessment. At the conclusion of each academic year, Employee shall prepare an annual self-assessment report that discusses progress toward the agreed upon goals. Employee shall discuss this self-assessment report with the president of the Board and thereafter present the report to the full Board in executive session. Following discussions with the Employee, the full Board will meet in executive session, with Employee not being present, to discuss the self-

assessment and formulate the Board's review of his performance. The president of the Board will document the Board's assessment of the Employee's performance and discuss their assessment with the Employee.

6.3 Expanded Reviews. At or near the conclusion of Employee's third anniversary as President, the Board shall engage an outside consultant to conduct an expanded review of Employee's performance as President. The Board may conduct additional expanded reviews of the Employee's performance as President by engaging an outside consultant at its sole discretion.

6.4 Personnel File. All information, documents, and reports developed within this review process are intra-agency, advisory, or deliberative material communicated for the purpose of decision making and part of the personnel file of Employee. They will therefore not be disclosed without the consent of Employee, except to the extent any disclosure is required by Indiana or federal law. Employee shall be provided the opportunity to review and respond to any material developed by any external consultant employed by the Board to assist its review.

7.0 Termination and/or Non-Renewal.

7.1 Resignation by Employee. Employee may terminate his employment as President of the University at any time upon not less than six (6) months written resignation notice to the Board. Thereupon, this Agreement and Employee's employment as President shall terminate on the effective date of resignation. Neither party shall have any further rights or obligations hereunder with respect to Employee's service as President, except to any salary or benefits Employee accrued before the effective date of his termination.

7.2 Termination as President by Board. The Board may terminate Employee's employment as President of the University, with or without Cause, only upon such terms and at such times as provided herein.

7.2.1 The Board may terminate Employee's employment as President of the University, without cause, upon six (6) months written notice to Employee. Upon termination as President of the University without Cause, the Employee's salary and his other contractual rights hereunder shall continue unchanged during the remainder of the term of this Agreement. Thereafter, Employee's salary and employment status shall be as defined in Sections 4.2, 4.3 and 7.6 of this Agreement.

7.2.2 The Board has the right and option to terminate Employee's service as President of the University, or to immediately suspend Employee from performance of the duties as President of the University, for Cause, if Employee, at any time, upon a majority vote of the Board of Trustees determining that Employee:

7.2.2(a) has been convicted or entered a plea of *nolo contendere* to a felony or a crime of moral turpitude;

7.2.2(b) has committed a material breach of this Agreement that substantially harms the University; or

7.2.2(c) has committed gross negligence or willful malfeasance in the performance of his duties that substantially harms the University and is not remedied after fifteen (15) business days written notice thereof to Employee.

7.2.3 In the event of termination of the President's employment for Cause, the Board shall provide Employee written notice of its intent to suspend and such notice shall state the cause for suspension. Employee shall be entitled to compensation defined in this Agreement until the review and hearing process described in Section 8.0 of this Agreement, if exercised by Employee, is completed and the Board makes its final decision in the matter. In the event such dismissal for cause is maintained by the Board, then Employee shall be entitled to no further payments as President.

7.3 Termination In the Event of Death or Permanent Disability.

7.3.1. Termination for Death. In the event of the death of Employee during the term of this Agreement, the Agreement shall terminate as of the date of death. The Employee's estate shall be entitled to receive all benefits to which he is entitled under the University's various insurance plans and under this Agreement. In the event of Employee's death during the term of this Agreement, Employee's spouse shall have the right to continue to live in Condit House for a period of ninety (90) days.

7.3.2 Termination for Permanent Disability. In the event that Employee becomes permanently disabled, this Agreement and his employment shall terminate on the date of his permanent disability and he shall receive all benefits to which he is entitled under the University's disability insurance plan. For purposes of this Agreement, "permanent disability" shall mean the Employee's inability to perform his essential duties as President with a reasonable accommodation for a total of 180 days in any one year period. In the event of Employee's disability during the term of this Agreement, Employee and his spouse shall have the right to continue to live in Condit House for a period of ninety (90) days.

7.4 Non-Renewal. In the event this Agreement expires without renewal or extension, the Employee's service as President of the University shall be terminated effective with the expiration date of this Agreement. Continued

employment of Employee at the University, if any, shall be governed by Sections 4.2 and 4.3 of this Agreement.

7.5 President Emeritus. In the event that Employee resigns his duties as President of the University, or should the Board terminate Employee's employment as President of the University without cause, or Employee's service as President of the University is terminated through the non-renewal of this Agreement, or if the Employee completes the Term of this Agreement and providing that Employee does not undertake employment as President of another institution of higher education, Employee shall be granted the title "President Emeritus". The status as President Emeritus is an honorary title and carries with it no responsibilities or authority. As President Emeritus, the University will provide an office and appropriate administrative support commensurate with the activities of the Employee which shall be determined solely by the Board.

7.6 Leave of Absence. If Employee resigns from his position as President of the University or the Board terminates his service as President of the University, without cause only, and Employee does not undertake employment elsewhere at or above a comparable level position, Employee shall be granted a one (1) year leave of absence. Employee shall be paid a salary during the leave of absence at a rate of seventy percent (70%) of the amount of his last existing annual Base Salary plus benefits as President of the University.

8.0 Suspension, Review and Hearing.

8.1 Suspension. The president of the Board, with the concurrence of the Board, has the authority to order the suspension of Employee as President of the University for the causes identified in Section 7.2.2. Employee may be suspended with pay until either the review and hearing process described below is concluded or Employee notifies the Board in writing that he has waived his right to a review and hearing. Upon completion of the review and hearing process and/or the waiver of right by the Employee, the suspension may be without pay of his full presidential salary.

8.2 Review and Hearing. Employee, upon written request, has the right to a review and hearing relative to any such suspension before the full Board, which review shall be considered a personnel matter and, therefore, not to be conducted in a public meeting except with the consent of both Employee and the Board.

8.2.1 Upon receipt of a written request for a review and hearing, the Board shall provide Employee with not less than fifteen (15) days notice, in writing, of the time and place for the review and hearing, at which hearing he may be personally present to provide challenge to the action of the president of the Board;

8.2.2 Within ten (10) days following the hearing, the Board shall provide written notice to Employee of its decision regarding termination for Cause;

8.2.3 If, after any such review and hearing, the Board elects to terminate Employee's services as President of the University, Employee may be entitled to continued employment and salary as is set forth in Sections 4.2 and 4.3 of this Agreement.

9.0 Mediation.

The parties agree that any controversy or claim that either party may have against the other arising out of or relating to the construction, application or enforcement of this Agreement, as well as any controversy or claim based upon the alleged breach of any legal right relating to or arising from Employee's employment and/or termination of his employment shall be submitted to non-binding mediation. Within fifteen (15) days after delivery of a written notice of request for mediation from one party to the other, the dispute shall be submitted to a single mediator chosen by the parties in Indianapolis, Indiana. The costs of the mediation shall be borne by the University.

10.0 Governing Law.

This Agreement shall be governed and construed exclusively in accordance with the laws and rules of the State of Indiana, subject to the mediation provisions contained herein. The parties to this Agreement specifically consent to the jurisdiction of the courts of Indiana over any action arising out of or related to this Agreement.

11.0 Severability.

If any provision of this Agreement shall be determined to be void, invalid, unenforceable, or illegal for any reason, it shall be ineffective only to the extent of such prohibition, and the validity and enforceability of all the remaining provisions shall not be affected. The parties agree that the covenants and obligations of the parties contained herein shall be independent of each other, and the performance of any obligation arising hereunder is not conditioned upon the performance of any other obligation.

12.0 Binding Effect.

The obligations and duties of Employee shall be personal and not assignable or delegable in any manner whatsoever. This Agreement shall be binding upon and inure to the benefit of Employee and his executors, administrators, heirs, successors, and permitted assigns, and upon the University and its successors and assigns.

13.0 Entire Agreement.

This Agreement constitutes the entire agreement and understanding of the parties with respect to their subject matter and supersedes all prior verbal and/or written negotiations, discussions, correspondence, communications, understandings, and agreements between the parties relating to the subject matter thereof. This Agreement shall not be amended, modified, or changed other than by express written agreement of Employee and the University.

14.0 Advice of Counsel.

Employee acknowledges that he has been provided with the opportunity to review this document with legal counsel of his choice prior to executing this Agreement. Employee enters into this Agreement of his own free will, with full appreciation of the legal effect of this Agreement, and in consideration of the mutual covenants and conditions contained herein.

15.0 Notices.

Any notices required or permitted to be given under this Agreement shall be in writing and sent by United States mail to the last known residential address in the case of Employee, or to the Office of Legal Affairs, Indiana State University, Terre Haute, IN 47809 in the case of the University.

16.0 Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute but one of the same instrument. Signatures delivered by facsimile and by email will be deemed to be an original signature for all purposes, including for purposes of applicable Rules of Evidence.

17.0 Section Headings; Interpretation.

The Section headings contained in this Agreement are solely for convenience of reference and shall not affect the meaning or interpretation of this Agreement or of any term or provision hereof. Each party has reviewed and participated in drafting and revising this Agreement, and the normal rule of construction that any ambiguity is to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

18.0 Waiver of Default or Breach.

Waiver by the Board of a breach of any provision of this Agreement by Employee shall not operate or be construed as a waiver of any subsequent breach.

IN WITNESS WHEREOF, Employee and the authorized representative of the Board have executed this Agreement as of the date first above written, and this Agreement shall become valid and enforceable upon approval of the same by the Board in a public meeting of the same.

INDIANA STATE UNIVERSITY

EMPLOYEE

By: Michael J. Alley
President, Indiana State University
Board of Trustees

Daniel J. Bradley, Ph.D., P.E.

Date

Date

Attest: _____
Signature

Printed Name

Title