STATE OF ALABAMA)
MONTGOMERY COUNTY)

EXECUTION COPY

EMPLOYMENT CONTRACT BETWEEN ALABAMA STATE UNIVERSITY, A PUBLIC UNIVERSITY, AND DR. GWENDOLYN E. BOYD, ITS PRESIDENT

This employment contract ("Contract") is made and entered into in the City of Montgomery, Alabama, on the 2nd day of January, 2014, by and between the Board of Trustees of Alabama State University, (hereinafter referred to as the "Board") and, **Dr. Gwendolyn E. Boyd**, (hereinafter referred to as the "President"), and is subject to the terms and conditions set forth below.

WHEREAS, Code of Alabama, (1979), as amended, §16-50-23 authorizes the Board, *inter alia*, "to organize the [U]niversity by appointing a president….; whose salary shall be fixed by the Board and who shall serve as chief executive officer of the [U]niversity"; and

WHEREAS, the Board, at its December 20, 2013, specially called meeting, appointed **Gwendolyn E. Boyd**, the next President and Chief Executive Officer of Alabama State University, and does hereby authorize the Chairman and the Executive Committee of the Board to enter into her contract of employment.

NOW THEREFORE, in consideration of the mutual conditions and covenants contained herein, it is agreed by and between the parties as follows:

A. GENERAL CONDITIONS OF EMPLOYMENT

1. APPOINTMENT AND POSITION RESPONSIBILITIES

1.1 The Board hereby appoints **Dr. Gwendolyn E. Boyd** as President of Alabama State University (hereinafter sometime referred to as "ASU"), and **Dr. Gwendolyn E. Boyd** hereby accepts such appointment.

1.2 As President, **Dr. Gwendolyn E. Boyd** shall be the chief executive officer of Alabama State University and shall supervise and direct its day-to-day operations in accordance with the policies of the Board and in conformance with all applicable laws. The President shall also use her best efforts to ensure the growth and success of annual giving to the University and to the Trust for Educational Excellence. The President further agrees that she will faithfully, diligently, and with the University's best interests in mind, perform all the duties required under her Contract and Board-approved policies that are needed to continue the University's demonstrated track-record of growth and progress, including but not limited to the following presidential job-related responsibilities:

1.3 Provide world-class institutional and educational leadership and fiscal management;

1.4 Lead the University's capital campaigns and fund raising initiatives, and establish annual donor contribution goals that are measureable and that result in a reasonable likelihood of attainment;

1.5 Enhance and improve the University's public image and brand, government and alumni relations, and overall standing on the national and international higher educational scenes;

1.6 Implement the Board's long-range strategic plans and institutional development initiatives in a prudent and practical manner;

1.7 Oversee ASU's budget formation process, as well as the internal and external budget presentations, and administer the Board's approved budget with the highest degree of fiscal integrity and accountability;

1.8 Administer the educational, fiscal, operational, student, alumni, community, corporate, and external affairs of the University in a manner that promotes the University's corporate interests and that is consistent with Board policies;

1. 9 Maintain or enhance ASU's "A" category credit rating with credit rating agencies to the best of her abilities;

1.10 Maintain institutional controls over all athletic programs, consistent with NCAA rules;

1.11 Immediately notify the Board of any findings, actions, or inconsistencies with University policies that have the potential to bring harm to or jeopardize the integrity of the University;

1. 12 Exercise fiscal management and administrative supervision in a manner that ensures ASU's continued receipt of "unqualified" financial audit opinions from independent accounting firms selected by the University to audit ASU's financial books and records on an annual basis;

1.13 Expand and improve student recruitment, retention, and services;

1.14 Enhance faculty recruitment, retention, development, sponsored research activities, publications, and related services in a manner that elevates the quality of the University's academic standing and maintains the highest accreditation standards of the Southern Association of Colleges and Schools for a Level-Six institution of higher education;

1.15 Appoint, hire, supervise, promote, and dismiss employees in accordance with applicable laws and Board policies;

1.16 Recommend administrative regulations, rules, and procedures that promote the general welfare of the University;

1.17 Enforce all state and federal laws applicable to the University, and advance and protect the University's corporate interests, up to and including the initiation and/or defense of any litigation necessary to achieve these ends; and

1.18 Perform such other presidential duties that the Board may assign.

1.19 The expenditure of reasonable amounts of time for personal or outside business, as well as charitable and professional development activities, shall be permitted, provided that such activities do not interfere with the presidential responsibilities required under the provisions of this Contract.

1.20 The President shall not, without prior written permission from the Board, render services of any professional nature to or for any person or firm for remuneration other than to the Board, and shall absolutely not engage in any activity that may reasonably be deemed competitive with or adverse to the University. The President shall not engage in any activity or conduct in violation of Alabama ethics laws applicable to public officers and public employees. The President shall not engage in any private or public conduct of any nature that reflects negatively on the University, nor shall she take any action that effectively undermines the University's established policies or corporate interests. Notwithstanding the above, the President's passive and personal financial investment activities and private business affairs shall not be prohibited hereunder.

1.21 The Board agrees that certain outside activities by the President advance and enhance the public image and brand of the University. Among these are: (a) memberships on corporate boards, and (b) memberships on boards and committees of national bodies or community organizations. Furthermore, the President may accept invitations for speaking engagements and accept honoraria for such engagements so long as such engagements are consistent with Alabama ethics laws, and they do not unreasonably interfere with the performance of her presidential duties. It is expressly understood and acknowledged that all boards and committees as described in sub-section (b) above require consultation with the Chairman of the Board and must be conducted in accordance with University policies and procedures governing individual and institutional conflicts of interest. Moreover, before accepting any appointment to a corporate board, the President shall first inform and obtain the approval of the Chairman of the Board, which approval shall not be reasonably withheld.

2. DURATION OF CONTRACT AND EVALUATION OF PERFORMANCE

2.1 Subject to the provisions herein, it is understood that the President of the University serves at the pleasure of the Board. The appointment as President of ASU shall be for the term commencing **February 1, 2014**, and shall automatically terminate on **January 31, 2016**. In addition, the Board may renew the president's contract for additional two-year periods, if the Board has confidence in the President and chooses to do so.

2.2 In the event the Board desires to continue the services of the President beyond **January 31, 2016**, the parties agree that not less than six (6) months prior to **January 31, 2016**, they will begin negotiations for a new contract, which negotiations should be concluded not less than three (3) months prior to **January 31, 2016**.

2.3 The President shall recommend performance goals and objectives, and the Board shall annually set goals and objectives for ASU and the President. The President's performance will be evaluated by the Board every six (6) months beginning with the month of **August 2014**, and each six (6) months thereafter on the basis of these goals and other objectives relevant to the performance of the President. Following each evaluation, the Board shall identify areas of deficiency, if any, and upon consultation with the President, develop a plan for corrective action and improvement.

3. COMPENSATION

3.1 The base compensation for the President will be paid in the form of an annual salary in the amount of **$300,000.00**, beginning **February 1, 2014,** and continuing through **January 31, 2016**. In addition to the aforementioned base salary, the President shall, at the sole discretion of the Board, be entitled to any cost of living increase that all other University faculty and administrative staff receives. In addition, in recognition of her job performance and measured accomplishments in growing the University's academic programs, financial resources, and student enrollment, the Board may, at its sole discretion, grant such incentive compensation and bonus pay as it deems appropriate. Such compensation, if granted, shall be in addition to the President's base salary.

3.2 The President shall be responsible for any federal, state or local income tax liability incurred as a result of payments made to her as base or incentive compensation, or as benefits provided to the President pursuant to her Contract.

4. DESIGNATED OTHER BENEFITS

4.1 In addition to her salary and including any increases, if any, except as otherwise provided in her Contract, the President will be entitled to all normal and customary fringe benefits extended to ASU's faculty and administrative staff, including but not limited to, sick leave, participation in the retirement program through the Retirement System of Alabama, medical and life insurance, workers compensation insurance, the right to participate in all optional insurance programs and payment of memberships and other related expenses for professional organizations designed to enhance her knowledge, skills and professionalism.

4.2 The President shall earn annual leave in accordance with University policies.

4.3 The President shall have use of an ASU corporate credit card for expenses related to her employment. She shall also be provided with a cellular telephone, IPad, and laptop at ASU's expense.

4.4 The President shall not take vacations, or non-medically-related leave from the job, if such leave interferes with her properly discharging the duties of the President under the terms of her Contract.

5. RESIDENCE

5.1 As a condition and for the duration of her employment as President, **Dr. Gwendolyn E. Boyd** is required to live in the President's home, which is located on the campus of ASU. This condition is imposed for the convenience and benefit of ASU because the Board has determined that the President should reside on campus in order to embody the spirit of ASU and to be easily available for ASU functions. The residence and its grounds shall be maintained in a good state of repair by ASU and all areas shall be furnished by ASU which furnishings shall remain the property of ASU. The Board shall provide and pay for all utilities at the President's residence, including the provision of reasonable housekeeping services. The Board shall provide appropriate insurance, including liability insurance for the protection of the President's property, including all furnishings and household goods located therein.

5.2 The President's residence shall be equipped with a toll-free telephone line, a facsimile transmission system, cable television, computer equipment, information technology and security systems.

5.3 Should Dr. Boyd cease to be the President either by the expiration of her Contract or by operation of any of the termination provisions contained herein, Dr. Boyd shall vacate the residence not later than 30 days thereafter unless otherwise agreed by the Chairperson of the Board.

5.4 For so long as Dr. Boyd is President and a single person, she shall not be allowed to cohabitate in the President's residence with any person with whom she has a romantic relation.

5.5 Nothing in this section shall prohibit the President from allowing members of her immediate family to live in the residence.

6. AUTOMOBILE ALLOWANCE

The President will provide her own vehicle for business use, including traveling to and from work, and the Board of Trustees shall maintain an automobile liability policy on the President's automobile with the President as the named insured and will reimburse the President for the cost of registering the vehicle. The Board, in lieu of supplying a University-owned vehicle, will pay the President a car allowance of **$1,000** per month over the life of the contract, which amount will be paid at the same time that the President is paid her base salary. The President shall be provided with a credit card for the payment of fuel and maintenance.

7. ENTERTAINMENT, TRAVEL, AND RELOCATION EXPENSES

7.1 The reasonable cost of all official entertainment and travel by the President shall be reimbursed or paid for by ASU. The Board recognizes that the President's spouse, should she become married during the term of her contract, may be helpful to her in performing her duties as President, and to the extent permitted by Alabama law, any expenses incurred in connection with the President's spouse in the performance of her official duties shall be reimbursed by ASU. In addition, the President may attend educational conferences, conventions, seminars, other professional activities, and other meetings, whether domestic or international, to the extent that such attendance advances the corporate interests of ASU. The reasonable expenses connected therewith shall be reimbursed. Reimbursement shall also be provided for membership in appropriate professional, service, and civic organizations that will enhance the goodwill and image of the University. The Board's Audit Committee shall review the expenses of the President (and her spouse, if she marries during the term of this Contract, including renewal periods), every three (3) months.

7.2 The University shall reimburse Dr. Boyd for all reasonable and necessary moving expenses as defined in Section 217 of the Internal Revenue Code. These expenses shall include, but not be limited to, all reasonable and necessary expenses incurred in connection with the incoming and outgoing relocation of Dr. Boyd, up to a maximum limit of $10,000.

8. TERMINATION

This employment Contract may be terminated as follows:

8.1 Mutual written agreement of the parties.

8.2 Resignation from the presidency, provided that the President gives the Board at least three (3) months prior written notice of the proposed resignation.

8.3 Termination for "cause." In the event the Board determines that cause exists, it may terminate her Contract provided that prior to voting on a proposal to terminate her Contract for cause, upon the President's request, the Board shall give the President a reasonable opportunity to meet with the Board to discuss the proposed termination.

8.4 "Cause" shall be determined by the Board and shall include, but not be limited to, the following categories of conduct or misconduct by the President, **any one of which shall be sufficient for termination for "cause"**:

(a) gross negligence or willful malfeasance in the performance of her duties;

(b) acts or omissions that cause material harm to the University (which shall include, without limitations, acts or omissions that would reasonably tend to bring public disregard, contempt or ridicule onto the University) and that are undertaken or omitted knowingly or are criminal or fraudulent or involve material dishonesty or moral turpitude;

(c) indictment of the President for any felony, or for a crime involving misuse or misappropriation of University funds;

(d) breach of any fiduciary duty to the University;

(e) breach of any material term of her Contract;

(f) material and repeated failure to comply with the rules, procedures, of the University;

(g) dependence on illicit drugs or alcohol and,

(h) failure to maintain the confidence of the Board.

8.6 Upon a termination for cause, the University shall have no further obligation to the President pursuant to her Contract other than the payment of base salary earned through the date of termination and expenses which have been incurred but not yet reimbursed up to and including the date of the termination.

8.7 Termination for cause requires a majority vote of the Board present and voting to dismiss the President. The President shall be entitled to a hearing before the Board.

9. TERMINATION FOR OTHER REASONS

9.1. Termination for Disability

The University may terminate her Contract and Dr. Boyd's employment as President upon her Disability. Upon termination for Disability, Dr. Boyd shall receive all benefits to which she is entitled pursuant to the University's disability insurance plans. For purposes of this Contract, "Disability" shall mean the inability of Dr. Boyd to perform the essential functions of her job for a period of six continuous months with a reasonable accommodation (as such term is defined in 42 U.S.C. § 12111(9), as amended, and in the common law interpreting same).

9.2 Termination due to Death

In the event of the death of the President during the Term of her Contract, her employment and her Contract shall terminate immediately. The President's estate shall receive all benefits to which she is entitled under the University's various insurance and benefit

plans, as well as reimbursement of any expenses not reimbursed to the President at the time of death.

9.3 **Public Statements Regarding Termination**

Upon termination of the President's employment for any reason, ASU will direct and control the issuance and content of any announcement, release or other statement to any third party, including employees and other members of the University community, as well as the press.

B. GENERAL PROVISIONS

1. ENTIRE CONTRACT

This Contract contains the parties' understanding of entire terms and conditions regarding the employment arrangements between the parties and shall, as of the effective date thereof, supersede all other Contracts, if any, written or oral between the parties. The parties stipulate that neither of them has made any representation with respect to the subject matter of this Contract except such representations as are specifically set forth herein. Each of the parties acknowledges that it has relied upon its own judgment in entering into this Contract.

2. MODIFICATION OF THE CONTRACT

No waiver or modification of this Contract or of any covenant, condition, or limitation herein shall be enforceable unless in writing and duly executed by the party to be changed therewith, and the parties further agree that provisions of this section may not be waived as herein provided.

3. WAIVER OR BREACH

No waiver by either party of any rights under this Contract will be valid unless set forth in writing signed by that party. The failure of either party to insist strict performance of her Contract shall not be construed as a waiver.

4. GOVERNING LAW

This Contract has been entered into by the parties in the State of Alabama. It shall be construed as a contract in accordance with the laws of the State of Alabama, and its terms and conditions shall be subject to all applicable state and federal Laws.

5. DISPUTE RESOLUTION

5.1 Other than actions for specific performance or injunctive relief, ASU and the President agree that any and all legal claims, tort or contract-related causes of action (whether based upon state or federal laws), disputes, or other conflicts between them, arising out of, based

upon or relating to this Contract or any breach hereof, any covenant, agreement, representation or warranty contained in this Contract, or any relationship or duty among or between the parties arising from this Contract, shall be subject to and decided by binding arbitration conducted by a single arbitrator in Montgomery, Alabama, in accordance with the Commercial Arbitration Rules of the American Arbitration Association currently in effect. This agreement to arbitrate shall be specifically enforceable in accordance with applicable law.

5.2 ASU and the President acknowledge and agree that this Contract may involve legal issues, claims and causes of action that affect interstate commerce, such as the University's fundraising campaigns, its recently approved ASU-TPSG Nuclear Protection Academy, and various educational and research-related partnerships of a nationwide scope.

5.3 Any arbitration award shall be in writing and shall specify the factual and legal basis for the award. Judgment on the award rendered by the arbitrator shall be final and may be entered in a State Court of competent jurisdiction in Montgomery County, Alabama.

5.4 ASU and the President agree that the arbitration awards rendered pursuant to this Agreement shall not include, and the arbitrator has no authority to award, punitive or exemplary damages or damages for mental distress against the University.

5.5 In any arbitration proceeding conducted pursuant to this Section, the prevailing party shall be entitled to recover its reasonable attorney's fees, costs and expenses from the other party, as determined and awarded by the arbitrator in the arbitration award.

6. DISBURSEMENTS SUBJECT TO AUDIT BY THE ALABAMA DEPARTMENT OF PUBLIC ACCOUNTS

It is understood by and between the parties that ASU is a State University and that all expenditures made by an official of the University, including the President, are subject to audit by the Alabama Department of Examiners of Public Accounts. The President agrees that any and all expenditures that she authorizes will be done in accordance with the applicable laws and in consultation with the Alabama Department of Examiners and Public Accounts.

7. ALABAMA ETHICS LAW

It is understood by the President that she is a public official by virtue of her appointment by the Board and by definition of the Alabama Code § 36-25-1(26) (1975). The President must complete required training on the Alabama Ethics Law within three (3) months after her appointment. The President agrees that she will at all times comply with the provisions of the Alabama Ethics Law. The President understands that the Board will not indemnify her for any willful, reckless, or grossly negligent violation(s) of the Alabama Ethics Law.

8. NOTICES

All notices required or permitted to be given under this Contract shall be in writing and shall be mailed, postage prepaid, by registered or certified mail or personally

delivered with signed receipt of delivery made. Notice given by registered mail shall be deemed made three (3) days after mailing. Notices shall be addressed to the respective parties as follows:

If to Alabama State University Board of Trustees:

Chair, Board of Trustees
Alabama State University
Administration Offices
915 South Jackson Street
Post Office Box 271
Montgomery, Alabama 31604

If to President Gwendolyn E. Boyd:

President's Residence
1135 North University Drive
Montgomery, Alabama 36104

9. SEVERABILITY

If any provision of this Contract 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 of the remainder shall not be affected thereby.

10. INDEMNIFICATION

The Board of Trustees agrees to indemnify the President against any judgment entered against her arising out of any action in conducting University business involving her administration. The President agrees to cooperate fully in any litigation involving decisions made during her tenure in exchange for such indemnification. This duty to cooperate is mandatory and it extends to any litigation that encompasses her term as president, whether she is serving as President at the time or she has left the presidency.

11. ATTORNEY'S FEES.

In the event of any action for specific performance or injunctive relief is required to enforce the parties' legal rights under this Contract, the prevailing party shall be reimbursed by the other party for all reasonable fees and expenses (including attorney's reasonable fees and expenses) incurred in respect of such litigation.

12. MUTUAL COVENANTS

Each party to this Contract recognizes the importance of continuing to develop and maintain healthy and constructive relationships, to consult often and communicate directly with the other, and to minimize conflict and win-lose situations. Each party to this Contract recognizes that the members of the Board and the President, as public officials, are required to

exercise their discretion and the related public interest in encouraging the vigorous exercise of their official authority and responsibility. Each party to this Contract recognizes that universities are complex structures that involve multiple constituencies and generate multiple pressures that impinge on decision makers, including both the members of the Board and the President. Each party to this Contract acknowledges that it is the responsibility of both parties to develop and maintain constructive relationships among and between the members of the Board, the Board and the President, and among and between the University's various constituencies. In carrying out their respective responsibilities, each part shall endeavor to support the other to achieve the greatest good for both the University and the taxpayers of the State of Alabama.

IN WITNESS WHEREOF, the parties have hereunto set their hands this 2nd day of January 2014.

BOARD OF TRUSTEES FOR ALABAMA STATE UNIVERSITY

BY: Elton N. Dean, Sr., **Chairman**
ELTON N. DEAN, SR.

Gwendolyn E. Boyd, **President**
GWENDOLYN E. BOYD 1/2/14