



OFFICE OF THE PRESIDENT
501 Woodlane, Suite 600 | Little Rock, AR 72201 | o: 501-660-1000 | f: 501-660-1010

May 16, 2017

Dr. Kelly Damphousse
100 East Lindsey
Norman, OK 73072

Dear Dr. Damphousse,

I am writing to offer you the position of Chancellor ("Chancellor") at Arkansas State University ("University"). A formal contract will be prepared for your signature with the University which will set out all conditions of employment and which will be submitted to the Board of Trustees for final approval at the June 8, 2017, Board of Trustees meeting. We offer you this position pursuant to the following terms:

The term of your agreement is for three years beginning on July 1, 2017, and ending on June 30, 2020. You will receive an annual salary of \$360,000 per year that shall be paid with public and private funds. At the end of each year, you will be evaluated by the President of the Arkansas State University System. If you receive a satisfactory evaluation at the end of each year, your contract will be extended for one year.

The position also entitles you to deferred compensation which shall be paid with private funds. You will receive a deferred compensation payment annually each year beginning on July 1, 2018, in the amount of \$40,000. You will subsequently receive a deferred compensation payment in the amount of \$40,000 on July 1, 2019, and \$40,000 on July 1, 2020, and each subsequent year added to your contract. Your receipt of each deferred compensation payment is contingent on your receiving a satisfactory job performance evaluation from the President of the Arkansas State University System for each year the payment is due.

If you remain in the position of Chancellor on July 1, 2022, you will receive a longevity incentive payment in the amount of \$100,000, which shall be paid with private funds. This payment shall be contingent on your receiving a satisfactory job performance evaluation from the President of the Arkansas State University System for the time period preceding the date in which this payment is due.

You will be immediately granted tenure in the College of Liberal Arts and Communications as a full Professor of Sociology. In the event of resignation or non-reappointment as Chancellor, you may elect to return to a position as a full Professor of Sociology and receive compensation comparable to that of a twelve-month faculty member of the same rank. Following resignation or non-reappointment as Chancellor, you shall have six months to prepare to re-enter the classroom and to re-establish teaching materials and shall be paid during that six-month period at a salary comparable to that of a twelve-month faculty member of the same rank.

In addition to the above referenced terms, you will also be provided the following:

- Housing at a residence owned by the University located at 1503 East Nettleton, Jonesboro, Arkansas.
- A membership initiation fee and monthly membership fees to two country clubs located in Jonesboro, Arkansas. You will be responsible for any expenses over and above the initiation fee and monthly membership fees.
- A cellular telephone for business use pursuant to University Policy.
- An automobile to use for business purposes.
- Reimbursement for moving expenses from Norman, Oklahoma to Jonesboro, Arkansas that are substantiated by you by documentation compliant with current IRS rules and regulations.
- Scholarship opportunities and tuition discounts as authorized by Arkansas State University System policy for you, your spouse and your unmarried dependent children.
- Reimbursement for your travel expenses, hotel bills, and other necessary and proper expenses when you are traveling on University business, as provided by state law and the policies, rules, and regulations of the Arkansas State University System.
- 22.5 working days of paid annual leave.
- 12 days annually of sick leave.
- All benefits afforded faculty and staff members of the University including health insurance, life insurance and retirement plans.
- A one million dollar (\$1,000,000) life insurance policy at no cost to you shall be provided to you and payable to your Estate, or to a beneficiary designated by you. Costs for the life insurance policy shall be paid with private funds.

You agree that the ASU System President shall have the ability to terminate your contract for "just cause." The conditions for "just cause" termination shall be set out in the formal contract. If terminated for "just cause," the University's payments to you shall immediately cease and you will have 90 days to vacate the residence at 1513 Nettleton. This agreement shall also terminate immediately if you die or you become disabled to the extent that you are unable to perform the duties of this agreement.

Damphousse Offer Letter

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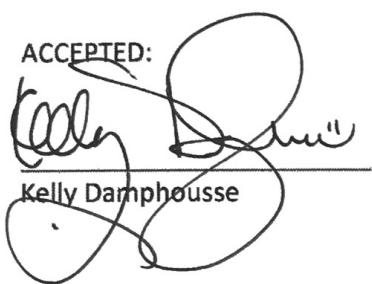
If this offer is acceptable to you, please indicate by signing below. I look forward to working with you in this new role and I want to be the first to congratulate you as our new Chancellor.

Sincerely,



Charles L. Welch

ACCEPTED:


Kelly Damphousse