

CONTRACT FOR SERVICES

THIS AGREEMENT is made this 10th day of May, 2013, between the Board of Trustees of Illinois State University ("University"), a body politic and corporate of the State of Illinois (referred to in this Agreement as "Board") and Dr. Timothy J. Flanagan, of Framingham, Massachusetts (referred to in this Agreement as "President"):

WITNESSETH:

WHEREAS, Board has the authority to enter and execute this Agreement; and

WHEREAS, Board desires that Dr. Timothy J. Flanagan serve as the president of University and Dr. Timothy J. Flanagan desires to serve as the president of University; and

WHEREAS, having engaged in discussion and negotiation of the terms and conditions for him to provide his services as the president of University, the parties now wish to memorialize the agreements and understandings reached between them;

NOW THEREFORE, in consideration of the premises and of the undertakings hereinafter contained, IT IS AGREED between the parties as follows:

1. Board engages President and President agrees to serve as the president of University for the term set forth in this Agreement and subject to all of the terms and conditions of this Agreement, applicable law and regulations duly adopted governing the office of the president of University, and the authority of Board.

2. This Agreement shall be effective from August 15, 2013 until June 30, 2016.

3. President's annual salary for the current fiscal year shall be \$350,000.00.

President's salary for the subsequent two fiscal years shall be determined by Board in accordance with paragraph 4 of this Agreement. President's salary shall be subject to withholding for tax obligations and other charges as may be applicable to his employment and as determined by the Board. In addition to his annual salary for the current fiscal year, Board agrees to pay or

reimburse President for reasonable relocation and moving expenses not to exceed \$20,000.00, incurred by President in connection with his relocation to Normal, Illinois.

4. In the spring of FY 2014 and FY 2015, Board shall evaluate the performance of President in executive session and based upon such evaluation, shall make a recommendation as to President's salary for the next fiscal year. Such recommendation shall be presented to Board for action at a regular session. Nothing in this Agreement shall preclude further evaluation of President and adjustment of his salary at anytime during the term of this Agreement.

5. President agrees to perform services as the chief executive officer of the University. President agrees to devote his entire professional time and effort to the management of the affairs of the University and shall conduct himself with the highest personal and professional standards in conformance with the governing documents and policies of Board, the Constitution of University, and such other applicable governing documents and policies as may be adopted by Board from time to time. President shall conduct himself in accordance with all applicable ethical and professional standards and applicable laws, including the State Officials and Employees Ethics Act, 5 ILCS 430/1 *et seq.*, mindful of his role and position as the president of a public institution of higher learning.

6. Board agrees to provide President with a full-size automobile during the term of this Agreement and shall pay all operating expenses for such automobile, including but not limited to insurance, repairs, maintenance and fuel.

7. As a condition of his appointment and continued employment as president of the University, during the term of this Agreement and as otherwise provided in this Agreement, President agrees to live in and use, with his immediate family only, the officially designated President's residence located on property owned by Board. President shall be responsible for furnishing the second floor of the President's residence. Board will furnish the remainder of the

residence, and will furnish and maintain an office for use by President in the President's residence. Board shall provide insurance coverage for the President's residence and its contents. In the event of President's death during his service as President, President's spouse shall have 90 days to vacate the residence.

8. Board consents and President acknowledges and agrees that the Illinois State University Foundation ("Foundation") may reimburse President for the initiation fee and monthly dues paid by President for President's membership in The Bloomington Country Club of Bloomington, Illinois during the term of this Agreement. Board consents and President acknowledges and agrees that Foundation may reimburse President for monthly expenses incurred by President at The Bloomington Country Club, to the extent that the expenses are directly related to his duties and responsibilities at University. Moreover, Board consents and President acknowledges and agrees that Foundation may reimburse President for partial payment for a membership in the University Club of Chicago, not to exceed \$1,000.00 per fiscal year.

9. In addition to the standard state benefits to President as an employee of the State of Illinois, Board agrees to reimburse President in each fiscal year covered by this Agreement for the cost of President's purchase of term life insurance, not to exceed \$2000.00 per fiscal year. Additionally, President will receive the standard state paid vacation, two days per month with a 56-day accumulation limit, and sick leave, one day per month.

10. Board may terminate this Agreement upon written notice to President prior to the expiration of the term of this Agreement. If Board terminates this Agreement for cause, Board shall have no obligation to pay President any salary or benefits after the effective date of the termination of President's employment. As used in this Agreement, cause includes but is not limited to:

- a. Violation of any material provisions of this Agreement;
- b. Material acts of dishonesty, disloyalty in the conduct of the affairs of the President;
- c. Falsification or intentional misrepresentation of material information concerning the University's affairs, as reasonably requested by or under the authority of the Board or failure to disclose to Board, material information concerning the University's affairs;
- d. Conviction of a crime involving acts constituting fraud, intentional dishonesty, moral turpitude, or any other activity that materially compromises the reputation of Board or University;
- e. Violation of any material policies or procedures, now existing or hereafter established by Board; or
- f. Use, possession, or being under the influence of any illicit drugs, or abuse of alcohol while performing the functions of the office of president or conviction of any offense involving illicit drugs or alcohol.

If the Board wishes to terminate the President's employment for cause, Board will give the President 15 days prior written notice, during which notice period the cause may be cured. If the cause is not cured during the 15-day notice period, Board will give President at least 10 days written notice of the date and time of the meeting at which the Board will consider termination of President's employment. President is entitled to appear at that meeting and to respond in person or in writing (as he may choose).

11. In the event that President terminates this Agreement prior to the expiration of the term of this Agreement, Board will have no further obligation to pay President any salary or benefits after the effective date of President's resignation.

12. If the President's employment is terminated by the Board without cause prior to the expiration of the term of this Agreement, the Board will continue to pay President his salary and provide benefits (except the benefits described in Section 8) for the unexpired portion of the

term of this Agreement. University housing will be provided President for 60 days after termination of his employment.

13. President and Board acknowledge and agree that University and its governing entity, the Board, shall have no obligation to make any payments required by the terms of this Agreement in the event such amounts are not available to University from its annual appropriation. University and its governing entity, Board, agree that if its annual appropriation is not sufficient to pay President any amounts required under the terms of this Agreement, Board shall notify President and President shall have the right to immediately terminate this Agreement.

14. This Agreement shall be construed under the laws of the State of Illinois.

15. This Agreement constitutes the entire understanding of the parties with respect to the subjects set forth, and may only be amended or modified by an instrument in writing, executed by all parties hereto.

16. This Agreement may not be assigned by President or University.

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Timothy J. Flanagan

DR. TIMOTHY J. FLANAGAN ("President")

BOARD OF TRUSTEES,
ILLINOIS STATE UNIVERSITY ("Board")

BY: *Michael P. McCuskey*

Its: Chairman, Michael P. McCuskey

Secretary