RESOLUTION APPOINTING PRESIDENT OF PORTLAND STATE UNIVERSITY

Approved by the Board
May 15, 2017

BACKGROUND

A. Oregon law, ORS 352.096, vests the Board of Trustees with authority and responsibility to appoint and employ the President of the University. Appointment of the President is one of the most important roles of the Board. The next President of the University will build on our accomplishments, lead the University through implementation of our new strategic plan, and take PSU into an exciting new phase of education, research, innovation, service and community partnerships.

B. On August 4, 2016, the Board adopted a resolution establishing the process and procedure by which the Board would search for and hire the next President of the University. The Board Chair established a Presidential Search Advisory Committee, the Committee hosted forums on campus and established an online survey in order to solicit and receive feedback regarding the opportunities, challenges, standards and criteria for hiring a new President, and an Opportunity and Challenge Profile was developed and approved by the Board. The Search Advisory Committee recommended finalists who were brought to campus for two-day visits which included forums and meetings with faculty, students, staff and members of the community.

C. Through this process, Professor Rahmat Shoureshi has demonstrated the skills, experience, intellect and vision necessary to be the next President of the University. Dr. Shoureshi is a professor of engineering. He has served as an interim president, a provost, a dean, a director and a department chair at institutions such as Wayne State University, Purdue University, the Colorado School of Mines, the University of Denver and the New York Institute of Technology. Dr. Shoureshi earned Ph.D. and M.S. degrees from the Massachusetts Institute of Technology and a B.S. from the Sharif University of Technology. He will bring a wealth of experience and knowledge to Portland State University.

RESOLUTION

Now, therefore, be it Resolved by the Board of Trustees, that:

1. Professor Rahmat Shoureshi is appointed as the 9th President of Portland State University, with all of the responsibilities and authorities delegated to and vested in that position, effective on or around August 14, 2017.

2. The Board approves the Employment Agreement attached to this Resolution. The Board Chair is authorized to enter into additional agreements with Dr. Shoureshi to provide for pre-Term visits to Portland State University, to make minor changes to the Employment Agreement as may be necessary, and to take such other actions as are appropriate for an
effective transition and investiture. The Board Chair is further authorized to amend the Employment Agreement to defer any portion of the Base Salary provided therein to a deferred compensation plan that is mutually acceptable to the Board Chair and President, at such time as an acceptable plan is in place for that purpose.

APPROVED BY THE BOARD OF TRUSTEES
May 15, 2017

[Signature]
Secretary to the Board
THIS EMPLOYMENT AGREEMENT (the “Agreement”) is entered into this 15th day of May, 2017 (the “Effective Date”), by and between Portland State University (the “University”) and Rahmat A. Shoureshi (the “President”). The University and President collectively are referred to as the “Parties.”

WHEREAS, the University desires to employ the President as the President of the University and the President desires to accept such employment on the terms and conditions set forth herein;

NOW, THEREFORE, the Parties, intending to be legally bound, hereby agree as follows:

1. Employment. The University agrees to employ Rahmat Shoureshi and Rahmat Shoureshi accepts employment as President of the University. During the term of this Agreement (as defined in Section 1.1), the President shall perform such duties for and render such services to the University as are customary and incidental to the position of President, or such other duties or services as may be from time to time assigned to him by the University’s Board of Trustees (the “Board”) and which are consistent with such position. The President shall report and be accountable exclusively to the Board. The President agrees to use best efforts to carry out the duties and responsibilities required by this Agreement and to devote substantially all of the President’s business time, attention, and energy in doing so.

1.1 Term of Agreement. This Agreement commences on August 14, 2017 and ends, unless terminated as provided elsewhere in this Agreement, on August 15, 2022 (the “Term”). Notwithstanding the foregoing, the Parties may agree to extend the term of this Agreement, but only in a writing executed by the University and the President.

1.2 Compensation.  
(a) Base and Supplemental Salary. For all services rendered by the President hereunder the University shall pay the President (1) a University-paid Salary at the annual rate of $260,700 (the “University-Paid Salary”) and (2) a supplemental salary at the annual rate of $339,288 funded by the Portland State University Foundation (the “Foundation-Paid Salary”), both beginning on the first day of the Term of this Agreement. Together, the University-Paid Salary and the Foundation-Paid Salary are the “Base Salary.” The Base Salary shall be earned, accrued, and paid in installments at such times (but not less often than monthly) and in a manner consistent with how the University customarily pays its other professional staff. The University is obligated to ensure payment of the full Base Salary to the President. The President’s performance shall be reviewed annually pursuant to the Board’s Policy on Presidential Evaluation. Based upon such review, the President may be awarded an increase in annual Base Salary and/or performance bonus at the sole discretion of the Board.
(b) Deferred Compensation. A mutually agreeable portion of the President’s Base Salary may be contributed to a deferred compensation plan to be established by the University. In such case, the University and President will enter into an addendum to this Agreement.

(c) Retention Incentives. In consideration for the President remaining in the position, the University shall pay the President a retention bonus equal to five percent (5%) of the Base Salary then in effect at the end of the first year, third year and fifth year of the Term, respectively. Each retention bonus will be paid only if the President is in the position at that time and will be paid within thirty (30) days of being earned.

(d) Fundraising Incentive. It is anticipated that the University and the Portland State University Foundation will conclude a comprehensive multi-year fundraising campaign by June 30, 2021. In the event such campaign achieves it $300 million goal by June 30, 2021, using campaign reporting standards approved by the Portland State University Foundation and based on the standards of the Council for the Advancement and Support of Education, the University shall pay the President a bonus of $140,000 from a salary supplement provided to the University by the Portland State University Foundation.

1.3 Benefits. The President shall receive the same benefits as those provided to other University employees, currently including, but not limited to, medical, dental, disability, life and retirement benefits, accrual of vacation and sick leave, and staff fee privileges, subject to the eligibility requirements of such plans and programs. Nothing in the Agreement, however, shall prevent the University from amending or terminating any employee retirement, welfare benefit, or any other employee benefit plan or program as the University deems appropriate.

1.4 Supplemental Benefits. In addition to the benefits provided in Section 1.3, the University shall provide the President the following benefits:

(a) Housing. During the Term, the President shall receive a monthly housing stipend of $6,000.

(b) Automobile. During the Term, and in lieu of a University-provided vehicle, the President shall receive a monthly vehicle stipend of $1,000. By accepting the monthly stipend, the President agrees that he is not entitled to any vehicle-related expense reimbursement when on University business in the greater Portland metropolitan area or to a University owned vehicle for the discharge of his duties as President. Subject to applicable rules, policies, and procedures, this section does not apply when the President requires the use of a rental vehicle.

(c) Travel and Related Expenses. The President and the President’s spouse shall be entitled to reimbursement of reasonable and documented expenses related to the President’s employment by the University, on the same basis as other professional staff. Payment will be made on behalf of the President’s spouse only when the presence of the spouse is of benefit to the interests of the University. All travel will be in accordance with applicable University
policies. Travel outside of North America and travel by the President’s Spouse is subject to pre-approval by the Board Chair. The decision whether to grant such pre-approval will be promptly made, and will not be unreasonably withheld.

(d) **Sabbatical.** Upon completion of the full Term of the Agreement, the President may take a one-year sabbatical at the Base Salary rate in effect at the end of the Term. In the event that the University and President extend this Agreement beyond the Term, the parties anticipate negotiating a shorter sabbatical to occur before the beginning of a new contract term. Any portion of the one-year sabbatical not used between the current term and any extension thereof may be deferred and taken by the President at the conclusion of the President’s final term at the Base Salary rate in effect at the time of such conclusion. Sabbatical leave provided pursuant to this section is not subject to other University policies governing sabbatical leaves.

1.5 **Academic Rank and Tenure.** The President is appointed as a tenured Full Professor in the Maseeh College of Engineering and Computer Science (MCECS). Upon completion of the full Term of this Agreement or upon early termination of this Agreement by the University without cause under paragraph 2.1, the President’s employment as a tenured professor may continue at his option. If the President continues as a tenured faculty member, his nine-month salary as a Professor, at 1.0 FTE, shall be either (a) twenty-five percent (25%) greater than the base nine-month salary of the highest paid professor in MCECS at that time, or (b) $295,000, whichever amount is greater, and he shall receive the same benefits as all other tenured professors.

1.6 **Moving and Other Expenses.** The President shall be reimbursed for reasonable moving expenses incurred in relocating his personal residence to Portland, Oregon, in accord with University policies and procedures, including real estate broker fees for locating a residence in Portland, subject to the approval of the Board Chair. In addition, the University shall pay the President $25,000 within thirty (30) days of the Effective Date of this Agreement to assist with other moving- and relocation-related expenses, subject to applicable withholding requirements, and shall reimburse reasonable attorney’s fees incurred for the review and completion of this Agreement.

1.7 **Club Membership.** In order to facilitate community relations, and fund-raising, philanthropic, and other necessary social activities by the President, the Portland State University Foundation may provide the President with membership to up to two social clubs to be agreed upon between the Portland State University Foundation and the President.

1.8 **Board Service, Public Speaking, and Other Outside Activities.** As permitted by ORS 352.232, the President may engage in outside activities including, but not limited to, serving on for-profit and non-profit boards of directors, delivering speeches, writing, and consulting services to the extent these outside activities
comport with the mission of the University, do not interfere with the performance of the President’s obligations contained herein, and are consistent with applicable laws and University policies regarding conflicts of interest. Compensation and reimbursement of expenses received by the President related to such outside activities is considered official compensation or the reimbursement of expenses for purposes of ORS 244.040. If acceptance of any such compensation or reimbursement of expenses creates a potential conflict of interest, the President shall promptly report the potential conflict in writing to the Board Chair. The President also shall promptly disclose to the Board Chair each new recurring source of outside earned income and other compensation and will provide to the Board Chair an annual report that discloses the source and amounts of all outside income. Subject to the foregoing terms and conditions, the President shall be entitled to retain all income or other compensation earned by the President in connection with his outside activities, and such income or other compensation will have no effect on the amount of base salary, benefits or other compensation to which the President may be entitled under this Agreement.

1.9 Professional Development. The University agrees to reimburse the President for reasonable expenses incurred in connection with professional leadership and development, such as tuition for short courses, lectures, seminars and workshops, subject to applicable University policies.

2. Termination. The President’s employment shall terminate upon the occurrence of any of the following events:

2.1 Termination by the University Without Cause. The University may terminate this Agreement at any time without Cause ("Cause" is defined in Section 2.5) upon no less than ninety (90) calendar days’ prior written notice to the President; provided, however, that in the event such notice is given, the President shall be under no obligation to render any additional services to the University and shall be allowed to seek other employment, subject to the terms, conditions, and covenants of this Agreement. If the University terminates this agreement without Cause:
(a) The President shall be entitled to all amounts earned or accrued under Sections 1.2 and 1.4(a) and (b) above that have not been paid as of the date of termination.
(b) The President shall be entitled to all other benefits earned or accrued in accordance with the terms of any applicable benefit plans and programs of the University described in Sections 1.3 and 1.4(c) through the date of termination.
(c) The President shall retain his tenure as Full Professor and may elect to assume that faculty position as described in Section 1.5 above.
(d) The President may elect to receive severance pay, contingent upon execution by the President of a Severance Agreement prepared and approved by counsel for the University, which, among other things, releases the University from any and all claims by the President related to this Agreement or the President’s employment. If the President elects to take severance pay and the
termination is effective within the first two (2) years of the Term of the Agreement, the University shall pay the President the Base Salary in effect at the time for the remaining first three (3) years of the Term. If the President elects to take severance pay and the termination is effective after the first two (2) years of the Term of the Agreement, the University shall pay the President the lesser of one year of the President’s Base Salary in effect at the time or the Base Salary in effect at the time for the remaining Term of the Agreement. In either event, the amount paid will be payable in the same installments as the Base Salary would have been paid had the President’s employment continued. Amounts payable as severance pay under this Section shall be reduced by any amounts paid to the President as salary as a Professor under Section 1.5. In addition, the University shall pay the amount due for continued coverage for the President under the University’s medical and dental plans, should he elect such coverage, during the period during which the President continues to receive Base Salary pursuant to this paragraph.

2.2 Voluntary Termination by the President. The President may voluntarily terminate this Agreement at any time before the expiration of its Term by giving not less than six (6) months’ written notice to the Board Chair. The President shall reasonably assist the University and Board in the orderly transition of the duties and responsibilities of his position. Upon the effective date of such termination, the President is entitled to any accrued but unpaid Base Salary and benefits described in Sections 1.3 and 1.4(a)(b) and (c). In addition, if the President has not completed three (3) full years as President prior to such voluntary termination, he will automatically relinquish his appointment as a tenured Professor under Section 1.5 upon such termination as President. If, however, the President has completed three (3) full years as President prior to such voluntary termination, he will be entitled to retain said appointment as a tenured Professor. The President shall not be entitled to severance pay upon voluntary termination of this Agreement by the President before the expiration of its Term.

2.3 Disability of the President. The University may terminate this Agreement if the President is unable to perform the essential functions of his job with or without reasonable accommodation during the Term because of physical or mental injury or illness (“Disability”), subject to any limitations imposed by federal, state or local laws. If the President is disabled, as defined by the federal Americans with Disabilities Act and applicable state or local laws, the University will provide a reasonable accommodation to the President so long as such reasonable accommodation would not impose an undue hardship to the University and would enable the President to satisfactorily perform the essential functions of the position. The President agrees, in the event of a dispute under this Section 2.3 relating to the President’s Disability, to submit to a physical examination by a licensed physician jointly selected by the Board Chair and the President. If the University terminates this Agreement because of the President’s Disability, the President shall be entitled to receive the following:
(a) all amounts earned or accrued under Sections 1.2 and 1.4(a), (b) and (c) that have not been paid as of the date of termination; and
(b) all other benefits accrued or earned in accordance with the terms of any applicable benefit plans and programs of the University described in Section 1.3 through the date of termination. The President shall not be entitled to any severance pay in the event he is terminated for Disability.

2.4 Death of the President. If the President dies while employed as President by the University, the University shall pay to the President’s executor, legal representative, administrator or designated beneficiary, as applicable, the Base Salary that would be due to the President under Section 1.2(a) for a period of three (3) months after the date of death. The President shall also be entitled to all benefits accrued or earned before or upon his death in accordance with the terms of any applicable benefit plans and programs of the University described in Sections 1.3 and 1.4(a)(b) and (c). Except as set forth above, the University shall have no further liability or obligation under this Agreement to the President’s executors, legal representatives, administrators, heirs, or assigns or any other person claiming under or through the President.

2.5 Termination by the University for Cause. The University may terminate this Agreement at any time for Cause upon written notice to the President, in which event all payments under this Agreement shall cease, except for: (i) as a lump sum, Base Salary to the extent already accrued and unpaid up to the date of his termination, and (ii) all benefits accrued or earned before his termination in accordance with the terms of any applicable benefit plans and programs of the University described in Sections 1.3 and 1.4(c). “Cause” shall mean any of the following grounds for termination by the University of this Agreement: (i) the President is convicted of or enters a guilty plea or a plea of no contest to any felony or any crime involving fraud, theft, misuse or misappropriation of money or other property, or moral turpitude; (ii) in the reasonable judgment of the Board, the President has willfully breached in any material respect the terms of this Agreement; (iii) in the reasonable judgment of the Board, the President has neglected or willfully failed or refused to perform in good faith material assigned duties; (iv) in the reasonable judgment of the Board, the President has engaged in gross and willful misconduct with respect to the affairs of the University; or (v) the President is absent from duty for more than thirty (30) days for reasons other than illness or disability without Board or University consent. In the event of potential termination under (ii) or (iii) above, the Board Chair shall first provide the President with notice and a reasonable opportunity to cure the defect if practicable. Termination of this Agreement for Cause immediately terminates the President’s appointment as a tenured Professor under Section 1.5 and the President shall forfeit any other payment or benefit under this Agreement that has not been paid or accrued as of the date of termination.

3. Indemnification. The University shall, to the extent legally permissible, defend, save harmless and indemnify the President against all liabilities and expenses (including legal
fees) reasonably incurred in connection with the defense of any action, suit, or other proceeding (whether civil, criminal, administrative, or investigatory) to which he has been made a party by reason of being or having been President, provided he acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the University. The President is not entitled to indemnification for acts that are adjudicated in such action, suit, or proceeding to be the result of malfeasance in office or willful or wanton neglect of duty.

4. **Survivorship.** The respective rights and obligations of the parties under this Agreement shall survive any termination of the Presidents’ employment to the extent necessary to the intended preservations of such rights and obligations.

5. **Notices.** All notices and other communications required or permitted under this Agreement or necessary or convenient in connection herewith shall be in writing and shall be deemed to have been given when hand delivered, delivered by overnight courier or mailed by registered or certified mail, as follows (provided that notice or change of address shall be deemed given only when received):

If to the University by mail, to:

Chair, Portland State University Board of Trustees  
Office of the President  
Portland State University  
P.O. Box 751  
Portland, Oregon 97207-0751

With a copy to:

Secretary to the Board of Trustees  
Office of the President  
Portland State University  
P.O. Box 751  
Portland, Oregon 97207-0751

If to the University by hand delivery or courier, to:

Chair, Portland State University Board of Trustees  
Office of the President  
Portland State University  
1600 SW 4th Avenue, Suite 850  
Portland, Oregon 97201

With a copy to:

Secretary to the Board of Trustees  
Office of the President  
Portland State University
6. Contents of Agreement; Amendment and Assignment. This Agreement sets forth the entire understanding between the Parties and cannot be changed, modified, extended or terminated except upon written amendment approved or authorized by the Board and executed on its behalf by a duly authorized member of the Board and by the President. All of the terms and provisions of this Agreement shall be binding upon and inure of the benefit of and be enforceable by the respective heirs, executors, administrators, legal representatives, successors, and assigns of the Parties, except that the duties and responsibilities of the President under this Agreement are of a personal nature and shall not be assignable or delegable in whole or in part by the President.

7. No Conflicting Agreements. The President represents and warrants that the President is free to enter into and perform this Agreement and the agreements referred to herein, and that the President is not a party to any existing agreement which would prevent the President from entering into and performing this Agreement.

8. Severability. If any provision of this Agreement or application thereof to anyone or under any circumstances is adjudicated to be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect any other provision or application of this Agreement which can be given effect without the invalid or unenforceable provision or application and shall not invalidate or render unenforceable such provision or application in any other jurisdiction. If any provision is held void, invalid or unenforceable with respect to particular circumstances, it shall nevertheless remain in full force and effect in all other circumstances.

9. No Waiver of Remedies. No delay or omission by either party to this Agreement 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.

10. Beneficiaries/References. The President shall be entitled, to the extent permitted under any applicable law, to select and change a beneficiary or beneficiaries to receive any compensation or benefit payable under this Agreement following the President’s death by giving the University written notice of such change. In the event of the President’s death or a judicial determination of the President’s incompetence, reference in this Agreement to the President shall be deemed, where appropriate, to refer to the President’s beneficiary, estate or other legal representative, as appropriate.
11. Miscellaneous. All section headings used in this Agreement are for convenience only. This Agreement may be executed in counterparts, each of which is an original.

12. Withholding. All payments under this Agreement shall be made subject to applicable tax withholding, and the University shall withhold from any payments under this Agreement all federal, state, and local taxes as the University is required to withhold pursuant to any law or government rule or regulation. The President shall be solely responsible for all federal, state, and local taxes due with respect to any payment received under this Agreement.

13. Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of Oregon without giving effect to any conflict of laws provisions.

14. Section 409A of the Internal Revenue Code. Notwithstanding anything herein or in the Contract to the contrary, no payments will be made or benefits provided under this Amendment or the Contract in violation of section 409A(2)(b)(i) of the Internal Revenue Code of 1986 (the “Code). The University will adopt such amendments to this Agreement as are necessary or appropriate to exempt the payments or benefits from section 409A of the Code or to modify such payments or benefits in a manner that maintains the value of this Agreement to the President to the maximum extent possible while remaining in compliance with section 409A of the Code.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have executed this Agreement as of the date first above written.

PRESIDENT

[Signature]

Rahmat A. Shoureshi

PORTLAND STATE UNIVERSITY

[Signature]

Peter D. Nickerson
Board Chair

[Signature]

David C. Reese
General Counsel and Secretary to the Board
The PSU Foundation acknowledges and agrees to its obligations under Sections 1.2(a) and (d).

Bill Boldt
President and CEO
Portland State University Foundation