

EMPLOYMENT SEPARATION AGREEMENT AND
GENERAL RELEASE

This EMPLOYMENT SEPARATION AGREEMENT AND GENERAL RELEASE ("Separation Agreement") is made and entered into by and between Dr. Hamid Shirvani ("Shirvani") and the North Dakota State Board of Higher Education, and its successors, assigns, affiliates, subsidiaries, and related entities ("NDUS" or "North Dakota State Board of Higher Education"). In the event the North Dakota Board of Higher Education is dissolved or otherwise eliminated by constitutional amendment or otherwise, it is agreed that all obligations under this Separation Agreement shall remain owing to Shirvani. Any dissolution or elimination of NDUS will not affect the validity or enforceability of this Separation Agreement.

WHEREAS, Shirvani executed a North Dakota State Board of Higher Education Chancellor Contract ("Chancellor Contract") with the North Dakota State Board of Higher Education on March 25, 2012.

WHEREAS, Shirvani has served as Chancellor of the North Dakota University System from July 1, 2012 and continues to serve as such;

WHEREAS, Shirvani has requested that he be allowed to go on administrative leave from July 15, 2013 through January 2, 2014, and that request has been approved. During the period of the administrative leave, Shirvani will have no responsibilities under his Chancellor Contract, but will continue in his appointed roles as Commissioner of WICHE (Western Interstate Commission for Higher Education), MHEC (Midwestern Higher Education Compact), and SHEEO (State Higher Education Shirvani Officers Association). During the administrative leave, Shirvani will serve as a consultant for NDUS, and will reasonably cooperate when requested to provide information. Shirvani's consulting duties include, but are not limited to, reasonably providing his full cooperation and assistance during the transition to a new Chancellor whenever he/she is hired by NDUS. During the period of administrative leave, Shirvani will continue to receive his full regular salary and benefits as provided for in his Chancellor Contract.

WHEREAS, at the conclusion of the administrative leave on January 2, 2014, Shirvani will cease being an officer of and employed by the North Dakota University System;

WHEREAS, NDUS and the Shirvani desire to enter into this Agreement to effect the termination of Shirvani's employment with NDUS on mutually agreeable terms and conditions set forth herein;

NOW, THEREFORE, the parties agree as follows:

1. Separation Date. Effective as of the close of business on January 2, 2014 (the "Separation Date"), Shirvani's Chancellor Contract with the North Dakota University System shall terminate, and his employment with the North Dakota University System will end, subject to the terms of this Agreement.

2. Consideration. As consideration for Shirvani's promises and obligations under this Agreement, and subject to the terms hereof, and as provided for in the Chancellor Contract, NDUS agrees to provide Shirvani, the following consideration:

(a) Compensation.

- (i) Salary and Benefits. Continuation of Shirvani's full salary and benefits as provided in the Chancellor's Contract through June 30, 2015, including, but not limited to, (1) a contribution to Shirvani's TIAA-CREF 401(a) account of eleven-and-a-half percent (11.5%) of his salary until January 1, 2014, and then of twelve-and-a-half percent (12.5%) of his salary through June 30, 2015; (2) continued participation for Shirvani and his eligible dependents in North Dakota's uniform health insurance program; (3) continuation of Shirvani's salary; (4) a four-percent (4%) salary increase effective July 1, 2013 and an additional three-percent (3%) salary increase effective July 1, 2014 less deductions and withholdings for state and federal taxes. This Compensation shall be paid to Shirvani in accordance with NDUS's normal payroll practices.
- (ii) Compensation Not Affected By Other Employment. The Compensation provided to Shirvani under this Separation Agreement will not be affected in the event Shirvani enters into another position at any point in time up to and including June 30, 2015.

3. 409A Compliance. This Agreement & Release is intended to comply with the requirements of section 409A ("Section 409A") of the Internal Revenue Code of 1986, as amended ("Code"), insofar as it relates to amounts subject to Section 409A, and this Agreement & Release will be construed and administered accordingly. To the extent that any provision hereof is modified in order to comply with or be exempt from Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to Shirvani of the applicable provision without violating the provisions of Section 409A. Each payment under this Agreement & Release shall be treated as a separate payment for purposes of Section 409A.

4. Mutual Release of Claims. In exchange for compensation paid or other inducements made under this agreement, Shirvani voluntarily and unconditionally renounces all claims and rights against NDUS, the North Dakota State Board of Higher Education, the State of North Dakota, and all of its related organizations, including but not limited to past and present employees, directors, and Board members, both individually and in their representative capacities, arising directly or indirectly from Shirvani's employment. This release includes claims for violations of the North Dakota Human Rights Act (N.D.C.C. ch. 14-02.4), Title VII of the 1964 Civil Rights Act, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, and other federal, state, or other local civil rights laws based upon age, sex, disability, protected activity, or other protected class status, constitutional or statutory violation, breach of contract, constructive discharge, fraud or misrepresentation, defamation, intentional or negligent infliction of emotional distress, breach of any covenant of good faith and fair dealing which may exist, promissory estoppel, negligence, or other breach of duty, wrongful

termination of employment, retaliation, harassment, breach of public policy, and any other claims from unlawful employment practices, whether legal or equitable. Shirvani also waives all rights under Section 9-13-02 of the North Dakota Century Code. Shirvani agrees not to bring any lawsuits, institute any claim or action for damages, or otherwise authorize any party or entity to institute any claim or action for damages in violation of the terms of this paragraph. Employee also waives any right to money damages or other relief inconsistent with this Release which is awarded by a governmental agency or awarded as the result of any action or proceeding instituted by a governmental agency related to Shirvani's employment.

If Shirvani is sued by any person or entity released by this paragraph other than the North Dakota State Board of Higher Education, he retains the right to bring a counterclaim against any such person or entity (but not the State Board of Higher Education), but only if they first initiate suit against him.

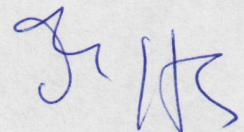
This Separation Agreement shall not be construed to prohibit Shirvani from filing a charge with the Equal Employment Opportunity Commission (EEOC) or any other government agency or from fully cooperating in any investigation, proceeding, or action instituted by the EEOC. However, Shirvani releases the rights to file a court action and to seek individual remedies or damages in any EEOC-sponsored court action to the extent inconsistent with this Release.

NDUS hereby forever releases and discharges Shirvani and his heirs, successors, assigns, agents, representatives, attorneys and advisors, jointly and severally, from any and all claims, to the fullest extent permitted by law, including, but not limited to, the Chancellor's Contract, Shirvani's employment by NDUS or his separation from NDUS, and all other losses, liabilities, charges, demands, claims and causes of action arising directly or indirectly out of Shirvani's employment with NDUS. NDUS expressly acknowledges that it is receiving consideration for the foregoing release and waiver that is in addition to anything of value to which it is already entitled from Shirvani.

Notwithstanding the foregoing, this Mutual release shall not apply to the obligations set forth in this Separation Agreement.

5. Consideration Period. Under the Age Discrimination in Employment Act, Shirvani has the right to have the terms of this Agreement open for acceptance by Shirvani for a period of twenty-one (21) days, during which time he may consider whether to accept this Agreement and may seek advice of counsel. Shirvani agrees that any changes to this Agreement, whether material or immaterial, will not restart the running of this twenty-one (21) day acceptance period.

6. Rescission Rights. Shirvani is entitled to rescind this Separation Agreement as it extends to potential claims under the Age Discrimination in Employment Act, 29 U.S.C. §§ 621, *et seq.*, by informing NDUS of his intent to revoke this Separation Agreement within seven (7) calendar days after his signing of this Separation Agreement. Any such rescission must be made in writing and delivered by hand or by certified mail, return receipt requested, postmarked on or before the last day of the 7-day period to the Kirsten Franzen, NDUS Compliance Officer.



If Shirvani exercises his right to rescind, NDUS may, at its option, either nullify this Separation Agreement in its entirety, or keep it in effect in all respects other than as to that portion of the Separation Agreement Shirvani has rescinded. If NDUS chooses to nullify the Separation Agreement in its entirety, NDUS will have no obligations under this Separation Agreement to Shirvani or to any others whose rights derive from Shirvani.

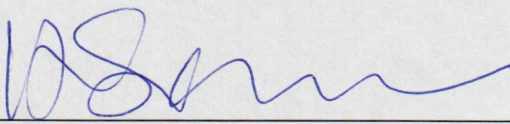
7. Governing Law; Severability. This Separation Agreement shall be governed by the laws of the State of North Dakota without regard to the choice of law provisions of any jurisdiction. If any part of this Separation Agreement is construed to be invalid and/or unenforceable, such part shall be modified to achieve the objective of the parties to the fullest extent permitted and the balance of this Separation Agreement shall remain in full force and effect. The language of all parts of this Separation Agreement shall be construed as a whole, according to its fair meaning, and not strictly for or against any of the parties.

8. Entire Agreement. This Separation Agreement and the documents referenced herein contain the entire agreement between Shirvani and NDUS with respect to Shirvani's employment and separation from employment and there are no promises or understandings outside of this Separation Agreement and the documents referenced herein with respect to Shirvani's employment or separation from employment with NDUS. Any modification of or addition to this Separation Agreement must be in a writing signed by Shirvani and an appropriate representative of NDUS.

9. Waiver. The waiver by either party of a breach by the other party of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach.

10. Shirvani Representation. SHIRVANI AFFIRMS THAT HE HAS READ THIS AGREEMENT. SHIRVANI ACKNOWLEDGES THAT HE WAS PROVIDED WITH A REASONABLE AND SUFFICIENT PERIOD OF TIME TO CONSIDER WHETHER OR NOT TO ACCEPT THIS AGREEMENT PRIOR TO SIGNING IT. SHIRVANI AGREES THAT THE PROVISIONS OF THIS AGREEMENT ARE UNDERSTANDABLE TO HIM, THAT HE HAS ENTERED INTO THIS AGREEMENT FREELY AND VOLUNTARILY, AND THAT HE HEREBY IS ADVISED TO CONSULT WITH AN ATTORNEY PRIOR TO SIGNING THIS AGREEMENT.

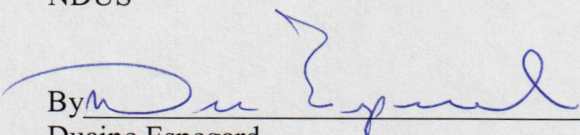
Dated: June 3, 2013



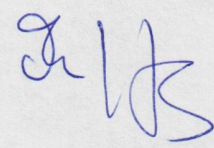
Dr. Hamid Shirvani

Dated: June 3, 2013

NDUS

By 

Duaine Espégard



HS.

President, North Dakota State Board of Higher Education

HS.