

## PRESIDENTIAL TRANSITION AGREEMENT

This Presidential Transition Agreement (“Agreement”) is made and entered into on the date set forth below by and between the Board of Trustees of Northern Illinois University (“Board” or “University”) and Dr. Douglas Baker (“Dr. Baker”).

**WHEREAS**, the Board and Dr. Baker executed an Employment Agreement for the President of Northern Illinois University with an effective date of July 1, 2013 (“Employment Agreement”); and

**WHEREAS**, pursuant to the Employment Agreement, Dr. Baker agreed to serve as President of Northern Illinois University through June 30, 2018; and

**WHEREAS**, Dr. Baker and the Board mutually desire to enter into this Agreement to reflect Dr. Baker’s resignation from the University and the amicable resolution of any and all matters concerning Dr. Baker’s employment relationship with the University; and

**WHEREAS**, this Agreement is governed by Illinois law.

**NOW, THEREFORE**, in consideration of the mutual promises contained herein, and for good and valuable consideration, receipt of which is duly acknowledged by both parties, the parties agree as follows:

1. Subject to approval of this Agreement by the Board as required in Paragraph 27 below, Dr. Baker irrevocably resigns from his role as President of Northern Illinois University (“President”) and from any University-affiliated boards or organizations effective at the close of business, 5:00 p.m., on June 30, 2017.
2. Dr. Baker further irrevocably resigns his tenured faculty appointment in the College of Business effective at the close of business, 5:00 p.m., on June 30, 2017.
3. Dr. Baker acknowledges that he will not be reemployed in his current position with the University or any other position with the University after June 30, 2017.
4. In consideration for Dr. Baker resigning from his role as President and signing this Agreement and complying with its terms, the Board agrees to pay Dr. Baker one (1) year (the “Transition Period”) of Dr. Baker’s base salary in the amount of \$450,000.00 in accordance with the University’s payroll policies and procedures, less applicable deductions or withholdings as are required by law and regulation.
5. To the extent permitted under Northern Illinois University Law, the Board also agrees that for the Transition Period Dr. Baker shall be paid for any eligible employee welfare benefits (including leave) that he has accrued which will be due and payable to Dr. Baker as of the date his resignation takes effect. Payment under this Paragraph shall be in accordance with the University’s payroll policies and procedures, less applicable deductions or withholdings as are required by law and regulation.

6. Separately, in consideration for Dr. Baker resigning from his tenured faculty appointment and signing this Agreement and complying with its terms, the Board also agrees to pay Dr. Baker a one-time lump sum payment in the amount of \$137,500.00 in accordance with the University's payroll policies and procedures, less applicable deductions or withholdings as are required by law and regulation.

7. Dr. Baker represents that he has incurred reasonable, unpaid expenses associated with the retention of counsel, arising out of the scope of his state employment. Pursuant to Article IX (Indemnification) of the Board Bylaws, the Board agrees to pay for reasonable expenses in an amount up to but not exceeding \$30,000.00, provided that such payment will be subject to review and approval by the University of invoices reflecting the actual and reasonable expenses incurred for Dr. Baker's counsel.

8. All payments to be made by the Board pursuant to Paragraphs 4, 5, 6, 7 and any other paragraph of this Agreement shall be made by the Board within forty-five (45) calendar days after approval by the Board of this Agreement as required by Paragraph 27 below, provided, however, that no payments shall be made if this Agreement is revoked by Dr. Baker during the period referenced in Paragraph 20 below.

9. Dr. Baker acknowledges that his retirement benefits are controlled by the State of Illinois, through the State Universities Retirement System (SURS), and are not within the control or authority of the University.

10. Dr. Baker acknowledges and agrees that other than the payments set forth in Paragraphs 4, 5, 6, 7 and any other paragraph of this Agreement, no additional amount is payable to Dr. Baker under the provisions of this Agreement or the Employment Agreement. Dr. Baker further acknowledges and agrees that no procedures, rights, or benefits, including, but not limited to, participation under the University's various retirement and other plans, or benefits available under deferred compensation plans, sabbatical rights, or other rights or entitlements provided under the terms of the Employment Agreement or any other University handbook, policy or procedure, will accrue to Dr. Baker or be owed to Dr. Baker after midnight on the effective date of his resignation. Other than the obligations set forth in this Agreement, the University shall have no other financial or other obligations to Dr. Baker under any compensation or benefit plan, program, practice, handbook, policy, contract or tuition remission arrangement, and Dr. Baker's participation in University compensation and benefit plans, tuition remission, programs, practices, policies, contracts and tuition remission shall cease as of June 30, 2017, except that he shall have the right to continue group health plan coverage at his own expense starting on July 1, 2017, as provided under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA").

11. Dr. Baker agrees that he has not relied upon any representations, express or implied, made by the University and/or any of its representatives as to the tax consequences of this Agreement. Dr. Baker further agrees that, in the event any taxing authority determines that any part of the payments set forth in Paragraphs 4, 5, 6, 7 and any other paragraph of this Agreement paid by the University as consideration for this Agreement is taxable, Dr. Baker is solely responsible for the payment of all such taxes. Dr. Baker further agrees to indemnify and hold harmless the Board, the University, the State of Illinois, its trustees, officers, agents, employees, attorneys and insurers from and against any and all liability to the federal and/or state tax authorities for any sums subsequently imposed upon the University for taxable income to Dr. Baker in connection with the payments set forth in Paragraphs 4, 5, 6, 7 and any other paragraph of this Agreement (in all cases, excluding required employer contributions for payroll taxes where applicable), and from and against any and all claims arising from or in connection with any administrative or judicial action or proceeding seeking payment of said taxes from the University. In the event that a proceeding should be instituted against the University for such liability and Dr. Baker is not named as a party, the University will give Dr. Baker notice of the proceedings at his last known address and he will be obligated to defend and indemnify the University.

12. The Board agrees that Dr. Baker may continue to live in the University President's official residence until July 31, 2017 to enable him to locate and/or move his furniture and belongings.

13. Dr. Baker represents and covenants that he will return to the University all property of the University (including, without limitation, all keys to the University's offices, automobile, all equipment, documents, written information, forms, plans, documents, written or computer material or data, belonging to the University), which are in Dr. Baker's possession or control, including, without limitation, all originals and copies of documents or records. To the extent University records or information are maintained on Dr. Baker's office or personal computers or devices, Dr. Baker will return all such information prior to the effective date of his resignation and agrees to cooperate with University Information Technology Services personnel in ensuring that all such records or information have been returned. Dr. Baker understands and agrees that he will not be provided the payments set forth in Paragraphs 4, 5, 6 and 7 of this Agreement until he returns or properly secures pursuant to this Paragraph all property, including information stored electronically, belonging to the University. Dr. Baker also acknowledges that, while serving as President, he may have reviewed information or documents protected from disclosure by student privacy, medical privacy, or other confidentiality laws. Dr. Baker agrees to continue maintaining the confidentiality of all information or documents subject to statutory common-law confidentiality protections.

14. Neither Dr. Baker nor the Board will issue any press release or other written public announcement relating to this Agreement without the prior approval of the other party, including approval of the contents of any such release or announcement. Such approvals shall not be unreasonably withheld. All future statements by the Board and Dr. Baker regarding Dr. Baker's departure from the University will be consistent with any such mutually-agreed written public

announcement. Nothing shall prohibit the Board's ability through the Board Chair to respond to inquiries regarding its basis for this Agreement.

15. The University and Dr. Baker jointly agree and covenant that they will not, directly or indirectly, individually or in concert with others, engage in conduct or make a statement in any form or media that is calculated or intended to have the effect of undermining, disparaging or otherwise reflecting poorly upon the other, including upon the reputation of the Board, the University, or its good will, products, or business opportunities or that is in any manner detrimental to the University and/or its trustees, officers, employees, agents, or representatives, past or present, or Dr. Baker, his agents or attorneys. At the University, this Paragraph shall be applicable to the members of the Board and senior cabinet members. If asked, these persons and officers shall only state to others, whether an internal or external inquiry, that Dr. Baker left the employ of University. This paragraph shall not extend into the University beyond those persons specifically identified, as it would be unreasonable and impractical to notify every employee at the University about the requirements of this Paragraph. Any claims by Dr. Baker for allegations of future violations of privacy interests or defamation against University shall be adjudicated exclusively in the Illinois Court of Claims pursuant to Illinois law. Nothing herein shall prevent either party from making truthful or factual statements in connection with any aspect of the relationship between the University and Dr. Baker, his agents or attorneys as required by law or any investigative or regulatory proceeding.

16. The Board agrees that, should a future employer contact the University regarding Dr. Baker, the University will confirm dates of employment, the position he held, and salary. Additional information will be released with Dr. Baker's prior consent, or as required by law or court order.

17. Dr. Baker hereby agrees, for himself as well as his heirs and assigns, to release, acquit and forever discharge the Board, Northern Illinois University, and all of their past and present trustees, officers, employees, representatives and agents (collectively or individually, the "Released Parties") from any and all claims, demands, actions, causes of actions, damages (both actual and punitive), costs, judgments, expenses, liabilities, attorneys' fees, legal costs or other compensation, or suits at law or in equity of whatsoever kind or nature, whether based upon tort, contract or operation of law, whether known or unknown, or whether asserted or unasserted, which Dr. Baker or his heirs or personal representatives may now have or assert arising out of or resulting from his employment and the termination of his employment with the University, including, but not limited to, discrimination in employment, any claims of retaliation, negligence and intentional conduct of any sort, claims based upon age, sex, race, national origin, religion, disability discrimination, labor protective provisions or conditions, severance pay, wrongful or constructive discharge, fraud, intentional infliction of emotional distress, or a breach of contract whether express or implied, whether arising out of the Age Discrimination in Employment Act of 1967, as amended by the OWBPA, 29 U.S.C. § 621, et seq; Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 1985; the Americans With Disabilities Act of 1990, 42 U.S.C. § 12101 et seq.; The Employment Retirement Security Act, 29 U.S.C. § 1001 et seq.; Executive Order 11246; The Rehabilitation Act of 1973, 29 U.S.C. § 701 et seq.; as those statutes may have been

amended from time to time; or any other federal, state or local law, ordinance, regulation or order relating to Dr. Baker's employment; any claim arising under University policies, procedures and operational guidelines; or the termination of his employment with the University (hereinafter "the Released Claims"). This Release excludes only (i) claims for vested pension benefits, (ii) claims for benefit continuation rights under COBRA, (iii) claims arising under the OWBPA after this Agreement is signed or that challenge this Release under the OWBPA, (iv) claims that cannot be released as a matter of law, (v) claims which arise after the date of this Agreement, and (vi) claims to enforce the terms of this Agreement. Dr. Baker further agrees to waive any right to use a University internal grievance or appeal process, formal or informal, available under University policies or offered by the University for any matter arising or relating to this Agreement. Although this Agreement serves as a release of any claim, demand, action, suit or proceeding relating to matters generally and specifically released above, it does not bar actions or proceedings instituted for the sole purpose of enforcing the provisions of this Agreement. Any action to enforce the terms of this Agreement shall be limited to recovery of damages and enforcement of the terms of this Agreement; under no circumstances may either party seek rescission nor may Dr. Baker seek reinstatement or reemployment with the University.

18. Notwithstanding paragraph 7 and per applicable state law and Board Bylaws, in the event Dr. Baker incurs or will reasonably expect to incur expenses in connection with any claim, or actual or threatened action, suit, proceeding or investigation (civil, administrative, or other non-criminal proceedings) or appeals in which Dr. Baker may be involved by reason of being or having been an employee of the University, he will be entitled to indemnification from the Board. Determinations as to the extent and scope of any such indemnification will be as reasonably necessary as determined by the Board, and made pursuant to applicable law, Board bylaws, insurance policies covering University employees, and any other applicable authority, as existing or hereafter promulgated.

19. Dr. Baker acknowledges and represents that he has been given the opportunity to report to the University any conduct that would give rise to an allegation or concern that the University has violated any laws or has engaged in conduct which could otherwise be construed as inappropriate or unethical in any way, even if such conduct is not, or does not appear to be, a violation of any law, and Dr. Baker affirms that he knows of no such conduct and has reported no such conduct to the University as of the date of this Agreement. He further commits that, should any such information come to his attention prior to the effective date of his resignation, he will report such information or concerns to the University.

20. Dr. Baker acknowledges (i) that he has been advised that he has up to twenty-one (21) days to consider and sign this Agreement, (ii) that if he signs this Agreement and returns that signature to the Board (Attention: Office of General Counsel, Northern Illinois University,

Altgeld Hall 330, DeKalb, IL) within that twenty-one (21) day period he is doing so of his own free will, (iii) that Dr. Baker may consult (and has consulted) an attorney prior to signing this Agreement, (iv) that the terms of the Agreement are clear and understandable to him; and (v) that he may revoke his execution of this Agreement within seven (7) days from the date he signs the Agreement. During the seven (7) day revocation period immediately following his execution of this Agreement, Dr. Baker can change his mind and cancel this Agreement in writing, prior to which the Agreement will not be effective or enforceable. The Board (Attention: Office of General Counsel, Northern Illinois University, Altgeld Hall 330, DeKalb, IL) must receive Dr. Baker's written notice of revocation within the seven (7) day revocation period. If Dr. Baker does not sign and return this Agreement within the twenty-one (21) day period or he revokes his acceptance in the seven (7) day revocation period, then this Agreement shall be null and void and nothing in this Agreement shall constitute an admission of liability, fact, or law. If Dr. Baker timely signs and does not revoke this Agreement as set forth in this Paragraph, this Agreement shall take effect on the eighth day after he signs the Agreement, with his resignation then to take effect after June 30, 2017 with no further notice.

21. This Agreement shall be governed by the laws of the State of Illinois and the Courts of the State of Illinois shall have jurisdiction for purposes of enforcing all of the terms and provisions of this Agreement including, but not limited to, any relief sought for a breach of or default under this Agreement.

22. This Agreement supersedes all other understandings and agreements, oral or written between the Board and Dr. Baker with respect to the subject matter, and constitutes the sole agreement between the Board and Dr. Baker with respect to its subject matter. Each party acknowledges that no representations, inducements, promises or agreements, oral or written, have been made by any party or by anyone acting on behalf of any party, which are not embodied in this Agreement, and that no commitment, statement or promise not contained in the Agreement shall be valid or binding on the Board and Dr. Baker unless such change or modification is in writing and is signed by the Board and Dr. Baker. The Board and Dr. Baker affirm that they have not assigned any claims or rights affected by this Agreement and have not filed any claims or suits relating to the matters addressed in this Agreement.

23. If a court of competent jurisdiction holds that any provision or subpart thereof contained herein is invalid, illegal or unenforceable, that invalidity, illegality or unenforceability shall not affect any other provisions in this Agreement.

24. The parties agree that this document is not exempt from disclosure under the Freedom of Information Act (5 ILCS 140/). The Board has the right to disclose the existence of this Agreement and its terms.

25. The Board and Dr. Baker will cooperate and will promptly execute any and all documents and perform any and all acts necessary to effect this Agreement. Any notices to the University required under this Agreement should be directed to the Office of General Counsel, Northern Illinois University, Altgeld Hall 330. Any notices to Dr. Baker required under this Agreement should be directed to the last known address on file at the University for Dr. Baker.

26. This Agreement may be executed in counterparts, each of which shall be deemed an original and when taken together with the other signed counterparts, shall constitute one Agreement and on full execution shall be binding upon and effective as to the Board and Dr. Baker.

27. This Agreement is subject to approval by the Board. If the Board does not approve this Agreement, this Agreement and Dr. Baker's resignation shall be deemed null and void.

The Board and Dr. Baker acknowledge that the performance of the Board of any of its obligations under this Agreement shall be subject to and contingent upon the availability of funds appropriated by the legislature for current and future periods.

This Agreement is signed and dated this \_\_\_\_ date of \_\_\_\_\_, 2017.

Board of Trustees of Northern Illinois University

Dr. Douglas D. Baker

By: \_\_\_\_\_

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Wheeler G. Coleman, Chair