

EMPLOYMENT AGREEMENT

BETWEEN

BOARD OF REGENTS OF THE

NEVADA SYSTEM OF HIGHER EDUCATION

AND

THOMAS (THOM) REILLY

CHANCELLOR EMPLOYMENT AGREEMENT

between

Board of Regents of the Nevada System of Higher Education,

and

Thomas (Thom) Reilly

This Chancellor Employment Agreement (this "Agreement") is effective as of June 26, 2017 (the "Effective Date"), contingent upon the approval of the Board of Regents of the Nevada System of Higher Education (the "Board of Regents" or "Employer"), by and between the Board of Regents of the Nevada System of Higher Education, and Thomas (Thom) Reilly (the "Chancellor" or the "Employee").

ARTICLE 1 – PURPOSE

The Board of Regents and Employee have entered into this Agreement because the Board of Regents desires to contract with the Employee to serve as the Chancellor of the Nevada System of Higher Education (the "System") for the period set forth in Article 3. The Board of Regents and the Employee agree that the Chancellor conducts professional activities under circumstances unique among System employees. The Employee desires to obtain the opportunities of employment with the Board of Regents which are set forth in this Agreement. For these reasons, the Board of Regents has agreed to employ the Employee and the Employee has agreed to be employed by the Board of Regents upon the terms and conditions set out in this Agreement.

ARTICLE 2 – PUBLIC DOCUMENT

The parties agree that this Agreement is a public document and that the Board of Regents may release copies of this Agreement to persons requesting the same.

ARTICLE 3 – TERM OF EMPLOYMENT, NOTICE OF NON-RENEWAL, MANDATORY BACKGROUND CHECK, AND EMPLOYEE'S CERTIFICATION OF TRUTH AND ACCURACY OF MATERIALS AND REPRESENTATIONS

3.1. Term of Employment.

The Employee's employment hereunder, subject to the approval of the Board of Regents of the Nevada System of Higher Education, shall be for a term of thirty-six (36) months and shall commence on August 7, 2017 and, except as otherwise provided herein, continue until this Agreement expires upon the close of business on August 7, 2020 (the "Term").

3.2. Notice of Non-renewal.

THE PARTIES TO THIS AGREEMENT EXPRESSLY UNDERSTAND AND AGREE THAT THE PROVISIONS OF THIS ARTICLE CONSTITUTE THE NOTICE TO THE EMPLOYEE OF THE NONRENEWAL OF EMPLOYMENT AND EMPLOYEE'S EMPLOYMENT WILL TERMINATE UPON THE CLOSE OF BUSINESS ON THE DATE SET FORTH IN THIS ARTICLE 3, AND THAT, NOTWITHSTANDING ANY PROVISION OF THE NEVADA SYSTEM OF HIGHER EDUCATION ("NSHE") CODE (BOARD OF REGENTS' HANDBOOK, TITLE 2) (HEREINAFTER, "NSHE CODE") TO THE CONTRARY, NO OTHER NOTICE OF NONRENEWAL OF EMPLOYMENT SHALL BE REQUIRED.

3.3. Initial and Supplemental Background Checks.

Employee is subject to a mandatory initial background check to be undertaken and completed within thirty (30) calendar days of the Effective Date of this Agreement (the "Initial Background Check"). Employee's academic degrees and credentials must be confirmed as part of the Initial Background Check. Employee's failure to pass the Initial Background Check to the satisfaction of the Board of Regents, in its sole and absolute discretion, invalidates and voids this Agreement and results in immediate termination for cause. Following initial employment, Employee is subject to and hereby consents to additional supplemental background check(s) related to pre-employment matters at the discretion of the Chair of the Board of Regents at any time during employment (each a "Supplemental Background Check)." Employee's failure to pass any Supplemental Background Check to the satisfaction of the Board of Regents,

in its sole and absolute discretion, for reasons that would constitute cause for discipline under Paragraph 6.1 or cause for termination of the contract, invalidates and voids this Agreement and results in immediate termination for cause. Employee does hereby certify and declare that Employee's application materials, including but not limited to resumes and curriculum vitae submitted in support of his candidacy for employment are true and accurate.

ARTICLE 4 – POSITION

4.1 Employment as Chancellor.

The Employee is hereby employed by the Board of Regents to serve in the position of Chancellor of the Nevada System of Higher Education ("NSHE"). Throughout the Term, the Employee shall use Employee's best full-time energies and abilities for the exclusive benefit and at all times in the best interests of the Board of Regents, NSHE, and the member institutions and units that make up NSHE.

4.2 Description of Employee's Responsibilities.

4.2.a. Recognition of Duties.

The Employee agrees to be a loyal employee of the Board of Regents. The Employee agrees to devote Employee's best efforts full-time to the performance of all duties for the Board of Regents and to give proper time and attention to furthering Employee's responsibilities and to comply with all rules, regulations, policies, and decisions established or issued by the Board of Regents and NSHE. The Employee agrees that, notwithstanding any provision of Article 5.6 herein, during the Term, Employee will not engage, directly or indirectly, in any business or investments that would materially detract from or interfere with Employee's ability to apply best efforts to the performance of all duties hereunder.

4.2.b. General Duties and Responsibilities of Employee.

During the Term, the Employee agrees to undertake and perform properly, efficiently, to the best of Employee's ability and consistent with the standards of the Board of Regents, and in accordance with the Board of Regents' *Handbook* and the NSHE *Procedures and Guidelines Manual*, all duties and responsibilities attendant to the position of Chancellor as set forth in Article 4.2.c below.

All standards, requirements and policies of the Board of Regents and NSHE shall also be observed by the Employee and members of Employee's staff at all times. As Chancellor, the Employee will publicly support the mission and policies of the Board of Regents and NSHE. Employee shall not exhibit any behavior that brings Employee, the Board of Regents, NSHE or any member Institution of NSHE into public disrepute, contempt, scandal or ridicule or any behavior that is unfavorable to the reputation or ethical standards of the Board of Regents or NSHE. In Employee's position as Chancellor, Employee is held directly accountable by the Board of Regents for these general responsibilities.

4.2.c. Duties and Responsibilities While Employed as Chancellor.

The duties and responsibilities assigned to the Employee in connection with the position of Chancellor are as set forth in the Board of Regents' *Handbook*, the NSHE *Procedures and Guidelines Manual* and as otherwise directed by the Board of Regents. Specific job duties and responsibilities, as set forth in the Board of Regents Bylaws, Article VII, Section 3, as may be amended from time to time, include, but are not limited to:

1. To promote a sound plan of organization in concert with the institution presidents to insure administrative efficiency, maximum utilization of resources, and to facilitate cooperation among the member institutions;
2. To be responsible, with the full cooperation and input of the institution presidents, for the planning processes of the NSHE;
3. To prepare in collaboration with the Board Chair and committee chairs the agendas for all meetings of the Board of Regents and its committees;

4. To be responsible for the presentation of all NSHE matters to the Governor's Office and the State Legislature;
5. To be responsible in collaboration with the Board Chair for official communication on behalf of the Board of Regents;
6. To establish the practices under which the financial administration of the NSHE will be conducted;
7. To assure that all budgets are executed in accordance with the intent of the Board of Regents and the Legislature;
8. To serve as contracting officer for NSHE and to execute all contracts and other instruments on behalf of the NSHE unless authority has been expressly retained by the Board of Regents or delegated elsewhere;
9. To provide for internal audits and assist the Board of Regents in the appointment of its independent auditors;
10. To recommend appointment of special counsel;
11. To be the appointing and evaluating authority of all professional personnel not assigned to a member institution;
12. To evaluate the annual performance of the president of each member institution in accordance with procedures established by the Board of Regents;
13. To participate in the periodic performance evaluation of the president of each member institution in accordance with procedures established by the Board of Regents; and
14. To discipline the presidents of the member institutions in accordance with procedures established by the Board of Regents.

4.3 Reporting Relationship.

The Employee shall report to the Board of Regents.

4.4 Annual and Periodic Performance Evaluations.

Employee's annual and periodic evaluation of performance of job duties and responsibilities shall be (a) performed in accordance with the provisions of the NSHE *Procedures and Guidelines Manual*, Chapter 2, Section 2, Subsections 4 and 5, as amended from time to time, and (b) conducted in a publicly noticed personnel session in compliance with the Nevada Open Meeting law. These evaluations also will take into account prior evaluations and the expectations and goals set for the Employee in such prior evaluations.

4.5 Presence at System Offices.

NSHE has offices located in Las Vegas and Reno. Employee shall provide oversight, management and control of each office and spend appropriate time at each office.

4.6 Compliance with all Policies and Procedures as Amended.

The Employee must comply with all policies and procedures of NSHE, and as they may be adopted or amended from time to time during the Term of this Agreement.

4.7 Teaching Opportunities.

Employee has extensive classroom experience teaching both undergraduate and graduate level courses in various disciplines at a number of institutions of higher education. Employee desires to continue teaching as his schedule permits. Therefore, during the Term of this Agreement Employee may teach a maximum of one undergraduate or graduate level course per semester at any System institution upon the invitation of the president of the institution ("Teaching Opportunities"). Teaching Opportunities shall not interfere with and shall be secondary to Employee's duties and obligations as Chancellor as described in Article 4.1 through 4.6. Employee is subject to and

shall abide by any applicable NSHE or institution policies and procedures governing the Teaching Opportunities. Employee shall receive no compensation from the System or any institution for the Teaching Opportunities.

ARTICLE 5 – COMPENSATION

In consideration for the promises Employee has made in entering into this Agreement, the Employee shall be entitled to the compensation as described below. All payments, including non-cash consideration and benefits are subject to normal deductions and withholding of all applicable state, local and federal taxes, including all provisions, regulations and guidelines of the Internal Revenue Code, and for any retirement or other benefits to which the Employee is entitled or in which Employee participates, are subject to the terms and conditions of Article 6 hereof concerning termination of this Agreement and Article 7 hereof concerning restrictions on competitive employment.

5.1 Base Salary, COLA/Merit, and Performance Adjustments.

5.1.a Base Salary.

The base salary paid to the Employee for all services and satisfactory performance of the terms and conditions of this Agreement shall be at the base rate of \$425,000.00 ("Base Salary") per fiscal year (a fiscal year begins on July 1 and ends the following June 30), prorated to the portion of the fiscal year the Employee is actually employed, and payable in equal monthly installments to the Employee on the first working day of each consecutive calendar month during the Term. Notwithstanding this Article 5.1, in the event there are salary reductions throughout the Nevada System of Higher Education for any fiscal year during the Term, Employee's salary shall be reduced by the same percentage and in the same manner as other employees of the NSHE through the mechanisms required by the Board of Regents, such as, for example, pay cuts and unpaid leave days.

5.1.b COLA/Merit.

Employee is not eligible for any Cost of Living (COLA) or merit pay increases and Employee waives any claim for COLA or merit pay increases granted by the Nevada State Legislature for state employees and authorized for System employees by the Board of Regents.

5.1.c Performance Adjustment.

As part of Employee's annual or periodic evaluations as set forth in Article 4.4, the Board of Regents may, in its sole and absolute discretion, (a) award Employee an increase in Base Pay of up to five percent (5%), or (b) reduce Employee's Base Pay by up to five percent (5%), based on the Board's determination of Employee's performance (each a "Performance Adjustment"). Any such Performance Adjustment shall take effect July 1 of each year following Employee's annual or periodic evaluation.

5.2 Fringe Benefits.

Except as provided herein, the Employee shall be entitled to the standard fringe benefits provided to all other professional employees of the NSHE including, but not limited to, retirement contributions based upon the Base Salary paid pursuant to Article 5.1 of this Agreement, insurance, annual and sick leave.

5.3 Initial Employment Allowance and Expenses

Employee shall receive a one-time payment equivalent to one-twelfth (1/12th) of the Base Salary set forth in Article 5.1.a for the purpose of compensating Employee for moving, relocation, and related expenses (the "Initial Employment Allowance"). No other payments or reimbursements will be made for moving, relocation, and related expenses incurred by Employee.

Reimbursement to the Employee for all travel and out-of-pocket expenses reasonably incurred for the purpose of and in connection with the performance of Employee's duties under this Agreement, shall be made in accordance with standard reimbursement rates and procedures of the NSHE upon presentation to the Board Chair of standard travel reimbursement forms, vouchers or other statements itemizing such expenses in reasonable detail. For purposes of this section, Employee's primary residence shall be Las Vegas, Nevada and Employee's eligibility for reimbursement for travel and other out-of-pocket expense shall be based on such primary residence.

5.4 Automobile Allowance.

While serving as Chancellor, an automobile allowance shall be provided in recognition of the requirements of this position and paid in lieu of furnishing an automobile. Employee's automobile allowance shall be \$8,000.00 per fiscal year, paid in equal monthly installments and prorated for partial months of service, which shall be in lieu of reimbursement for use of a private vehicle on official business within a fifty-mile radius of the Employee's primary residence.

5.5 Host Account.

Employee shall have the use of an annual host account of \$10,000.00 per fiscal year only while serving as the Chancellor. The host account for partial fiscal years of service as the Chancellor will be prorated. Expenditures from the host account must conform to policies established by the Board of Regents. Host account funds may be used to pay for transportation, lodging, and meal expenses (in accordance with the standard state reimbursement rates) of appointee's spouse, companion or domestic partner when appointee's spouse, companion or domestic partner is expected to accompany appointee to events outside the fifty-mile radius from home for the purpose of assisting appointee in representing the NSHE. Out-of-state travel by appointee's spouse, companion or domestic partner will require prior approval by the Board Chair.

5.6 Outside Activities/Conflicts of Interest/Competing Organizations.

5.6.a Board Chair's Approval Required.

Employee acknowledges that the Conflict of Interest/Outside Professional or Scholarly Services Policies set forth in Title 4, Chapter 3, Section 8 of the *Handbook* and all related rules and procedures thereunder apply to Employee during the Term of this Agreement. Consistent with such policies, Employee agrees for the Term not to serve, directly or indirectly, as an employee or otherwise, as a director, executive, advisor and/or consultant, nor perform related services for any organization, club or group, with or without compensation, without the prior written consent of the Board Chair, which consent can be withheld in the Board Chair's sole and absolute discretion. During the Term of this Agreement, Employee shall not make or continue to hold any investment in or be associated with any enterprise, which could be deemed to be competitive or in conflict with the objectives and philosophies of the Board of Regents, NSHE, or any member Institution of NSHE, without first having obtained the written approval of the Board Chair, which approval may can be withheld in the Board Chair's sole and absolute discretion.

5.6.b Disclosures.

For purposes of Article 5.6.a, Employee discloses that he is the principal owner of The Reilly Group; a Nevada based consulting company focused on public sector and non-profit governance. Employee represents and warrants that, during the Term of this Agreement, The Reilly Group will cease all operations. Employee also discloses, for purposes of Article 5.6.a, that he is now and may remain during the Term of this Agreement (a) a tenured Professor of Public Affairs at Arizona State University, and (b) an Emeritus Professor of Social Work at San Diego State University (collectively the "Professorships"). During the Term of this Agreement, Employee represents and warrants that he will receive no compensation or other remuneration for the Professorships and that the Professorships will not affect the independence of his judgment and performance of his duties and obligations as Chancellor under this Agreement.

5.6.c NSHE is Not Liable.

ANY ARRANGEMENTS FOR OUTSIDE COMPENSATION OR OUTSIDE ACTIVITIES AUTHORIZED UNDER ARTICLE 5.6.a ARE INDEPENDENT OF THE EMPLOYEE'S NSHE EMPLOYMENT, AND THE EMPLOYEE HEREBY RELEASES NSHE, ITS REGENTS, OFFICERS, EMPLOYEES AND AGENTS FROM ANY LIABILITY, DAMAGES OR CLAIMS IN ANY WAY RELATED TO OR ARISING FROM ANY OUTSIDE ACTIVITIES.

5.7 Compliance with State and Federal Laws.

Employee is subject to and must comply with all applicable state and federal laws and regulations, including but not limited to the financial disclosure requirements in accordance with NRS 281.559, and the provisions of the state Code of Ethical Standards set forth in NRS 281A.400-NRS 281A.440.

ARTICLE 6 – DISCIPLINE AND TERMINATION

6.1 Discipline and Termination.

The Employee recognizes that Employee's promise to remain as Chancellor through the entire Term is of the essence of this Agreement to the Employer. It is also recognized, however, that certain circumstances may make it appropriate for Employer to terminate this Agreement prior to the completion of its entire Term, as follows:

6.1.a Termination Without Cause.

Employee serves at the pleasure of the Board of Regents and at any time after commencement of this Agreement, the Board of Regents, for its own convenience, may terminate this Agreement. Upon such termination, the Employee shall continue to receive on a monthly basis the Base Salary set forth in Article 5.1.a for the Term of this Agreement, but Employee shall not receive, nor be entitled to, any other payments or remuneration of any kind, including, without limitation, any automobile allowance, host account, or other amounts set forth in this Agreement, including Article 5. In addition, upon such termination, the Employee shall not receive any payments for host account, other perquisites, salary supplements, bonuses, deferred compensation, or any payments funded by a Foundation.

6.1.b Duty to Mitigate.

In the event this Agreement is terminated as provided in Article 6.1.a, Employee shall mitigate Employer's payment obligation by making reasonable and diligent efforts to obtain new employment; such new employment includes, but is not limited to, a return to any tenured or non-tenured faculty position or position in administration or consulting provided to any school, college, university, or system of higher education (collectively an "Academic Position"). Failure to reasonably and diligently seek employment, or return to any Academic Position available to Employee, shall relieve Employer of its obligation under Article 6.1.a. After Employee obtains such new employment, Employer's payment obligation under 6.1.a shall be reduced by the salary or other monetary consideration paid to Employee for such new employment.

6.1.c Automatic Termination upon Death or Disability of Employee.

This Agreement terminates upon the Employee's death. Notwithstanding any provision of the NSHE Code to the contrary, in addition to any benefits which may be paid to the estate of the deceased Employee from insurance, retirement or any other source, Employer shall pay to the Employee's estate the Employee's salary through the day death occurred, plus any earned, accrued but, unused annual leave, if applicable under NSHE policies, together with one-twelfth (1/12th) of the Employee's base salary.

Upon total or permanent disability of the Employee, within the meaning of the NSHE's disability insurance for employees, the Employee is required to first use all unused, accrued sick leave and, if applicable, annual leave or other leave authorized under NSHE policies. Upon the expiration of such leave or the period of six (6) months, whichever comes last, this Agreement shall automatically terminate.

6.1.d Employee Subject to Discipline and Termination for Cause.

Employee is subject to disciplinary action, up to and including termination for cause, by the Board of Regents in accordance with the provisions of this Agreement, based on the following:

1. Failure to perform the duties for which the Chancellor is employed, including, without limitation those set forth in Title 1, Article VII, Section 3 of the Board of Regents Bylaws;
2. Insubordination, which means disobedience of a lawful order given by the Board of Regents;
3. Falsification of employment applications or documents submitted to the NSHE or making false or fraudulent representations in securing employment;
4. Intentional misrepresentation of a material fact that has a substantial adverse impact on NSHE or any of its member institutions;
5. Conviction of any criminal act involving moral turpitude;

6. Being under the influence of intoxicants, or without a medical excuse, being under the influence of controlled substances as defined in the Nevada revised Statutes, while on duty, due consideration given to NRS 284.406-407;
 7. Unauthorized absence from duty or abuse of leave privileges;
 8. Personal or professional conduct which shows that the Chancellor is unfit to remain in the position;
- and
9. Breach by Employee of the covenant of confidentiality contained in Article 7.1, below.

In addition to the prohibited activities set forth above Employee acknowledges and agrees that discipline may also be based upon any breach of any the terms of this Agreement, and any violation of the policies and procedures of the Board of Regents.

6.1.e Employer's Obligations Upon Termination for Cause.

In the event this Agreement is terminated for cause, as of the effective date of such termination all of Employer's obligations to Employee under this Agreement subsequent to that date shall cease, including, without limitation, Employer's obligation to pay any compensation. In no case shall Employer be liable to Employee for the loss of any collateral or outside business opportunities or any other benefits, perquisites or income resulting from activities such as, but not limited to, consulting relationships or from any other source whatsoever.

6.2 Termination by Employee.

6.2.a. Termination for Convenience of Employee.

The Employee understands that Employee's promise to remain employed as President for the entire Term is of the essence of this Agreement to the Employer. The Employee also understands that Employer is making a highly valuable investment in Employee's continued employment by entering into this Agreement and that its investment would be lost were Employee to resign or otherwise terminate employment with Employer prior to the expiration of this Agreement. In recognition of these understandings, the parties agree that while the Employee may, nevertheless, terminate this Agreement prior to its normal expiration, such termination shall be only upon the following terms and conditions:

6.2.a.1. Written Notice of Termination.

The Employee, for Employee's own convenience, may terminate this Agreement during its Term by giving prior written notice to Employer. Such termination shall be effective no earlier than sixty (60) calendar days after receipt of the written notice unless otherwise agreed to by the parties in writing.

6.2.a.2. Liquidated Damages.

If the Employee terminates this Agreement for convenience, all obligations of Employer shall cease as of the effective date of the termination, and, if the effective date of the termination is within twelve (12) months following the Effective Date, the Employee or Employee's designee shall pay to the Employer, as liquidated damages and not a penalty, the sum of \$100,000.00 which shall be due and payable within twenty (20) calendar days of the effective date of the termination, or as otherwise agreed in accordance with a payment schedule agreed upon by the Chair of the Board of Regents. Any unpaid amount of liquidated damages shall bear simple interest at a rate of eight percent (8%) per annum until paid.

6.2.b. Effect of Termination by Employee.

If the Employee terminates this Agreement for convenience as provided in this Article 6.2 prior to its expiration, all compensation and other obligations owed by Employer to Employee under this Agreement will be terminated on the effective date of the Employee's termination, except such sums as are earned by and are still owing to the Employee prior to the effective date of the Employee's termination. The provisions of this Article 6.2 shall be without prejudice to any right Employer may have under applicable law. In no case shall Employer be liable to the Employee for the loss of any collateral business opportunities resulting from termination under this Article 6.2.b.

ARTICLE 7 – RESTRICTIVE COVENANTS**7.1 Confidential Information.**

The parties agree that in the course of employment, Employee will have access to confidential information regarding the NSHE and its member institutions, including, without limitation, donor lists and donor information, which could be used by other others to the disadvantage of the NSHE and its member institutions. Employee shall not provide, and is prohibited from providing, any such confidential information to any third party outside of NSHE or to other institutions, their employees, agents or representatives. A breach of this Article 7.1 by Employee shall constitute cause to termination this Agreement under Article 6.1.e.

7.2 Other Employment Opportunities.

The parties agree that should another employment opportunity be presented to the Employee or should the Employee be interested in another position as Chancellor, President or other executive level position at any college, university, institution, or system of higher education, the Employee shall immediately notify the Chair of the Board in writing of such opportunity or interest.

ARTICLE 8 – MISCELLANEOUS**8.1 Choice of Law and Venue.**

It is the intent of the parties hereto that this Agreement shall be governed by and construed in accordance with the laws of the State of Nevada and the laws of the State of Nevada shall govern the validity, performance and enforcement of this Agreement. Any and all disputes arising out of or in connection with this Agreement shall be litigated in a court of competent jurisdiction in Clark County, State of Nevada, and the parties hereby expressly consent to the jurisdiction of said court.

8.2 Assignment of Agreement.

The Employee's rights and interests under this Agreement may not be assigned, pledged or encumbered by the Employee.

8.3 Merger Clause.

THIS AGREEMENT CONSTITUTES THE FULL AND COMPLETE UNDERSTANDING OF THE PARTIES WITH RESPECT TO THE EMPLOYMENT OF THE EMPLOYEE AND SUPERSEDES ALL PRIOR UNDERSTANDING AND AGREEMENTS, ORAL OR WRITTEN, REGARDING THE EMPLOYEE'S EMPLOYMENT BY THE BOARD OF REGENTS.

8.4 Amendments to Agreement.

This Agreement may be amended at any time only by a written instrument duly approved by the Board of Regents of the Nevada System of Higher Education, and executed on behalf of the Board of Regents by the Chair of the Board and the Employee.

8.5 Severability.

If any provision or provisions hereof shall be deemed invalid or unenforceable, either in whole or in part, this Agreement shall be deemed amended to delete or modify, as necessary, the offending provision or provisions or to alter the bounds thereof in order to render it valid and enforceable.

8.6 No Waiver of Default.

No waiver by the parties hereto of any default or breach of any covenant, term or condition of this Agreement shall be deemed to be a waiver of any other default or breach of the same or any other covenant, term or condition contained herein.

8.7 Acknowledgement.

The Employee acknowledges that Employee has read and understands the provisions of this Agreement and that such provisions are reasonable and enforceable and Employee agrees to abide by this Agreement and the terms and conditions set forth herein. Employee acknowledges having had the opportunity to consult with counsel of Employee's choice regarding the provisions of this Agreement prior to signing it.

8.8 Indemnification

The Employee agrees to hold harmless and indemnify the Employer and Employer's officers, employees and agents from any and all suits, claims, demands, damages, liability, costs and expenses, including attorneys' fees and costs, arising out of the Employee's performance of acts outside the scope of this Agreement, or for acts in pursuit of outside income as permitted by this Agreement, except such suits, claims or demands in which the Employee seeks to compel Employer to comply with its obligations hereunder or in which the Employee seeks to enforce any remedies Employee may have hereunder. This Article 8.8 shall survive the termination for any reason of this Agreement.

8.9 Employer Retains All Materials and Records.

All materials or articles of information including, without limitation, all documents, records, material or data, furnished to the Employee or developed by the Employee in connection with the Employee's employment hereunder, are and shall remain the sole property of the Employer. This Article 8.9 shall survive the termination for any reason of this Agreement.

8.10 Employee Will Not Incur Indebtedness.

It is mutually agreed and understood that the Employee shall not incur any indebtedness for or on behalf of NSHE except in accordance with the policies and procedures established by the Board of Regents.

8.11 Government Immunity Not Waived.

It is expressly agreed and understood between the parties that Employer is an entity of the State of Nevada and that nothing contained herein shall be construed to constitute a waiver or relinquishment by the Employer of the right to claim such exemption, privileges and immunities as may be provided by law.

8.12 Notice.

Any notice or communication which may or is required to be given under this Agreement shall be in writing and shall be deemed to have been given on the earlier of either the day actually received or on the close of business on the third business day following the day when deposited in the United States Mail, postage prepaid, registered or certified, addressed to the party at the address set forth at its name below or such other address as may be given by such party in writing to the other:

If to the Employee:

Thom Reilly

With a copy to:

If to the Board of Regents:

Chair of the Board of Regents
2601 Enterprise Road
Reno, Nevada 89512

and

4300 S. Maryland Parkway
Las Vegas, Nevada 89119

With a copy to:

Chief of Staff and Special Counsel
4300 Maryland Parkway
Las Vegas, Nevada 89119

8.13 Applicability of Nevada System of Higher Education Code.

Except as expressly stated herein, the provisions of the Nevada System of Higher Education Code, Title 2 of the NSHE Board of Regents' *Handbook*, as may be amended from time to time during the Term, are incorporated in this Agreement.

8.14 Captions.

All captions in this Agreement are included for convenience only and do not constitute, nor are incorporated in, the terms and conditions of this Agreement.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused this Agreement to be executed, intending to be legally bound by its provisions upon approval of the Board of Regents of the Nevada System of Higher Education, the Employee acknowledging that Employee has had an opportunity to review this Agreement with Employee's attorney.

BOARD OF REGENTS OF THE NEVADA SYSTEM
OF HIGHER EDUCATION

EMPLOYEE

By: _____

By: _____

Date: _____

Date: _____