

**Western Kentucky University**  
**EMPLOYMENT AGREEMENT**

**THIS EMPLOYMENT AGREEMENT** ("Agreement") made as of this 12th day of September, 1997, by and between Western Kentucky University (hereinafter "Western Kentucky University" or "the University") and Gary A. Ransdell (hereinafter referred to as "Gary Ransdell" or "President").

**WITNESS**

**WHEREAS**, Gary Ransdell is employed as President of Western Kentucky University in good standing; and accepts the terms and conditions set forth in this Agreement; and

**WHEREAS**, the Board of Regents ("the Board") of Western Kentucky University desires to employ Gary Ransdell as President of Western Kentucky University and to record the terms and conditions of his employment in an Employment Agreement (herein "the Agreement").

**NOW, THEREFORE**, in consideration of the covenants and agreements herein contained, Western Kentucky University and Gary Ransdell covenant and agree as follows:

I. **EMPLOYMENT.** Pursuant to the terms and conditions of this Agreement, Western Kentucky University agrees to employ Gary Ransdell as its President and Gary Ransdell agrees to serve as the President of Western Kentucky University and to render services to the University as set forth herein.

II. **TERM.** The initial term of employment will commence at the time of the execution of this agreement and will end on June 30, 1998. Beginning on 1 July 1998 and extending indefinitely, the term of employment will be extended annually and automatically by one year unless the Board notified the President in writing prior to 1 April that the extension will not be made.

III. **DUTIES.** The President shall well and faithfully serve the University in such capacity as aforesaid; and shall at all times devote his whole time, attention, and energies to the management, superintendence, and improvement of the University to the utmost of his ability, and shall do and perform all such services, acts, and things connected therewith. Participation in any outside organizations, associations, clubs, or groups shall be consistent with the importance and dignity of the presidential office. Any paid directorships, board memberships or consultancies are to be assumed only with the concurrence of the Board.

#### IV COMPENSATION.

- A. **BASE SALARY.** Commencing November 1, 1997, the President's annual salary shall be One Hundred Forty Nine Thousand Dollars (\$149,000) (an additional Four Thousand Dollars (\$4,000) was added to cover family health insurance). The President's base salary for subsequent years will be reviewed and established annually on or before March 31 of each calendar year by the Board of Regents, with such annual adjustment to be effective on the first anniversary date of the Agreement, and effective on July 1 in subsequent years, to the average percentage salary increase granted to the faculty at Western Kentucky University. A special salary adjustment may be granted by the Board.
- B. **DEFERRED INCENTIVE PAYMENT PLAN.** The Deferred Payment Plan is structured as an incentive for Gary Ransdell to remain with the University for the terms of the Agreement and thereby provide stability to the University's Chief Executive position and allow the full dedication of Gary Ransdell's resources to address and implement the goals and visions of the University. Therefore, in addition to the President's base salary and upon consultation with the President, the monthly cash value of ten percent (10%) of the annual base salary shall be placed into an account earning quarterly interest or shall be otherwise appropriately invested in accordance with the investment guidelines promulgated by the Commonwealth of Kentucky and subject to the University's contractual obligations. The President shall notify the Board within one year of employment as to the preferred investment and tax deferred instruments. Upon completion of the years of service indicated below from the date of this Agreement, the President shall be entitled to the following amounts, less appropriate state, local and federal withholdings on any deposits or earnings accrued as of the date of payment to the President.

Six years	Twenty percent (20%) of the fund
Seven years	Forty percent (40%) of the fund
Eight years	Sixty percent (60%) of the fund
Nine years	Eighty percent (80%) of the fund
Ten years and each year thereafter	One hundred percent (100%) of the fund

All payment shall be made to the President in the form of additional compensation. If, for whatever reason, including termination by the Board, the President does not serve the initial five-year period of employment, this Deferred Plan is hereby canceled, and any obligations by the University as herein stated are null and void and all funds accrued hereunder shall revert to the University. If the President's employment relationship with the University ends for any reason in either the sixth, seventh, eighth, ninth, or tenth year of employment, including termination by the Board, the President will be entitled only to the amount of funds indicated above for each completed year of service and any further obligations of the University as herein stated are null and void and all remaining funds accrued hereunder shall revert to the University.

C. **BENEFITS.** The President shall receive maximum benefits accorded to faculty or administrators of the University including, without limitation:

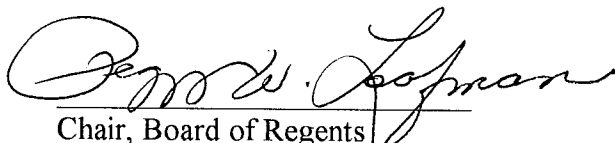
1. **Insurance/Indemnification.** The University shall provide the President with director's and officer's liability insurance coverage under the same terms and conditions applicable to trustees and/or officers.
2. **Health Insurance.** The University will provide medical insurance coverage for the President under the University's traditional health insurance plan.
3. **Retirement.** The President will be eligible to participate in KTRS or the University's Optional/Alternative Retirement Plans. The University and the President will make contributions into whichever plan is selected by the President, as provided by law.
4. **Disability insurance.** The University will provide the President with disability insurance coverage under the University's traditional disability insurance program. In addition, the University will make a taxable payment of One Hundred Dollars (\$100.00) per month beginning November 1, 1997, and continuing through this Agreement for the purchase of additional disability insurance through a private carrier. (Whatever is necessary for ninety percent (90%) salary coverage.)
5. **Automobile.** During the initial term of this Agreement and any subsequent term, the University will provide the President with a leased automobile (full-sized or comparable) every two (2) years. The President will be entitled to use the automobile for personal as well as professional use. The University will insure the vehicle, provide maintenance service and will reimburse the President for fuel and oil expenses. The President shall maintain records of use and mileage, separating professional use from personal use, providing such records to the University for its tax reporting purposes. The President shall be solely responsible for the payment of any federal income tax resulting from personal use of the automobile.
6. **University Entertainment.** The University or its designee shall pay initiation and monthly dues for the President in an area club acceptable to both the President and the Board. The University shall also pay or arrange for the payment to the President reasonable and necessary University related entertainment. Such expenses are to be post-audited by the Board.
7. **University Travel.** The University shall reimburse the President for the reasonable and necessary expenses of travel by his spouse and him. Such travel is to be post-audited by the Board.
8. **Life Insurance.** The University will provide the President with term life insurance equal to two-and-one-half (2 ½) times the base salary.


9. Vacation. The President shall be entitled to vacation benefits as provided by University policy. However, the President shall be immediately credited with fifteen (15) years of service for purposes of calculating the President's vacation benefits.
10. Housing. The University requires that the President reside in a residence chosen by the University. The University reserves the right to select the house which it requires that the President reside in and from time to time alter, remodel or replace the house, and such alteration and remodeling is to be commissioned by the Board prior to the arrival on campus of the President. The University understands that its providing the President with this residence for its convenience and requiring the President to live in this residence should not cause the President to incur any tax liability. The University shall cover all costs for the operation of this housing, including utilities, maintenance, basic custodial and domestic services, and University related entertainment. In the event of the President's death, the President's family will be allowed to remain in the President's home for a minimum of three months.
11. The President shall be entitled to all incoming moving expenses including travel subject to post-audit by the Board.
12. Sabbatical Leave. The Board agrees after six or more years of service, the President shall be eligible with Board approval for a sabbatical leave under the following conditions:
  - i. The President is eligible for a sabbatical leave of six (6) months, to be taken at the time that it is acceptable to the Board. Such leave may be reserved by the President, as an option, to commence at a time of any agreed or involuntary termination of the President's services hereunder.
  - ii. Under the conditions of 12i, above, the President shall be entitled to full salary and all fringe benefits payable during any such sabbatical with the exception of the use of the President's house, which will be vacated by the President (and family) within thirty (30) days following termination, but only if terminated, unless extended by the Board.
  - iii. Additional sabbatical leave to that provided above may be allowed the President at any time by the University at such time by and upon such conditions as are deemed appropriate. Such additional leave shall be granted in the sole discretion of the Board

V. ACADEMIC APPOINTMENT. With the concurrence of Academic Affairs, including the Department, the President shall hold the rank of tenured full professor in the College of Education. If the President is terminated for cause, this provision shall not apply, and the President further specifically waves any rights he might have as a tenured faculty member of the University relative to that dismissal.

- VI. **PHYSICAL EXAMINATION**. The President shall undergo a comprehensive physical exam once a year. Should expenses for the examination exceed or not qualify for coverage under the President's medical insurance coverage, the University will pay up to One Thousand Dollars (\$1,000.00) for the exam.
- VII. **SEPARATION**. The President serves at the pleasure of the Board. The Board of Regents may remove the President from office at any time based on a confidential vote of two-thirds(2/3) of the members of the Board. Should the President be terminated because of dishonesty, insubordination, neglect of duty, sexual harassment, personal misconduct or the criminal violation of the laws of Kentucky and/or the United States, the obligations of Section II, and all other provisions of this Agreement herein shall no longer be binding.
- VIII **NOTICE**. If the President desires to terminate his presidency, he shall provide not less than ninety (90) days written notice to the Board of Regents. The President shall be entitled to accumulated benefits but shall not be entitled to the provisions of Section II.
- IX **COMPLETE AGREEMENT**. The Agreement constitutes the complete Agreement between the parties and incorporates all prior discussions, agreements and representations made in regard to the matters set forth herein. This Agreement shall not be amended, modified, or changed except upon the mutual consent of the President and the Board. Any amendment or modification, to be effective, must be reduced to writing and signed by all parties to this Agreement.

This Agreement entered into this 12th day of September, 1997 by:

  
Chair, Board of Regents  
Western Kentucky University

  
President  
Western Kentucky University