



West Virginia University

Board of Governors

March 27, 2009

Dr. James Clements
3316 Velvet Valley Drive
West Friendship, MD 21794

Dear Dr. Clements:

This Employment Letter Agreement ("Agreement") is written on behalf of the Board of Governors ("the Board") of West Virginia University ("WVU" or "the University"). We congratulate you on your appointment as President of WVU and are pleased to extend to you the following terms and conditions of employment which will, contingent upon adequate funding and approval by the West Virginia Higher Education Policy Commission ("HEPC"), serve as a contractual agreement between you and the Board and supersedes all other agreements, written or oral, between you and the Board or any agent of the Board related to your employment as President.

1. Your annualized salary will be \$450,000.00, (the "Presidential Salary") payable over 24 equal semi-monthly installments at such times as the University pays its other administrative faculty. At a minimum, as long as you are serving as President, you will receive a yearly increase equal to that percentage increase, if any, which is received by those employees covered by the non-classified employee salary policy. Further, any additional increase that the Board determines, in its discretion, shall be based upon your annual review and subject to approval by the HEPC pursuant to HEPC Series 5. A copy of the HEPC Series 5 Rules is attached hereto and incorporated herein. If there is any discrepancy between this Agreement and the Series 5 Rules, the Series 5 Rules shall apply.
2. Your appointment as President will be effective June 30, 2009, at which time you will assume the duties and responsibilities of President as set forth herein.
3. Family health and life insurance will be provided through the West Virginia Public Employees Insurance Agency and you will be eligible to participate in the retirement plan(s) available to state public higher education employees.
4. You and your spouse must have annual comprehensive medical examinations at one or more established comprehensive health care examination facilities of your choice. WVU will arrange for payment of up to \$5,000.00 annually for all such examinations to the extent they are not covered by health insurance provided to you and your spouse by the

University. Although the Board shall have no right to access any health records resulting from any such examinations or related treatments, you shall inform the Chair immediately upon the discovery of any medical condition (without specifying the condition) that is likely to affect your ability to serve as President.

5. You are authorized to incur travel, hospitality, and other reasonable expenses as necessary in the performance of your duties under this Agreement, which expenses will be reimbursed by WVU, in accordance with prevailing laws and regulations, and in compliance with all applicable WVU policies and procedures.
6. You and your spouse are authorized to accept automobile (unlimited use subject to institutional accounting standards), air service and other means of transportation from WVU and the WVU Foundation (the "Foundation") for University related travel, including institutional advancement and representation at meetings or events in which WVU may have an interest. Your unemancipated children, when accompanied by you or your spouse, may also accept such travel. Any automobiles provided to you and your spouse pursuant to this Agreement shall be made available no later than July 1, 2009. Upon the assumption of the Presidency, you are further authorized to accept a Presidential discretionary account in such amount as determined by the Foundation, which funds may be expended for any University related purpose, including business entertainment, institutional advancement and representation, and for discretionary assistance such as aid to students and similar purposes, but shall not be used for, or considered as, a salary supplement. You may also accept organization memberships provided by the Foundation, subject to such restrictions as may be in policies adopted by the Board. Neither WVU nor the Board shall be responsible to continue the discretionary account support provided to you by the Foundation should the Foundation cease doing so.
7. You are responsible to the Board, and you will report to the Board through the Chair of the Board ("the Chair"), or such other Board member and/or Board committee designated by the Chair, or by the Board.
8. Annual and sick leave shall accrue and be administered in accordance with applicable state laws and University policy, as modified by this section. You are authorized to accumulate up to two times your yearly annual leave entitlement. Notice of annual leave or sick leave should be provided to the Chair.
9. This appointment is made exclusively at the will and pleasure of the Board. Your service in this position or termination from it is at the will and pleasure of the Board. Should you elect to resign your Presidency, you shall provide at least 180 days notice before your last day in office.
10. The University or Foundation will reimburse you for your reasonable moving expenses from Maryland to Morgantown. While it is understood that you will reside at Blaney House, pursuant to this Agreement, the relocation of your immediate family may continue until July 1, 2010. Please procure three (3) bids for your relocation and

provide them to the University. The University will reimburse you for your actual, reasonable and documented relocation expenses, not to exceed \$24,000.00 in total, as described in the lowest bid. This allowance also may be utilized for short term housing needs during your transition to Morgantown.

The University or Foundation will reimburse you for reasonable moving expenses at the time of your termination from this position, unless such termination is for cause as set forth in paragraph 19 or unless you terminate this contract in order to accept employment at an entity other than WVU. You will be reimbursed up to \$10,000.00.

11. Your duties and responsibilities as President will be consistent with Series 59 of the former University System Rules, and any future changes to said document adopted by the Board. You also will be expected to comply with and enforce all federal and state laws, rules and regulations attendant to your position as President, as well as the directives, policies, procedures, and rules of the Board and the directives and procedures issued by Board.
12. You may not serve as a paid member of a board of directors of, or as a paid consultant to, any public or private corporate or associational body while serving as President without prior permission of the Board, which shall only be granted upon the disclosure by you of all relevant information and/or details deemed necessary by the Board. In addition, you may not accept any salary supplement or deferred compensation from the Foundation or any other source, intended to compensate you for performing the duties of President of WVU, except as set out in this letter, and subject to HEPC approval.
13. You will be required to comply with the West Virginia Ethics Act at all times during your service to the Board, taking careful regard for provisions of the Act regarding conflicts of interest and use of public office for personal gain. In addition, you should be aware of those provisions of the West Virginia Ethics Act which may affect your immediate family's relations with your institution.
14. The Board recognizes that the spouse of a University President is often called upon to devote substantial time and energy to activities which benefit the University. Your spouse is hereby authorized to serve when called upon as a representative of the institution, and to accept reimbursement from WVU or the Foundation, for expenses incurred in connection with such activity, to the extent such reimbursements are authorized by you or the Foundation, and it is understood that your spouse may use facilities and other resources of the University in the same manner as an employee when involved in such activity.
15. As a condition of employment and for the convenience of the University, at a date as soon as practicable after July 1, 2009, you and your spouse are required to reside in Blaney House, the WVU President's Residence, with the understanding that it will be used for official functions and subject to University policies. WVU will be responsible for expenses associated with the President's Residence, including maintenance, utilities,

taxes, insurance, domestic help, and decoration, consistent with guidelines established by the Board. You will be responsible for any personal expenses that you or your family may have associated with your residence such as personal care or child care.

16. Notwithstanding the provisions of paragraph 9, the Board commits to employ you as President, or in some other capacity, in a position it may determine, at the Presidential Salary provided for herein and as increased from time to time by the Board, for a term ending on June 30, 2011, unless (a) you voluntarily resign or retire, or (b) you are terminated, all as provided for herein. Any one, subsequent employment contract cannot exceed five years. All contracts with a term greater than one fiscal year are conditioned upon availability of funding.
17. Your performance as President will be formally reviewed in accordance with West Virginia Code §18B-1B-6, HEPC Legislative Rule 5 and Board procedures.
18.
 - (a) In the event your term as President is terminated without cause by the Board pursuant to this Agreement prior to June 30, 2010, you shall be entitled to a reassignment of substantive duties for a period of twelve (12) months from the date of such termination and during such time receive payment equal to your salary at termination and the benefits specified in paragraphs 3 and 8 hereof.
 - (b) In the event your term as President is terminated without cause by the Board pursuant to this Agreement after June 30, 2010, but prior to the June 30, 2011 termination date hereof, you shall be entitled to a reassignment of substantive duties for a period of six (6) months from the date of such termination, but not beyond June 30, 2011, and during such time receive payment equal to your salary at termination and the benefits specified in paragraphs 3 and 8 hereof.
19. If you are terminated for cause during your appointment as President (or during any reassignment pursuant to the terms of this contract or any extension hereof), you will not be entitled to any further salary or employment from the Board. The term "cause" as used herein shall include but not be limited to:
 - (a) dishonesty, debarment, disbarment, suspension, gross immorality and conviction of a felony or other crime involving moral turpitude, misappropriation of funds, habitual insobriety, substance abuse, managerial incompetence, professional incompetence, willful misconduct or gross negligence in the performance of your duties and responsibilities hereunder; or
 - (b) failure to observe or perform the material duties of your employment, including, without limitation, those set forth in this contract, and such other duties and responsibilities as may be assigned to you from time to time by the Board, or insubordination to the Board; or

- (c) other cause set forth in HEPC Series 5 which is not set forth in 19(a) or 19(b) above.

Termination of employment shall occur immediately upon written notice thereof when attributable to cause pursuant to subparagraph 19(a) and 19(c). Prior to termination of employment for cause pursuant to subparagraph 19(b), the Board shall be required to give you written notice of the deficient conduct and a reasonable opportunity under the circumstances (as determined by the Board, but in no event fewer than ten (10) business days or more than thirty (30) calendar days following receipt of written notice) to cure: provided, however, that no opportunity to cure shall be provided in the event that the basis for cause is such, as determined by the Board in its sole, reasonable discretion, that it is not susceptible to cure.

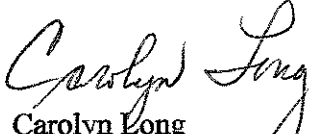
20. Any personal tax obligation(s) arising out of any compensation or benefit received pursuant to this Agreement, including compensation or benefit associated with the payment of or for moving expenses, shall be your exclusive responsibility.
21. If during any period of reassignment, it is determined that while you served as President you engaged in acts constituting cause as defined in subparagraphs 19(a) and 19(c), the Board may immediately terminate your employment.
22. In the event that any provision of this contract shall be determined to be illegal, the provision shall be modified to the extent necessary to bring the contract into compliance with applicable law, and the contract as so modified shall remain in full force and effect.
23. The University may terminate your employment if you are unable to perform the essential functions of the position with or without reasonable accommodation during the term because of physical or mental injury or illness, subject to any limitations imposed by federal, state or local laws. The University will provide a reasonable accommodation to you with respect to a disability as defined by the federal Americans with Disabilities Act and applicable state or local laws, if such reasonable accommodation would not impose an undue hardship to the University and would enable you to satisfactorily perform the essential functions of the position.
24. You represent and warrant that you are free to enter into and perform this Agreement and the agreements referred to herein and that you are not a party to any existing agreement which would prevent you from entering into and performing this Agreement.
25. No delay or omission by a party in exercising any right, remedy or power under this Agreement or existing at law or in equity shall be construed as a waiver thereof, and any such right, remedy or power may be exercised by such party from time to time and as often as may be deemed expedient or necessary by such party in its sole discretion.
26. During the term of this Agreement you may also serve as an adjunct faculty member for the University in your particular areas of expertise, for which you agree to waive any

additional compensation for activities associated with such faculty appointment. At the expiration of this term, the Board will further review and consider any additional faculty rights and privileges.

27. The University understands that you have previously published work for which you receive a royalty or royalties. Pursuant to applicable University practice, you may receive a royalty earned on sales made to non-University students. Pursuant to applicable University practice, all royalties earned on sales made to University students shall be made to the West Virginia University Board of Governors on behalf of the specific department to which you are a part.
28. This contract is made pursuant to and covered by the laws of the State of West Virginia.
29. This Agreement constitutes the entire agreement between the parties and supersedes any and all prior agreements between the parties.

Your signature below, returned to me via the Secretary of the Board of Governors, will signify acceptance of the terms of your appointment, understanding of, and agreement with the terms and conditions of this contract.

Sincerely,


Carolyn Long
Chair, West Virginia University
Board of Governors

ACCEPTED:



Dr. James Clements

Date 3/27/09