

**AMENDED EMPLOYMENT AGREEMENT
BETWEEN
THE BOARD OF TRUSTEES FOR THE UNIVERSITY OF TOLEDO
AND
LLOYD A. JACOBS, M.D.**

WHEREAS, the Board of Trustees for The University of Toledo (the "Board") and Lloyd A. Jacobs, M.D. ("Dr. Jacobs"), collectively referred to hereinafter as the "Parties," do hereby agree to amend the previous employment agreement entered into by the Parties on June 27, 2011;

WHEREAS, the Parties understand that this Amended Employment Agreement ("Agreement") hereby amends and otherwise extinguishes, supersedes, and replaces the Employment Agreement Between the Board of Trustees for The University of Toledo and Dr. Lloyd A. Jacobs effective June 27, 2011; and

WHEREAS, the intent of this Agreement is to accept and plan for the June 30, 2014, resignation of Dr. Jacobs as President of The University of Toledo, to acknowledge Dr. Jacobs' meaningful contributions to The University of Toledo, its students and the Toledo community, and to plan for the orderly succession of the presidency for The University of Toledo.

1.0 Appointment and Duties.

1.1 Appointment as President

The Board hereby reappoints and Dr. Jacobs agrees to serve as the President and chief executive officer of The University of Toledo (the "University"), during the term of his appointment as President as set forth by this Agreement. The performance of Dr. Jacobs' duties as President shall be in conformity with all policies set by the Board and pursuant to all applicable laws.

1.2 Term as President

The Parties hereby agree that Dr. Jacobs will continue to serve as President of the University from the effective date of this Agreement, up to and including June 30, 2014, the agreed upon date of his resignation, unless this Agreement is otherwise terminated by either of the Parties pursuant to the terms of this Agreement. The Parties agree to work collaboratively to craft a mutually agreed upon public announcement, the draft of which shall be finalized no later than five business days prior to the effective date, regarding Dr. Jacobs' resignation as President.

1.3 Duties and Responsibilities as President

Dr. Jacobs shall at all times faithfully, industriously, and to the best of his ability, experience, and talent, perform all the duties as President that are required by the Board's policies, by-laws, by law, by this Agreement, and by custom and practice to be performed by a university president, including, but not limited to the following:

- 1.3.1 Institutional, faculty and educational leadership;
- 1.3.2 Fundraising, development, public and alumni relations;
- 1.3.3 Long-range planning; budget formulation; supervision of buildings, grounds and equipment controlled by University, administration of the affairs of the University as best serves the University consistent with Board policy;
- 1.3.4 Student recruitment, retention and services; faculty recruitment;
- 1.3.5 Appointing, supervising, promoting and dismissing employees in accordance with applicable law and Board policies; however, any such employment action/s taken in regards to a University Senior Administrator shall only be carried out after consultation with the full Board;
- 1.3.6 Recommending policies, rules and procedures useful for the best interest of the University;
- 1.3.7 Assist with succession planning and the orderly transition of the Presidency of the University, as directed by the Board; and
- 1.3.8 Maintain a positive and professional relationship with the Board.
- 1.3.9 Other duties consistent with the University's mission as requested by the Board.

1.4 Appointment as President *Emeritus*

The Parties hereby agree that Dr. Jacobs shall be appointed and will serve as President *Emeritus* of the University effective July 1, 2014. The Parties agree that President Jacobs may retain and utilize the title of President *Emeritus* during his lifetime.

1.5 Duties and Responsibilities as President *Emeritus* from July 1, 2014, to June 30, 2015.

This Section 1.5 and its subsections set forth the duties and responsibilities of Dr. Jacobs during the period only of July 1, 2014, to June 30, 2015. During this period, Dr. Jacobs shall at all times faithfully, industriously, and to the best of his ability, experience, and talent, perform all the duties as President *Emeritus* that are required by the Board, by the Board's policies and by-laws, by law, by this Agreement, and by custom and practice to be performed by a university president emeritus, including, but not limited to the following:

- 1.5.1 The Parties agree that Dr. Jacobs' service as President *Emeritus* under Section 1.5 of this Agreement shall primarily be served in the form of a sabbatical. Dr. Jacobs' particular duties, tasks and/or scholarly pursuits during the sabbatical shall be agreed upon by Dr. Jacobs and the Board, and modified from time-to-time as the Parties shall agree to in writing. As of the signing of this Agreement, the Parties agree that Dr. Jacobs may seek and participate as a Fellow with the Council on Competiveness and/or in service of the U.S. Department of Veterans Affairs as a component of the performance of his duties during his sabbatical.
- 1.5.2 Engagement in fundraising, development, public and alumni relations, but only as specifically requested and directed by the Board;
- 1.5.3 Recommending policies, rules and procedures useful for the best interest of the University, but only as specifically requested and directed by the Board;
- 1.5.4 Assist with succession planning and the orderly transition of the Presidency of the University, but only as specifically requested and directed by the Board;
- 1.5.5 Maintain a positive and professional relationship with the Board, and;
- 1.5.6 Other reasonable duties consistent with the University's mission as requested and directed by the Board.

1.6 Assumption of faculty position

The Parties acknowledge that Dr. Jacobs retains tenure status as a Professor in the Department of Surgery, University of Toledo College of Medicine. Effective July 1, 2015, the Parties agree that Dr. Jacobs may assume duties as a Professor in the Department of Surgery, University of Toledo College of Medicine, clinical scholar track, with his specific duties being established in accordance with The University of Toledo College of Medicine Faculty Rules and Regulations.

1.7 Dedication of Time

It is understood by the Parties that, during the term of this Agreement, certain outside activities participated in by Dr. Jacobs will advance and enhance the image of the University. Therefore, Dr. Jacobs' expenditure of reasonable time for personal, charitable, professional activities and outside development activities shall not be deemed a breach of this Agreement, provided such activities do not interfere with Dr. Jacobs' primary duty to provide services required to be rendered to the Board and University under the provisions of this Agreement. Dr. Jacobs shall report to the Board periodically on such personal, outside business, or charitable or professional activities in which he has been involved. In no event shall Dr. Jacobs engage in any outside activity that is adverse to the interest or the image of the University.

2.0 Compensation and Benefits

2.1 Compensation as President and President *Emeritus*

For all services rendered by Dr. Jacobs as President pursuant to Section 1.3, above, and as President *Emeritus* pursuant to Section 1.5, above, the Board and University shall pay Dr. Jacobs an annual salary of Three Hundred and Ninety-Two Thousand, Seven Hundred dollars (\$392,700), payable in accordance with the University's payroll procedures (biweekly basis, less any legally authorized deductions, including any and all deductions for local, state and federal taxes and employee benefits).

2.2 Compensation as tenured faculty member

For all services rendered by Dr. Jacobs as a Professor in the Department of Surgery, University of Toledo College of Medicine, clinical scholar track, from July 1, 2015 to June 30, 2017, pursuant to Section 1.6, above, the University shall pay Dr. Jacobs an annual salary of Three Hundred and Ninety-Two Thousand, Seven Hundred dollars (\$392,700), payable in

accordance with the University's payroll procedures (biweekly basis, less any legally authorized deductions, including any and all deductions for local, state and federal taxes and employee benefits). On and after July 1, 2017, should Dr. Jacobs remain as a Professor in the Department of Surgery, University of Toledo College of Medicine, clinical scholar track, his duties and compensation shall be set in accordance with The University of Toledo College of Medicine Faculty Rules and Regulations and based upon the usual salary of that department for similar rank and experienced faculty.

2.3 Retention Payment

Dr. Jacobs shall receive a one-time payment in the amount of One Hundred and Fifty Thousand dollars (\$150,000) to be paid to him, in addition to his base salary, on June 30, 2014; provided, however, he shall have no right to this payment pursuant to this Section 2.3 if he is terminated for cause pursuant to Section 8.1 prior to June 30, 2014. Any payment pursuant to this Section shall be paid through the University's payroll process no later than thirty (30) days after the date on which the right to the payment first accrues.

2.4 Employee Benefits During the Term of this Agreement

2.4.1 Vacation: Dr. Jacobs during the service of his term as President and during his first year as President *Emeritus* under this Agreement shall be entitled annually to twenty-five (25) days of paid vacation. Such vacation shall accumulate from year-to-year, subject to limitations within the University policies. The time may accrue and be utilized while an employee of the University, but any payout at severance of employment will be limited to the cap as set forth in University policy.

2.4.2 Additional Benefits: Dr. Jacobs during the service of his term as President and during his first year as President *Emeritus* under this Agreement shall also receive and participate in all other benefits that are available to administrative employees of the University in accordance with University policies and procedures.

2.4.3 Faculty member: Upon Dr. Jacobs' assumption of duties as a faculty member under this Agreement, he shall be eligible to receive and participate in all benefits that are available to a faculty member of the University of Toledo College of Medicine in accordance with applicable eligibility requirements, policies and procedures.

2.5 Tuition Waiver

Dr. Jacobs' son Lloyd Andrew, should he enroll and be in good standing as a student at the University, shall be eligible for the dependent tuition waiver up to and including a three (3) year graduate program. In the event of Dr. Jacobs' death prior to Lloyd Andrew's graduation from a University graduate program, the tuition waiver will remain in effect through Lloyd Andrew's graduation, assuming he remains continually enrolled as a full time student, in good standing and advancing toward the completion of his degree.

2.6 Recognition of Dr. Jacobs' Contributions to the University

In meaningful recognition of Dr. Jacobs' exceptional distinction, national reputation and important contributions as President to the University, its students, the Toledo community and his dedication to the education of medical practitioners, the Board is honored to rename the University's Interprofessional Immersive Simulation Center (UT-IISC) as the "Dr. Lloyd A. Jacobs Interprofessional Immersive Simulation Center." This provision is subject to approval of the Board in accordance with University Policy 3364-55-01(C)(6).

2.7 Contract Fees and Costs

The Board agrees to reimburse Dr. Jacobs up to Fifteen Thousand dollars (\$15,000) for attorney's fees that he incurred related to the negotiation, drafting and execution of this Agreement.

3.0 Expenses Related to Dr. Jacobs' Sabbatical

- 3.1 The University agrees to allow Dr. Jacobs to pursue and engage in a fellowship with the Council on Competitiveness, which will require periodic travel and lodging for meetings, summits and dialogues. The University agrees to reimburse Dr. Jacobs up to Fifteen Thousand Dollars (\$15,000) for reasonable travel and lodging expenses, related to his participation with the Council on Competitiveness, subject to the University rules and policies on reimbursement.
- 3.2 Dr. Jacobs agrees to maintain and furnish a full and accurate accounting of expenses provided for in this Agreement in reasonable detail on a quarterly basis, or as otherwise requested by the University.

4.0 Memberships

To further the interests of the University, Dr. Jacobs may maintain memberships at the Inverness Club and The Toledo Club. While President and during his first year as President *Emeritus* of the University, the University shall be responsible for Dr. Jacobs' membership fees and other reasonable costs associated with Dr. Jacobs' official University business conducted at Inverness Club and The Toledo Club.

5.0 Automobile

To further the interests of the University, during Dr. Jacobs' service as President and during his first year as President *Emeritus* of the University, under Sections 1.3 and 1.5 of this Agreement, Dr. Jacobs may elect to use an automobile provided by the University, which shall be a GMC Yukon Denali or its U.S. manufactured equivalent. The fuel, maintenance, leasing, operating, insurance and other reasonable costs associated with this vehicle will be paid by the University in accordance with University policy and procedures.

6.0 Housing

6.1 While serving his terms as President and during his first year as President *Emeritus* of the University under Sections 1.3 and 1.5 of this Agreement, Dr. Jacobs may elect to live in, and the Board agrees that the University will provide, maintain in good repair, and pay for utilities and telephone service for a residence known as the Levis House, 3883 W. Bancroft Street, Ottawa Hills, Ohio 43606. The University shall also provide for maintenance and upkeep of the grounds.

6.2 It is understood by the Parties that to carry out various duties and responsibilities of the President and during his first year as President *Emeritus* of the University, under Sections 1.3 and 1.5 of this Agreement, Dr. Jacobs may, from time-to-time, entertain visiting dignitaries and community leaders, hold receptions, meetings, fund raising or otherwise host a variety of events for mixed business and social purposes benefiting the interests of the University at the Levis House. In such instances, cooking, catering, and/or housekeeping services will be provided and/or paid by the University.

7.0 Working Facilities

7.1 While serving as President and during his first year as President *Emeritus* of the University under Sections 1.3 and 1.5 of this Agreement, the University shall provide and furnish for Dr. Jacobs a private office, a secretarial assistance, and such other facilities and services suitable to the position and

adequate for the performance of the duties of President. Further, the Board recognizes that Dr. Jacobs will perform many official University duties from the Levis House and agrees to furnish an office at Dr. Jacobs' the Levis House, which will contain customary office furnishings and equipment, such as a personal computer, fax machine, telephone, file cabinet, desk, desk chair, etc. Such furnishings and equipment shall at all times remain the property of the University. Housekeeping services will be provided or paid for by the University.

- 7.2 While serving as a Professor in the Department of Surgery, University of Toledo College of Medicine, from July 1, 2015 and up to June 30, 2017, the University agrees to provide Dr. Jacobs with appropriate office space on the University Medical Campus, office furnishings and equipment, and a secretarial assistant.

8.0 Termination

8.1 Termination for Cause

The parties agree that the Board may terminate this Agreement at any time for cause, which in addition to any of its other normally understood meanings in employment contracts, shall include the following:

8.1.1 Any conduct of Dr. Jacobs that constitutes moral turpitude, or that would tend to bring public disrespect, contempt or ridicule upon the University;

8.1.2 A deliberate or serious violation of any law, rule, regulation, Constitutional provision, or bylaw of the University, or local, state, or federal law, which, in the reasonable judgment of the Board, reflects adversely upon the University

8.1.3 Any act of dishonesty, immoral conduct, incompetence, inefficiency, insubordination, neglect of duty, conduct which discredits the University or other failure of good behavior

8.1.4 Prolonged absence from duty not to exceed ninety (90) days without the University's consent except such absence as is attributable to illness or disability made known to the Board;

8.1.5 Any other material violation by Dr. Jacobs of the duties, terms and conditions set forth in this Agreement, or refusal or unwillingness to perform such duties in good faith and to the best of Dr. Jacobs' abilities,

provided such nonperformance or violation is not remedied after thirty (30) days written notice

8.1.6 Appointment of a conservator by the Governor, pursuant to Section 3345.74 and 3345.75 of the Ohio Revised Code, during Dr. Jacobs' term as President of the University.

If termination is for any reason stated in 8.1.1 through 8.1.5, no further compensation shall be due to Dr. Jacobs after the date of termination.

8.2 Automatic Termination

Regardless of any other provision of this Agreement, this Agreement will terminate automatically if Dr. Jacobs dies or, due to accident, mental or physical illness, or for any other reason, becomes totally disabled, or totally incapacitated or otherwise incapable of mentally or physically carrying out his duties under this Agreement, as determined by the Board in its sole discretion, provided such decision is not arbitrary or capricious. Unpaid compensation and benefits accrued up to the date of termination that are due and payable ("Account") to Dr. Jacobs will be paid to Dr. Jacobs or as follows: Dr. Jacobs may designate by written notice to the Board, one or more primary beneficiaries or alternative beneficiaries to receive all or a specified part of his Account after his death and Dr. Jacobs may change or revoke, from time-to-time, any such designation in writing to the Board. If he fails to designate a beneficiary, or revokes a beneficiary designation without naming another beneficiary, or designates one or more beneficiaries none of whom survives Dr. Jacobs, for all or any portion of his Account, such Account or portion will be payable to Dr. Jacobs's surviving spouse or, if Dr. Jacobs is not survived by a spouse, to the representative of Dr. Jacobs's estate.

8.3 Termination by the University Without Cause

If the Board elects to terminate this Agreement without cause prior to June 30, 2017, Dr. Jacobs will be entitled to receive the remaining compensation owed to him under Sections 2.1 and 2.2 of this Agreement, payable in equal monthly payments over a period of time equal to the number of months remaining between the date of the termination of this Agreement without cause, and June 30, 2017.

Termination under this Section will not impact Dr. Jacobs's tenure status as a Professor in the Department of Surgery, University of Toledo College of Medicine, with his specific duties being established in accordance with The University of Toledo College of Medicine Faculty Rules and Regulations and his compensation being set by the College of Medicine for a professor of his rank and experience. A termination of this Agreement under Section 8.3 shall not affect Dr. Jacobs' right to maintain and utilize the title of President *Emeritus* during his lifetime.

9.0 Set-off

The Parties agree that, during the term of this Agreement, Dr. Jacobs may, but is not required to, make reasonable and diligent efforts to obtain other employment commensurate with his training and experience. Immediately upon Dr. Jacobs's acceptance of any new employment outside the University, he shall notify the Board Chair in writing of the nature of his employment and disclose the full amount of his compensation from any and all employment outside the University. Thereafter, subject to the second paragraph of this Section 9.0, the Board's obligation to make compensation payments under this Agreement will be reduced by the amount of Dr. Jacobs' compensation from any outside employment for the remaining period of payments owed under this Agreement.

Should Dr. Jacobs obtain and accept outside employment and compensation as permitted under Ohio law and ethical requirements for his services related thereto from July 1, 2015 to June 30, 2017, the Parties agree that the first Fifty Thousand dollars (\$50,000), per year and calculated annually from the first date of his receipt of any outside earnings, Dr. Jacobs may receive for his outside services shall not be subject to the set-off implications of the first paragraph of this Section 9.0 of this Agreement.

10.0 Retirement

Dr. Jacobs may elect to retire and thus terminate this Agreement at any time, upon providing written notice to the Board. Any earned but unpaid compensation and benefits accrued up until the time of retirement, due and payable to Dr. Jacobs, will be paid and made available to Dr. Jacobs. In no event shall the Board or the University be liable to Dr. Jacobs for the loss of any collateral business opportunities, or any other benefits, perquisites, income or consequential damages from any sources as a result of such termination.

A termination of this Agreement under Section 10.0 shall not affect Dr. Jacobs' right to maintain and utilize the title of President *Emeritus* during his lifetime.

11.0 Miscellaneous

11.1 Entire Agreement

This Agreement contains the entire agreement concerning the employment by the Board of Dr. Jacobs and shall, as of the effective date hereof, supersede all other agreements, if any, written or oral, between the Parties. The Parties stipulate that neither of them has made any representation with respect to the subject matter of this Agreement except such representations as are specifically set forth herein.

Each of the Parties acknowledges that it has knowingly and upon its own judgment entered into this Agreement.

11.2 Governing Law and Forum Selection

This Agreement has been entered into by the Parties in Toledo, Ohio. It is to be construed as a contract in accordance with the laws of the State of Ohio and its terms and conditions shall be subject to all applicable State of Ohio and federal laws. Any action to enforce this Agreement must be timely initiated in an Ohio court of competent jurisdiction.

11.3 Waiver and Modification of Agreement

No waiver or modification of this Agreement or of any covenant, condition, or limitation herein shall be enforceable unless in writing and duly executed by both Parties. Inaction or the failure of either Party to insist upon strict performance of this Agreement shall not be construed as a waiver.

11.4 Acknowledgement

Dr. Jacobs acknowledges that he has read and understands this Agreement, that he has had the opportunity to have legal counsel review the agreement, and that he has entered into same upon due consideration, and that the provisions herein are reasonable and enforceable.

11.5 Severability

The terms of this Agreement are severable such that if any terms and conditions of this Agreement are declared by a court of competent jurisdiction to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect and will not fail of its essential purpose.

11.6 Assignment

This Agreement is not assignable, but it shall be binding upon the heirs, administrators, personal representatives, and successors of the Parties.

11.7 Notices

All notices required or permitted to be given under this Agreement shall be in writing and shall be mailed, postage prepaid, by registered or certified mail or personally delivered with signed receipt of delivery made to the Parties at the following address:

Chairman, Board of Trustees:

CHAIRMAN, Board of Trustees
The University of Toledo
2801 W. Bancroft Street
Toledo, Ohio 43606

Lloyd Jacobs, M.D.:

The Levis House
3883 W. Bancroft Street
Toledo, Ohio 43606

11.8 Statutory Notice Requirement

Pursuant to Section 3345.77 of the Ohio Revised Code, notice is hereby given that this Agreement provides for the performance evaluation, the suspension of the authority, duties, and pay, and the termination of the employment contract of the president or chief executive officer as provided under divisions (C) and (D) of Section 3345.74 and division (B)(2) of Section 3345.75 of the Ohio Revised Code.

11.9 Construction of Agreement

Notwithstanding anything to the contrary contained in this Agreement, the provisions of this Agreement are intended to comply with Internal Revenue Code Section 409A, any regulations promulgated thereunder, and administrative pronouncements interpreting Internal Revenue Code Section 409A and such regulations, and shall be interpreted and applied in a manner consistent with Internal Revenue Code Section 409A, such regulations, and such pronouncements.

11.10 Mutual Non-Disparagement

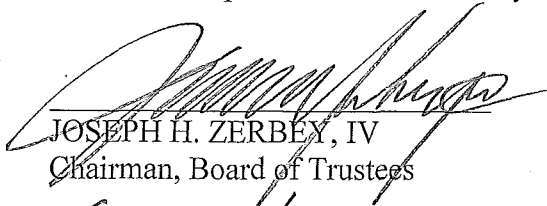
The Parties agree to take all due care to not make any disparaging, negative, derogatory, or critical statements or issue any such statements or communications to any person or entity about one another. The Parties further agree, that if the event or opportunity arises, neither Party will promote negative feelings or comments about the other.

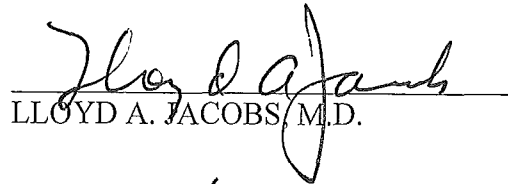
11.11 Board Approval

This Agreement is subject to approval and acceptance by vote of the Board of Trustees of The University of Toledo.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their authorized representatives on the day and year noted below.

By:


JOSEPH H. ZERBEY, IV
Chairman, Board of Trustees


LLOYD A. JACOBS, M.D.

Date:

6-18-14

Date:

6/19/14

Agreement approved by public vote of the Board of Trustees on _____