

CONTRACT OF EMPLOYMENT
(Revised and Restated)
DOUGLAS A. KRISTENSEN, J.D.
CHANCELLOR OF THE UNIVERSITY OF NEBRASKA KEARNEY

THIS CONTRACT is made by and between THE BOARD OF REGENTS OF THE UNIVERSITY OF NEBRASKA, a public body corporate, hereinafter referred to as "the University," and Douglas A. Kristensen, J.D., hereinafter referred to as "Chancellor Kristensen." The effective date of this Revised and Restated Contract is the date it is accepted and signed by Chancellor Kristensen as hereinafter provided.

WITNESSETH:

That in accordance with action taken by the Board of Regents of the University of Nebraska (the Board), upon the recommendation of the President of the University (the President), as recorded in the Minutes of the meeting of the Board held on the June 1, 2002 (IX-A-1), the University hereby continues the appointment of Chancellor Kristensen, and Chancellor Kristensen hereby agrees to continue as Chancellor of the University of Nebraska Kearney (UNK) and Vice President of the University of Nebraska, beginning July 1, 2017, subject to the following restated terms and conditions:

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

Section 1. Salary, Authority and Duties as Chancellor.

Chancellor Kristensen will receive an initial annual (12 months) salary of \$257,364 (Base Salary) as Chancellor and Vice President. As Chancellor and Vice President, Chancellor Kristensen will report and be accountable to the President, and Chancellor Kristensen will have all of the powers and shall perform all of the duties incident to the Office of Chancellor of UNK and Vice Chancellor of the University, as such powers and duties are prescribed by law, the Bylaws of the Board of Regents of the University of Nebraska (the Bylaws), and policies, rules, and regulations of the University. A copy of the Bylaws as in effect on the date of this Contract has been furnished to Chancellor Kristensen. Chancellor Kristensen's Base Salary may at any time during his employment be adjusted upward upon recommendation of the President and approval by the Board. Chancellor Kristensen's Base Salary will be paid in twelve equal monthly installments in accordance with the policies of the Board governing payment of salary to other members of the all-year academic-administrative staff of the University.

Section 2. Supplemental Compensation.

The University of Nebraska Foundation, as a supporting organization of the University of Nebraska, provides significant annual financial support to the University, and less than one percent of this support is used by the University to provide supplemental compensation to

certain senior administrators, including Chancellor Kristensen as Chancellor under this Agreement. Under the terms of the "Executive Salary Equity Initiative" approved by the Board on September 5, 2008, Chancellor Kristensen will receive \$18,931 as part of and included in his Base Salary above in 2017 and each year thereafter, which amount shall be adjusted upward correlated to Base Salary increases. This "Executive Salary Equity Initiative" shall be paid as directed by the University from support received from the University of Nebraska Foundation.

Section 3. Professional Staff Appointments.

(a) Chancellor Kristensen's professional staff appointment as Chancellor and Vice President will be an all-year, full-time special appointment in the academic-administrative staff of the University. The term of Chancellor Kristensen's appointment shall be for a period of five (5) years, commencing on July 1, 2017, and ending on June 30, 2022 (the Initial Term) and subject to extension as provided in Section 15. Chancellor Kristensen's employment as Chancellor and Vice President will be subject to the terms and conditions of employment for members of the academic-administrative staff holding all-year, full-time special appointments as provided in Chapter III of the Bylaws and the rights and responsibilities of the professional staff as provided in Chapter IV of the Bylaws.

(b) In addition, Chancellor Kristensen shall have an all-year continuous (tenured) appointment at the rank of Professor in the Department of Political Science in the College of Natural and Social Sciences at UNK.

(c) Chancellor Kristensen's appointments as Chancellor and Professor pursuant to this Contract shall be subject to the terms, conditions, rights and responsibilities of employment for members of the academic-administrative staff as provided in the Bylaws.

Section 4. Fringe Benefits.

(a) Chancellor Kristensen will receive the fringe benefits of University employment including vacation, disability leave, retirement and health insurance benefits prescribed for other members of the academic-administrative staff holding all-year, full-time special appointments. Chancellor Kristensen will receive such additional fringe benefits relating to his employment as Chancellor as are hereinafter set forth in this Agreement and as may be from time to time hereafter approved and authorized by the University.

(b) The Base Salary and taxable portion of fringe benefits paid to Chancellor Kristensen for his services pursuant to this Contract shall be subject to withholding for state and federal payroll taxes. The University shall (i) determine in accordance with applicable state and federal laws, regulations, orders and rulings the necessary payroll taxes to be withheld and (ii) appropriately withhold necessary amounts for payroll taxes owing on account of the University wages and the University and the University of Nebraska Foundation fringe benefits paid to Chancellor Kristensen.

The University follows an IRS Audit Closing Agreement approved by the Board on December 10, 1994 as well as applicable rules and income reporting guidelines from the Internal Revenue Service regarding University of Nebraska Foundation payments in support of the University. Individual income and taxable fringe benefits resulting to Chancellor Kristensen are reported as taxable income from the University to Chancellor Kristensen on the University's regular payroll reporting (W-2) form. Chancellor Kristensen shall provide substantiation necessary to follow the applicable rules and income reporting guidelines.

Section 5. Housing Allowance.

In consideration of Chancellor Kristensen making occasional use of his personal residence as he shall determine to be appropriate in connection with performance of duties as Chancellor, Chancellor Kristensen shall receive, in addition to his Base Salary, a housing allowance of \$1,000 per month paid by the University, and a supplemental housing allowance of \$500 per month as directed by the University from support received from the University of Nebraska Foundation.

Section 6. Supplemental Retirement Allowance.

In addition to Chancellor Kristensen's Base Salary, Chancellor Kristensen shall receive a supplemental retirement allowance as directed by the University from support received from the University of Nebraska Foundation to be paid quarterly beginning July 1, 2017, in the amount of \$1,500.

Section 7. Deferred Compensation.

Chancellor Kristensen shall continue to receive deferred compensation as provided in the Deferred Compensation Agreement attached hereto as Appendix A.

Section 8. Annual Expense Account.

In addition to Chancellor Kristensen's Base Salary, Chancellor Kristensen shall receive an annual expense allowance as directed by the University from support received from the University of Nebraska Foundation in the amount of \$5,000 for expenses Chancellor Kristensen incurs in the performance of his duties and responsibilities as Chancellor.

Section 9. Automobile and Membership.

(a) As a condition of employment in the performance of duties as Chancellor, Chancellor Kristensen shall be provided with an automobile in accordance with the University's policies and process for non-wage compensation which shall be paid as directed by the University from support received from the University of Nebraska Foundation. All related expenses for fuel, maintenance and insurance shall be paid by the University.

(b) As a condition of employment in the performance of duties as Chancellor, Chancellor Kristensen shall have a full privileges or social membership at a country club of his choosing,

provided that the selection of such country club and the membership status thereof shall be acceptable to the University of Nebraska Foundation in its reasonable discretion. Such membership shall be maintained in accordance with the University's policies and process for non-wage compensation which shall be paid as directed by the University from support received from the University of Nebraska Foundation.

(c) The value of Chancellor Kristensen's personal use of such automobile and membership will be considered taxable income to him and reported to the Internal Revenue Service (IRS) as required by law. The University has adopted the IRS special accounting period of November 1 through October 31 of the following year for reporting vehicle usage.

Section 10. Professional Conduct.

Chancellor Kristensen is expected to exhibit individual leadership to maintain and foster the highest standards of competence, professionalism and ethics at the University. Chancellor Kristensen acknowledges that his duties as Chancellor include a duty to professionally balance and respect diverse rights, values and competing interests and this duty is not strictly limited to his official actions as Chancellor or the official settings afforded as Chancellor for any matters where his actions or comments bring disparagement or otherwise damage the University or the Office of the President.

Section 11. Professional Dues and Meetings.

The Board acknowledges that leadership by Chancellor Kristensen in higher education and/or business organizations may advance the interest of the University and encourages Chancellor Kristensen's reasonable (based upon the time commitment involved) participation therein. In addition, Chancellor Kristensen may attend educational conferences, conventions, courses, seminars and other similar professional growth activities which do not interfere with performance of his duties as UNK Chancellor, and reasonable expenses in connection therewith, including membership in professional organizations, shall be paid by the University.

Section 12. Outside Business, Civic and Professional Activities.

Chancellor Kristensen shall devote substantially all of his time, attention and energies to performance of the duties of the Office of UNK Chancellor. The University contemplates the performance of these duties by Chancellor Kristensen may be advanced by the expenditure of reasonable amounts of time for charitable, civic, service or professional activities. In addition, the expenditure by Chancellor Kristensen of reasonable amounts of time relating to personal or outside business shall not be considered a breach of this Agreement, provided such activities do not interfere with Chancellor Kristensen's performance of duties as UNK Chancellor. Chancellor Kristensen shall not engage in any outside activity which may be adverse to the best interest of the University, and he shall not serve as a compensated member of the board of directors of any for-profit organization without first obtaining approval from the President.

Section 13. Activities of Chancellor's Spouse.

The Chancellor's spouse plays an important role in the social and professional life of the University. Consequently, University of Nebraska Foundation funds or other non-state funds will be allocated to pay reasonable and customary travel expenses for Chancellor Kristensen's spouse to participate in selected University events, normally being one or two meetings each year.

Section 14. Performance Evaluations.

Not later than one year prior to the conclusion of any term hereunder, Chancellor Kristensen's professional performance as UNK Chancellor shall be evaluated by the President.

Section 15. Extension of Term of Employment.

The term of Chancellor Kristensen's employment as Chancellor (as stated in Section 1 of this Agreement as well as the corresponding time periods in Sections 16 and 17 as mutually agreed by the Chancellor and the President) may annually or otherwise be extended for an additional period or periods of time (each a Renewal Term) as provided in Section 18.

Section 16. Termination of Employment.

Termination for Good Cause. The President may for Good Cause, as hereinafter defined, terminate the employment of Chancellor Kristensen as UNK Chancellor prior to the end of the Initial Term or any Renewal Term. For the purposes of this Agreement, the term "Good Cause" shall mean: (1) gross neglect of duty, (2) insubordination, or (3) other personal or professional misconduct which substantially interferes with Chancellor Kristensen's continued performance of his duties as Chancellor. The President shall not act to terminate Chancellor Kristensen's employment as Chancellor for Good Cause unless the President shall first give Chancellor Kristensen written notice of the grounds alleged to constitute such Good Cause for termination of his employment as Chancellor, and an opportunity for a due process hearing before the President with respect thereto. In the event of termination of Chancellor Kristensen's employment as Chancellor for Good Cause, this Agreement and all compensation and benefits provided to Chancellor Kristensen as consideration for his employment as Chancellor shall terminate; provided, however, Chancellor Kristensen's continuous (tenured) appointment as Professor in the Department of Political Science in the College of Natural and Social Sciences at UNK, and all attendant rights, interests and responsibilities relating to employment in such tenured faculty position, and his salary in the amount provided in the last sentence of Section 17 (b) hereof, will not be affected by such termination and will continue unless the same shall also be terminated for reasons of adequate cause as provided in Section 4.14.2 of the Bylaws.

Section 17. Resignation; Professional Development Leave of Absence.

(a) Except as provided in subsection (d) below to seek or accept other employment in University or Higher Education administration outside the University, Chancellor Kristensen may resign from his employment as Chancellor during the Initial Term or any Renewal Term hereunder without penalty upon giving the President at least forty-five (45) days advance written notice of such resignation, in which event this Agreement shall terminate on the effective date of resignation. The President and Chancellor Kristensen may mutually agree to waive the forty-five (45) day notice of resignation requirement of this section, and upon such mutual waiver, Chancellor Kristensen's resignation shall take effect immediately.

(b) If, Chancellor Kristensen shall terminate his employment from the Office of Chancellor for a reason other than retirement, termination for Good Cause under Section 16, or taking another position described in 17(a), and in recognition that he has already served as UNK Chancellor for more than 10 years, Chancellor Kristensen shall have a right to an appointment to a paid tenured faculty position in the Department of Political Science in the College of Natural and Social Sciences at UNK. Such appointment shall be on an academic year basis and shall be paid at a salary equal to the average of the three highest paid faculty members in that department together with standard University benefits. Upon Chancellor Kristensen's commitment to, acceptance of and appointment to such paid tenured faculty position, Chancellor Kristensen shall receive a 12-month professional development leave of absence at full Base Salary as Chancellor. The purpose of such leave shall be for professional development. Such leave shall have no pay-back requirements unless Chancellor Kristensen is physically and mentally able to, but does not, commence in his tenured faculty position after such leave, and, except for retirement, termination for Good Cause under Section 16, or taking another position outside of the University, such leave shall not be conditioned in any manner upon the circumstances of Chancellor Kristensen's termination of employment from the Office of Chancellor. Upon conclusion of such professional development leave, Chancellor Kristensen shall be employed by the University in his tenured faculty position as set forth above. In the event Chancellor Kristensen is physically and mentally able to, but does not, commence his tenured faculty position after the professional development leave, he shall repay the University the salary paid to him during such leave.

Section 18. Amendments.

This Agreement may be amended at any time by written instrument duly approved by the President and accepted by Chancellor Kristensen subject to approval by the Board; provided, however, no such written instrument shall be required for: any increases in Chancellor Kristensen's Base Salary in section 1, and extensions of term in section 15, as provided herein, or changes to the standard fringe benefits of University employment, either of which may be accomplished at any time by official action of the President without the necessity for written modification or amendment hereof.

Section 19. Governing Law; Severability.

This Agreement shall be construed and enforced in accordance with, and is subject to, the laws of the State of Nebraska. If any portion of this Agreement shall be declared invalid or unenforceable by a court of competent jurisdiction, such declaration shall not affect the validity or enforceability of the remaining provisions hereof.

Section 20. Administrative Provisions.

This Agreement may be executed in any number of separate counterparts including by electronic signature of Chancellor Kristensen, each of which executed counterparts shall be deemed an original, and all such counterparts shall together constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties have executed this Contract on the dates indicated below.

Executed this [redacted] day of [redacted], 2017, by the President of the University of Nebraska and by the Corporation Secretary as the duly authorized representatives of the Board of Regents.

ATTEST: THE BOARD OF REGENTS OF THE UNIVERSITY OF NEBRASKA

By [redacted]
Corporation Secretary

By [redacted]
President

Accepted by Douglas A. Kristensen, I.D., on this [redacted] day of [redacted], 2017.
[redacted]
Douglas A. Kristensen, I.D.