

SEPARATION AGREEMENT AND GENERAL RELEASE

This Separation Agreement and General Release ("Agreement") is entered into this the 23rd day of April, 2012, by and between the Board of Trustees of State Institutions of Higher Learning ("Board") and Martha D. Saunders ("Dr. Saunders") for the purposes described herein. In exchange for the mutual promises and benefits contained in this Agreement and the release of claims as set forth below, the Board and Dr. Saunders agree as follows:

- 1) This Agreement shall not be in any way construed as an admission by the Board that it has acted wrongfully with respect to Dr. Saunders or any other person or entity, or that Dr. Saunders has any rights whatsoever as against the Board beyond those recited herein. Further, the Agreement shall not be in any way construed as an admission by Dr. Saunders that she has acted wrongfully with respect to the Board or any other person or entity, or that the Board has any rights whatsoever as against Dr. Saunders beyond those recited herein.
- 2) Dr. Saunders shall resign as President of the University of Southern Mississippi (USM) effective June 30, 2012 and the Board agrees to accept Dr. Saunders' resignation. Such resignation terminates the employment contract between the Board and Dr. Saunders as President of USM as of the effective date of such resignation. The parties hereto also agree that Dr. Saunders will not make or order any USM personnel decisions from the date of execution of this Agreement and will coordinate transitional-related duties with the interim USM President.
- 3) The USM President's home shall be vacated by Dr. Saunders and her family by June 30, 2012.
- 4) Dr. Saunders will be permitted to continue to utilize University-issued equipment. She shall provide notice listing the individual items which are to be properly transferred in the USM inventory and return all such equipment to USM upon final termination of employment at USM.
- 5) The Board hereby agrees that as of July 1, 2012, Dr. Saunders shall be employed full-time as a non-tenured professor in her discipline at the USM Gulf Coast Campus and shall report to the USM Vice President in charge of the Gulf Coast Campus. Nothing in this Agreement shall preclude Dr. Saunders from seeking tenure pursuant to the USM policy on tenure. A portion of the annual salary to be paid to Dr. Saunders as compensation for her faculty position shall be in the amount of one hundred ten thousand dollars (\$110,000.00). Dr. Saunders' new faculty employment contract will be renewed, at her option, for up to two additional one year terms, provided the Commissioner of Higher Education determines that Dr. Saunders has complied with performance and policy standards applicable to USM faculty and with all terms set out in this Agreement. In the event that the Commissioner determines that Dr. Saunders has not complied with the performance and/or policy standards applicable to USM faculty and/or has not complied with the terms of this Agreement, Dr. Saunders may seek a review by the Board of such determination. The parties expressly agree that the policies of USM and the Board, regarding the process for the non-renewal of faculty contracts and regarding the notice that must be provided in order to non-renew a faculty employment contract, do not apply to the non-renewal process for the two additional one year terms referenced within this paragraph.

- 6) As part of her faculty contract, and in addition to duties as a full-time faculty member, Dr. Saunders shall develop strategies and detailed plans for recruitment at the USM Gulf Coast Campus. She shall also be responsible for other related administrative duties as assigned by the Commissioner of Higher Education. As compensation for these "special duties", Dr. Saunders shall be paid an additional amount of salary in the amount of forty thousand dollars (\$40,000.00) for year one, and if renewed, in the amount of twenty-five thousand dollars (\$25,000.00) for years two and three.
- 7) Further, Dr. Saunders may enter into a contractual agreement with the USM Foundation to assist, as coordinated by the interim and/or new USM President, in securing gifts and donations to the USM Foundation. These duties shall be performed for a period from July 1, 2012 through December 31, 2012. As compensation for these additional duties, the Board grants its consent and permission for the USM Foundation to so contract with Dr. Saunders in the amount of seventy thousand dollars (\$70,000.00) to be paid on or before December 31, 2012. In the event the USM Foundation does not approve such a contract, the parties will work in good faith to collaboratively identify other possible sources for payment of the \$70,000.00 in additional compensation. Further, Dr. Saunders expressly grants permission for the Commissioner to communicate with any Foundation representative(s) as necessary regarding her separation from the position of President of USM and the approval of such a contract. After December 31, 2012, Dr. Saunders may enter into separate contractual service agreements with the USM Foundation, subject to the approval of the interim and/or new USM President.
- 8) For the 2012-2013 academic year, Dr. Saunders will spend the fall semester in preparation for the resumption of teaching duties, including course preparation and curriculum development as well as performance of the "special duties" defined in paragraphs 6) and 7) above, and shall resume teaching duties in January 2013 unless otherwise directed by the USM Vice President of the Gulf Coast Campus or the Commissioner of Higher Education.
- 9) The parties agree that Dr. Saunders and the Commissioner shall issue the following announcement at a time to be mutually determined following execution of this Agreement:

"After five of the most professionally enriching years of my career, I have decided to step down as President of the University of Southern Mississippi for personal reasons. It has been an honor to serve with you as we, together, have moved our beloved University forward to record enrollments, increased private giving, and exciting new building projects. I believe I am leaving Southern Miss better than I found it and look forward to being part of its future as a member of the faculty."

- 10) On behalf of herself, her heirs, administrators, executors and assigns, Dr. Saunders hereby fully, completely and unconditionally releases, acquits and forever discharges, subject to the Board's fulfillment of its obligations under this Agreement, the Board of Trustees of State Institutions of Higher Learning, past, present and future individual members thereof, in both their official and individual capacities, the University of Southern Mississippi and the State of Mississippi, and any and all past, present and future officials, officers, trustees, directors, employees, staff, administrators, faculty, agents, and partners of said Board, USM, and the State of Mississippi, in their official and individual capacities (hereinafter collectively referred to as "Releasees") from any and all past and present claims, demands, obligations, actions, causes of action, costs, expenses, compensation and


damages of every kind and nature whatsoever, state and federal, whether created by common law, statute or otherwise, which Dr. Saunders has, may have, or claims to have, whether known or unknown, anticipated or unanticipated, caused by, resulting from, arising out of or relating to Dr. Saunders' employment with said Board as President of USM and/or the ending of such employment with the Board as President of USM, except with respect to any breach of this agreement.

- 11) Dr. Saunders agrees not to bring any administrative or legal action against any of the Releasees for any claim released under this Agreement and Dr. Saunders represents and warrants that no such action has been filed to date. Dr. Saunders further agrees that should she bring any type of administrative or legal action arising out of the claims released by this Agreement, she will bear all legal fees and costs, including those of Releasees.
- 12) On behalf of itself, its administrators, trustees and successors in interest, the Board hereby fully, and completely releases, acquits and forever discharges Dr. Saunders, in both her individual and official capacities, from any and all past and present claims, demands, obligations, actions, causes of action, costs, expenses, compensation and damages of every kind and nature whatsoever, state and federal, whether created by common law, statute or otherwise, which the Board has, may have or claims to have, whether known or unknown, anticipated or unanticipated, caused by, resulting from, arising out of or relating to Dr. Saunders' employment with the Board as President of USM and/or the ending of such employment with the Board as President of USM, except with respect to any breach of this Agreement.
- 13) The Board agrees not to bring any legal action against Dr. Saunders for any claim released under this Agreement and the Board represents and warrants that no such action has been filed to date. The Board further agrees that should it bring any type of administrative or legal action arising out of the claims released under this Agreement, the Board will bear any such legal fees and costs associated therewith.
- 14) It is the intent of the parties not to disparage each other. The parties hereto recognize that while some explanation of the separation from the position of President of USM may be required, each party pledges to do so only as they in good faith believe is necessary and in a manner that they, in their own judgment, believe is not intended or designed to unnecessarily reflect adversely on the other party. Further, it is the intent of the parties not to unnecessarily reveal any details of this Agreement that would in any manner impinge on Dr. Saunders' privacy. While we recognize that some explanation of the terms may be required, each party pledges to do so only as they in good faith believe necessary and in a manner that they, in their judgment, believe is not intended or designed to unnecessarily reflect adversely on the other party, and in a manner that is in keeping with the language of the announcement contained in paragraph nine herein.
- 15) This Agreement shall be binding on the parties hereto and upon their heirs, administrators, representatives, executors, successors and assigns and shall inure to their benefit and to that of their heirs, administrators, representatives, executors, successors and assigns.
- 16) As additional consideration for this Agreement, Dr. Saunders shall cooperate fully with the Board in its defense of or other participation in any administrative, judicial or other proceeding arising from any charge, complaint or other action which has been or may be filed as against USM, the Board, its members, administrators, employees, staff, faculty, agents, and partners. The provisions of this Agreement are severable. If any provision of this Agreement is held to be invalid or unenforceable, it

shall not affect the validity or enforceability of any other provision. Notwithstanding the foregoing, if the provision held to be invalid or unenforceable is one which relates to the consideration provided or to be provided to Dr. Saunders pursuant to the Agreement, then such provision shall not be severable and the remaining provisions of the Agreement shall also be unenforceable and of no further force and effect.

- 17) This agreement sets forth the entire agreement between Dr. Saunders and the Board and supersedes any prior, oral or written, agreements or understandings between Dr. Saunders and the Board concerning the subject matter of this Agreement. This Agreement may not be altered, amended or modified, except by further written document signed by Dr. Saunders and the Commissioner of Higher Education on behalf of the Board.
- 18) Dr. Saunders represents that she fully understands her right to review all aspects of this Agreement with an attorney of her choice, that she has had the opportunity to consult with an attorney of her choice, that she has carefully read and understands all of the provisions of this Agreement and that she is freely, knowingly and voluntarily entering into this Agreement.
- 19) In signing this Agreement, Dr. Saunders agrees and acknowledges waiver of any right or benefit which she currently has or may have under her employment contract with the Board as President of USM, to the fullest extent that she may lawfully waive any such claims and benefits, pertaining to such employment contract as President of USM, and which is the subject matter of this general release.
- 20) In the event that either party hereto breaches any of her or its obligations under this Agreement, any outstanding obligations of the non-breaching party hereunder shall immediately terminate. Therefore, the parties mutually agree that if Dr. Saunders breaches any term of this Agreement, she hereby willingly represents and agrees that her then employment with the Board at any state university within the State of Mississippi shall be terminated for cause.

IN WITNESS WHEREOF, the Board's President, on behalf of the Board, and Dr. Saunders have executed this Agreement as of the 23rd of April, 2012.


On Behalf of the Board, Ed Blakeslee, President


Dr. Martha D. Saunders