

SUPPLEMENTAL COMPENSATION AND INCENTIVE AGREEMENT

This Supplemental Compensation and Incentive Agreement made and entered into on this the 14<sup>th</sup> day of April 2010, by and between the University of Georgia Athletic Association, Inc. (hereinafter referred to as the Association) and Damon M. Evans (hereinafter referred to as Athletic Director).

WHEREAS, Association is a private, nonprofit corporation with the purpose of providing support to the intercollegiate athletic program at the University of Georgia (hereinafter referred to as the University); and

WHEREAS, University employs Athletic Director as Director of Athletics at the University of Georgia, Athens, Georgia; and

WHEREAS, Athletic Director has served since July 1, 2004, as Director of Athletics at University; and

WHEREAS, Association desires to assist in securing the continued services of Athletic Director and to provide for his long-term association with the Athletic program at University while Athletic Director continues to improve the program; and

WHEREAS, Athletic Director desires to make a long-term commitment to University and to use his best efforts for the benefit of University's athletic program;

NOW, THEREFORE, for and in consideration of the following terms and conditions the sufficiency of which are acknowledged, Association and Athletic Director contract and agree as follows:

**Article I - Definitions**

As used in this Agreement (including within these paragraphs) the following terms shall have these meanings:

Governing Athletic Rules - shall mean any and all present or future legislation, rules, regulations, directives, written policies, bylaws and constitutions, and official or authoritative interpretations thereof, and any and all amendments, supplements, or modifications thereto promulgated hereafter by the NCAA or the SEC or any successor of such associations or conference, or by any other athletic conference or governing body or accrediting agency hereafter having regulatory power or authority relating to the athletic programs of the University.

NCAA - shall mean the National Collegiate Athletic Association, and its successors.

President - shall mean the President of the University of Georgia.

SEC - shall mean the Southeastern Conference, its successor or any other athletic conference of which the University may be a member.

University - shall mean the University of Georgia, an institution of the University System of Georgia.

University Rules - shall mean any and all present or future legislation, rules, regulations, directives, written policies, bylaws, and constitution, and official or authoritative interpretations thereof, and any and all amendments, supplements, or modifications thereto promulgated hereafter by the University of Georgia or by the Board of Regents of the University System of Georgia.

## **Article II - Position**

2.01 Employment. The University employs Athletic Director as Director of Athletics at the University of Georgia, Athens, Georgia. Athletic Director agrees to give full-time Athletic Director's best efforts, and loyalty to the University and to act at all times on and off the campus with appropriate recognition of the fact that the reputation of the University also depends in part on public respect for and approval of those persons associated with its athletics programs. Athletic Director's specific duties are those generally consonant with the overall management, supervision, and administration of an athletics department at a NCAA Division I institution.

### 2.02 Duties and Responsibilities.

(a) Athletic Director agrees to perform Athletic Director's duties and to act at all times in a manner consistent with good sportsmanship and with the appropriate moral, ethical and academic standards of the University. Athletic Director agrees to devote Athletic Director's best efforts and abilities full time to the performance of Athletic Director's duties for the University, to give proper time and attention to furthering Athletic Director's responsibilities to the University, and to fully comply with and abide by all Governing Athletic Rules and University Rules. If Athletic Director is found in violation of NCAA regulations, he shall be subject to disciplinary or corrective action as set forth in the NCAA enforcement procedures. Athletic Director agrees that he shall not, without the written consent of the President of the

University, which shall not be unreasonably withheld, be directly or indirectly engaged, concerned, or interested in any other business or activity from which he/she seeks personal gain (which written consent may be given subject to such terms or conditions as the President of the University may require, and the breach of which shall be deemed to be a breach of this Agreement), other than owning less than ten percent of any publicly traded security or entering into passive investments which are not in any way publicly identified with Athletic Director, or personal use real estate.

(b) As Director of Athletics, Athletic Director's duties shall include the supervision, management, and administration of the University's Athletics Department, including the ticketing, budgeting, scheduling, fiscal management, promotion of the Athletics Department's programs, recruitment, hiring, supervision, discipline, and evaluation of Athletics Department staff and coaches, maintenance and observation of institutional control over every aspect of the Athletics Department programs and compliance by the Athletics Department with Governing Athletic Rules and University Rules. Additionally Athletic Director shall, to the extent it does not interfere with his duties as Director of Athletics, assist in the planning and implementation of development activities in conjunction with the Office of the Senior Vice-President for External Affairs and perform such other general duties and responsibilities, consistent with the duties and existing demands upon Athletic Director, which may be assigned from time to time by the President of the University.

(c) Using reasonable discretion as Athletic Director deems necessary and appropriate, Athletic Director shall submit to the President for prior review and approval full information on all Athletics Department payment packages, including all new appointments or employment contracts and all appointment and employment contract renewals. Using the same discretion set forth above, Athletic Director shall submit all other contracts, including but not limited to consulting contracts, construction or renovation contracts, advertising, endorsement, marketing or promotions contracts, broadcast rights contracts, purchasing contracts, and any other contract or agreement whereby a franchise or privilege is granted or licensed to a third party prior to their being offered or made effective shall be submitted to the President for prior review and approval.

(d) In the event Athletic Director has reasonable cause to believe, knows or reasonably

should have known about a possible violation of Governing Athletic Rules or University Rules, Athletic Director shall report the same to the President in a timely fashion. Athletic Director further agrees to adhere to, promote, respect, and to follow the academic standards, policies, and requirements of the University in regard to the management, supervision, and administration of the Athletics Department. Athletic Director shall direct all members of Athletic Director's staff, including all coaches, at all times to comply with all Governing Athletic Rules and all University Rules, including all academic standards, requirements, and policies and not to violate or compromise such rules, standards, or policies at any time. Athletic Director shall make diligent efforts to monitor the University's athletic programs, pursuant to NCAA Division I Constitution 2.8.1., to assure compliance with the Governing Athletic Rules by the Athletic Department, University staff, coaches, student-athletes, and all other individuals and groups representing the University's athletics interests and others, so that Athletic Director would be aware of violations of Governing Athletic Rules.

(e) Athletic Director shall take all reasonable efforts to avoid or minimize involvement by Athletic Director, head coaches, assistant coaches, and student-athletes with non-athletic "representatives of the athletic interests" of the University as that term is defined in Governing Athletic Rules, during games, practices, team travel, in the locker room, or as part of recruiting activities, that might violate or cause a violation of Governing Athletic Rules. This subsection is not intended to limit or restrict Athletic Director's development, public relations, marketing, or promotional activities on behalf of the Athletics Department and the University under circumstances which will not violate Governing Athletic Rules.

(f) Athletic Director shall participate in and furnish support to the television and radio programs and promotional activities produced by the University, the Athletic Association, and/or the broadcast rights contractor. Athletic Director shall not participate in television, radio, or promotional activities that conflict with programs produced by the University, the Association, or the broadcast rights contractor. Athletic Director grants to the Association and the University the right to use his name, nickname, voice, video or film portrayals, photographs, likenesses, images, or facsimile images for the purpose of promoting the University, the University's sports programs and teams, the Association, and the radio and television shows produced by ISP or other broadcast rights contractor of the University or

Association. Any vendor or subcontractor of the University or Association shall have the authority through the University and/or the Association to print and/or otherwise reproduce Athletic Director's name, nickname, voice, video or film portrayals, photographs, likenesses, images, or facsimile images. Such vendor shall not have the authority to use such printed materials or reproductions for purposes of commercially exploiting Athletic Director's personality for its financial benefit. ISP, or other broadcast rights contractor, shall have the authority through the University and/or the Association to use Athletic Director's name, nickname, voice, video or film portrayals, photographs, likenesses, images, or facsimile images for the purposes of promoting radio and television shows. To the extent that this Agreement does not provide the authority necessary for broadcast rights contractor, the University or the Association, or the University's sports programs and teams, Athletic Director may not unreasonably refuse to execute on a case by case basis the documents necessary to authorize such use. Athletic Director acknowledges that the Association is contractually obligated to endorse the athletic shoes, apparel, and other equipment of Nike, Inc. Athletic Director agrees to comply fully with and abide by the terms and conditions of the Nike contract. Otherwise, nothing in this Agreement shall give the Association, the University, or the Broadcast Rights Contractor or their vendors the right to use Athletic Director's name, nickname, voice video or film portrayals, photographs, likenesses, images, or facsimile images for purposes of endorsing a commercial product. Upon termination of this Agreement, broadcast rights contractor, the Association and the University shall have no further right to use, or receive any compensation arising from, the use of his name and endorsement.

2.03 Reporting Relationship. Athletic Director shall report directly to the President of the University. Athletic Director's job duties and responsibilities may be reviewed, revised, and reassigned from time to time by the President.

### **Article III - Term of Agreement**

The term of this Agreement shall be for a period commencing on July 1, 2010 and expiring on June 30, 2015, subject to earlier termination in accordance with the provisions of Article V hereof. The term of this Agreement may be extended by mutual written consent of the parties as early as July 1, 2014. For the purposes of this Agreement, a Contract Year shall mean a twelve month period beginning July 1 of

one year and ending on June 30 of the immediately succeeding year. University shall have the absolute discretion to waive the requirement of Athletic Director working during any notice period described later in this Agreement.

#### **Article IV - Compensation**

In consideration for the promises Athletic Director has made in entering into this Agreement, Association shall pay Athletic Director a supplement to the annual base salary payment and employment benefits paid by University and other salary increases, expenses, perquisites, incentives, and incentive or supplemental income as described below. To the extent required or permitted by law or University Rules, the salary payments, other forms of compensation, and employment benefits described in this Article IV are subject to deductions for local, state, and federal taxes, for retirement, and for any voluntary retirement or other employment benefits which Athletic Director elects to participate in as well as the terms and conditions of Article V hereof concerning termination of this Agreement. Non-monetary compensation shall be valued according to guidelines of the Internal Revenue Service and reported as income to Athletic Director. While serving as Director of Athletics, Athletic Director may have the opportunity to earn athletically-related outside income or benefits as a direct result of Athletic Director being Director of Athletics provided the Athletic Director receives prior written approval from the President and such opportunity would be permitted by the Governing Athletic Rules and University Rules and would not create an appearance of impropriety. In no event shall Athletic Director solicit, accept, or receive directly or indirectly any personal monies, benefit, or any other gratuity (hereinafter referred to as Gifts) from any person, business, or entity that does business with the Athletics Department that could create an appearance of impropriety. The Athletic Director shall report annually to the President any gifts totaling greater than \$2,500.00 in any calendar year and shall not accept any gifts totaling greater than \$1000.00 from a representative of athletics interests as that term is defined in NCAA Bylaw 13.02.11 or if such action would create an appearance of impropriety or violate Governing Athletic Rules, University Rules, or state or federal law. Pursuant to NCAA Bylaw 11.2.2, Athletic Director is required to provide a written detailed account annually to the President on or before June 30 of each year of all athletically-related income and benefits from sources outside the institution.

4.01 Base Salary. The University pays Athletic Director, as Director of Athletics an annual salary as follows: commencing on July 1, 2010, an annual salary of \$550,000.00. It is anticipated that the University shall pay Athletic Director, commencing on July 1, 2011, an annual salary of \$570,000.00; commencing on July 1, 2012, an annual salary of \$590,000; commencing on July 1, 2013, an annual salary of \$610,000; on July 1, 2014 an annual salary of \$630,000. If the University fails to increase Athletic Director's compensation in the amounts and at the times set forth in this paragraph, then Athletic Association shall pay such amounts at such time to Athletic Director as supplemental compensation.

4.02 Increases in Compensation. Athletic Director's performance of Athletic Director's job duties and responsibilities will be evaluated annually by the President. These evaluations will take into account any prior evaluations and the expectations and goals set for Athletic Director by the President. The amount and timing of increase in supplement provided by Association above and beyond the amounts set forth in section 4.01 above shall be determined by the President and implemented at the same time as normal University salary increase.

4.03 Employment Benefits.

(a) Employment Benefits. During the term of this Agreement, the parties understand that the University will provide the Athletic Director with the employment benefits described in this Section 4.03(a) and no others. Athletic Director shall be entitled to the standard University employment benefits, subject to any eligibility requirements, normally provided by the University to its regular full-time professional or administrative staff employees, which may include (among other things) group life insurance, long term disability benefits (with waiting period waived), vacation with pay, participation in University's medical plan, retirement contributions under the University's retirement plans for the total base salary set out in Paragraph 4.01 (subject to statutory limits), all of which are described in greater detail in the University's Administrative Regulations. If any employment benefit is based in whole or in part upon the salary paid to Athletic Director by the University, then any other form of income paid or received by Athletic Director from Association or from any outside activities or supplemental compensation shall be included in the computation of that employment benefit only to the extent permitted by University Rules or by law.

(b) Payment of Expenses. The parties understand that in accordance with applicable

University Rules, the University will reimburse Athletic Director for all ordinary and necessary travel and business expense directly arising out of or directly related to the performance of Athletic Director's duties and reasonably and necessarily incurred by Athletic Director in the ordinary course of the performance of Athletic Director's duties under this Agreement.

4.04 Perquisites/Incentives.

(a) Automobiles. The Association annually shall provide or make arrangements on a loan basis two (2) full-size automobiles for business and personal use by Athletic Director or members of his immediate family. Athletic Director shall provide full coverage insurance on the vehicle(s) at a minimum of \$100,000 per person and \$300,000 per accident in both bodily injury and uninsured/underinsured motorist insurance coverage for the vehicle. Athletic Director shall return vehicle(s) within 60 days after the expiration or notice of termination of this agreement. Athletic Director shall be responsible for paying for any uninsured loss, damage, or repair to the vehicles. The Association shall provide Athletic Director with an \$800.00 annual allowance for a portion of the expenses, including gas, maintenance, and insurance incurred in operating the automobiles.

(b) Incentive. The association shall pay Athletic Director a bonus of \$15,000 for any year of this contract in which the overall athletic teams rank in the top one-third (1/3) of the Graduation Success Rate in the Southeastern Conference as determined by the NCAA. This bonus shall be paid within 45 days of qualification.

(c) Country Club Membership. The Association will provide or make arrangement for membership, initiation fees, and capital assessments, if any, at a mutually agreed upon golf or country club. Athletic Director shall be responsible for payment of all expenses and costs associated with using the membership excluding one-half (1/2) monthly dues, which shall be paid by Association.

(d) Longevity Bonus. Under Athletic Director's December 7, 2006 Supplemental Compensation and Incentive Agreement, superseded by this document, Athletic Director would have been entitled to a longevity bonus of \$100,000 if he continued to serve in that capacity through June 30, 2010. In lieu of continuing to accrue the longevity bonus under the December 7, 2006 agreement, the Association shall pay Athletic Director a longevity bonus of \$100,000 within thirty (30) days after July 1, 2011.

In addition, the Association shall pay Athletic Director a longevity bonus of \$50,000 for each full Contract Year he remains in the position for the Term of this Agreement as defined in Article III above with total cumulative bonus to be paid within thirty (30) days of the Agreement's expiration. If Athletic Director leaves or is terminated for cause under Section 5.01(b) before July 1, 2015 no bonus of any amount shall be paid.

4.05 Outside Activities.

(a) Subject to the provisions of this Agreement, particularly Paragraph 2.02(a), and with prior written approval of the President of the University which shall not be unreasonably withheld, Athletic Director may participate in non-University related, non-athletically-related outside business activities conducted off campus directly or through business enterprises owned by Athletic Director. Prior approval is not required for personal investing in passive instruments or publicly-traded companies. These activities shall not reflect adversely on the University or conflict with its interests, nor interfere or conflict with the performance of Athletic Director's duties as Director of Athletics. Any such outside activities shall not be undertaken or operated in violation of law, University Rules, or Governing Athletic Rules. All such activities are independent of the Athletic Director's employment by the University, and neither University nor Association shall have any responsibility or liability for any claims arising therefrom. The University may reasonably require appropriate precautions or indemnities from Athletic Director to maintain or secure such independence.

(b) Such outside activities of the Athletic Director may include personal service agreements with others to provide personal services for his exclusive compensation provided that: such agreements are permitted by the rules of the NCAA, SEC Conference, state law, and the University; such services do not interfere with Athletic Director's obligations under this contract; such activities would not compete with exclusive commitments in contracts with the University or the Association; and Athletic Director obtains prior written approval from the University President.

(c) Use of University Trademarks. Athletic Director may not utilize or authorize third parties to utilize the University's trademarks or logos in connection with any outside activities permitted by this Agreement without the express written permission of the holder of the University's trademarks or

logos. A third party desiring to use the University's trademarks must obtain a license from the University's Licensing Program. In the event Athletic Director receives permission to use the University's trademarks, such permission shall be non-exclusive and non-transferable, and such permission shall expire automatically upon Athletic Director's resignation or termination of this Agreement. Athletic Director agrees that all logos, slogans, trademarks, or other indicia, including all copyright and other intellectual property rights therein, which relate to the University or Association, including any of its athletics programs, or which would compete with the University's registered trademarks that are developed or created by Athletic Director or by others at Athletic Director's direction shall be owned by the University. Any permitted use by Athletic Director of the University's trademarks and indicia shall only be in a manner which will not cause embarrassment or ridicule to the University or be offensive to standards of good taste as reasonably determined by the University. Any patentable invention or discovery, including computer software, created by Athletic Director during the term of this Agreement shall be owned by the University in accordance with University Rules.

#### **Article V - Termination**

5.01 Termination By Athletic Association. Athletic Director recognizes that Athletic Director's promise to remain as a University employee for the entire term of this Agreement is the essence of this Agreement to the Association. It is also recognized, however, that certain limited circumstances may make it appropriate for the University to terminate Athletic Director's employment and, therefore, for Association to terminate this Agreement prior to the completion of the entire term.

(a) Termination for Death or Disability. This Agreement shall terminate automatically upon the death of Athletic Director or in the event that Athletic Director becomes permanently disabled to the extent that the President of the University reasonably determines that Athletic Director will not be able to resume satisfactory performance of his duties within a year. If this Agreement terminates because of Athletic Director's death or disability, Athletic Director's supplemental compensation and benefits shall terminate as of the date on which death occurs or disability is determined, except that Athletic Director's personal representative or other designated beneficiary shall be paid all such death benefits, or Athletic Director shall be paid such disability benefits, if any, as may be contained in any benefit plan now in force

or hereafter adopted by the Association or University and due to Athletic Director thereunder.

If during the term of this Agreement Athletic Director becomes temporarily disabled, he shall be entitled to receive his full salary and benefits for one year from the date of disability. If University Rules prohibit such payment, Association shall pay such amount as supplemental compensation unless such payment would negatively affect Athletic Director's right to receive disability payments. After this period, Athletic Director shall be entitled to receive those temporary disability payments and employment benefits contained in any benefit plan secured by Athletic Director or otherwise contained in any benefit plan now in force or hereafter adopted by the University and due to Athletic Director thereunder.

(b) Termination for Cause. The Association shall have the right to terminate this Agreement for cause prior to its expiration, and such right of termination shall exist notwithstanding any rights otherwise available to Association under Section 5.01 hereof. The termination for cause shall include, in addition to the termination of Athletic Director's employment with the University, any other grounds set forth in University Rules not inconsistent with the terms and intent of this Agreement (it is not the intention of the parties that this Agreement be terminable for minor, technical or otherwise insignificant University regulations), and in addition to any of its normally understood meaning in employment contracts, any of the following:

(1) Neglect or inattention by Athletic Director of the standards, duties, or responsibilities assigned to or required of Athletic Director by Article II of this Agreement after reasonably specific written notice thereof has been given to Athletic Director by the President, and Athletic Director has continued such neglect or inattention during a subsequent period of not less than thirty (30) days;

(2) Breach or violation by Athletic Director of any material clause of this Agreement;

(3) Conviction of Athletic Director of a felony or crime of moral turpitude;

(4) Deliberate or serious major violation or repetitive secondary violations, as defined by the NCAA, of applicable Governing Athletic Rules or of University Rules by Athletic Director, his staff, a student athlete, or other representative of the University's athletic interests, as defined by the NCAA, where Athletic Director consented to such violation, had prior knowledge of the violation and did not prevent the violation, or reasonably should have known of the violation and did not prevent the violation.

(5) Failure by Athletic Director to report in a timely fashion to the President any significant violation, known to Athletic Director or of which Athletic Director should have known, of the Governing Athletic Rules or University Rules by Athletic Director or by head coaches, assistant coaches, other members of any University coaching staff, student-athletes, or other persons who are associated with the University's athletic programs or who are deemed representatives of the University's athletic interests;

(6) Fraud or dishonesty of Athletic Director in the performance of Athletic Director's duties or responsibilities hereunder, including, but not limited to, financial misfeasance, fraud or dishonesty in the preparation or maintenance of any document or record required to be prepared, kept, or maintained by the University Rules, Governing Athletic Rules, or law;

(7) Counseling or instructing by Athletic Director of any coach, student, or other person to fail or refuse to respond accurately and fully within a reasonable time to any inquiry or request concerning a matter relevant to the athletics programs of the University or of another institution of higher education which shall be propounded by the NCAA, SEC, President or his designee, or any other governing organization;

(8) Intentional failure by Athletic Director to respond in a timely, accurate, and complete fashion to any reasonable request or inquiry by the University relating to Athletic Director's performance of Athletic Director's duties under this Agreement or Athletic Director's adherence to or compliance with University Rules; and

In the event this Agreement is terminated for cause in accordance with the provisions of Section 5.01(b) hereof Athletic Director shall not be entitled to receive any unearned sum, compensation or benefit otherwise payable under Article IV hereof. Notwithstanding any other term of this agreement, it is not the intention of the parties that this Agreement be terminable for minor, technical or otherwise insignificant University regulations, or for minor NCAA or SEC violations.

(c) Termination Without Cause. The Association shall have the right at any time to terminate this Agreement without cause and for its convenience prior to its expiration. Termination by the Association without cause shall be effectuated by delivering to the Athletic Director written notice of the Association's intent to terminate this Agreement without cause, which notice shall be effective thirty (30)

days after receipt of such notice by the Athletic Director. If the Association exercises its rights under this Section 5.01(c) to terminate this Agreement without cause, the Athletic Director shall be entitled to damages only as provided for in Section 5.01(d) below, and the provisions of Article VI hereof shall have no further effect.

(d) Liquidated Damages. If the Association terminates this Agreement without cause prior to its expiration in accordance with the provisions of Section 5.01(c) hereof, the Association shall pay, and Athletic Director agrees to accept as liquidated damages, the base salary due under Section 4.01 for the remainder of the term of the Agreement then in effect, to be paid on a monthly basis or otherwise as the parties may agree and the portion of the longevity bonus, if any, earned as of the date of termination. The amount of the longevity bonus due will be determined on a prorated monthly basis.

The Association's obligation to pay such liquidated damages shall be subject to Athletic Director's duty to mitigate the Association's obligation as specified in Section 5.01(e) hereof. The Athletic Director will be entitled to continue such insurance benefits at Athletic Director's own expense as required or permitted by law, but Athletic Director will not otherwise be entitled to any employment or other benefit described in Article IV hereof.

The parties have bargained for and agreed to the foregoing liquidated damages provision, giving consideration to the fact that termination of this Agreement by the Association without cause prior to its expiration may cause Athletic Director to lose certain benefits and incentives, supplemental compensation, or other athletically-related compensation associated with Athletic Director's employment at the University, which damages are extremely difficult to determine with certainty or fairly or adequately. The parties further agree that the payment of such liquidated damages by the Association and acceptance thereof by Athletic Director shall constitute adequate and reasonable compensation to Athletic Director for the damages and injuries suffered by Athletic Director because of such termination by the Association. The foregoing shall not be, nor be construed to be, a penalty.

(e) Mitigation of Liquidated Damages. Notwithstanding the provisions of any other Section of this Agreement, the Athletic Director agrees to mitigate the Association's obligation to pay liquidated damages under Section 5.01(d) hereof and to make reasonable and diligent efforts to obtain equivalent

employment, such as employment as an Athletic Director, as a head or assistant coach or administrative position at NCAA Division I college or university or with a professional sports team, as soon as possible after termination of this Agreement by the Association pursuant to Section 5.01(c) hereof and termination of employment by University. Upon Athletic Director's acceptance of any new employment, the Association's obligation to pay the full amount of liquidated damages provided for in Section 5.01(d) hereof shall be reduced by the amount of the minimum guaranteed annual salary of Athletic Director's new position. Athletic Director agrees to notify the Association within fourteen (14) days of the date Athletic Director accepts new employment of the minimum annual salary of the new employment.

(f) Waiver of Claims. In any instance of suspension of the Agreement or the termination of the Agreement pursuant to Sections 5.01(a), 5.01(b), or 5.01(c) hereof, the Association shall have no liability whatsoever to Athletic Director beyond the terms of this agreement, nor shall Athletic Director be entitled to receive, and Athletic Director hereby waives any claim that Athletic Director or Athletic Director's personal representatives may have against the Association, or the University's Board of Regents, officers, employees, or agents for any direct or consequential damages by reason of any alleged economic loss, including, but without limitation, loss of collateral income, earning capacity, business opportunities, incentive and supplemental income, benefits, or perquisites, including those described in Sections 4.02, 4.03, 4.04, and 4.05 hereof, or speaking engagements, schools, camps, or clinics, outside activities or any athletically related outside income or fees or by reason of alleged humiliation or defamation resulting from the fact of termination or suspension, the public announcement thereof, or the Association's or University's release of information or documents required by law. Athletic Director acknowledges that in the event of termination of this Agreement for cause, without cause, or otherwise, Athletic Director's sole remedies are provided for herein and shall not extend to injunctive relief.

(g) Suspension for Cause. In lieu of termination for cause, the Association, acting through the President, may suspend this Agreement for a period not to exceed ninety (90) days for any one or more of the acts or omissions representing grounds for termination for cause under Section 5.01(b). During such a period of suspension, Athletic Director may not be entitled to receive salary or other benefits from Association or other sources.

(h) Suspension for Criminal or Other Charges. As an alternative or supplement to any other remedies available hereunder the Association may suspend this Agreement if University suspends Athletic Director's employment for the following grounds:

(1) In the event of an indictment or information being filed against Athletic Director charging a felony; or

(2) In the event of the commencement, filing, or delivery of any notice of formal inquiry or charge or in the event of a preliminary finding by NCAA, or SEC, or any commission, committee, council or tribunal of the same, alleging or finding one or more major, significant, or repetitive violations by Athletic Director personally of Governing Athletic Rules, or such violations by other persons about which violations Athletic Director knew or reasonably should have known and willfully or with gross negligence failed to act to prevent, limit, or mitigate; which were permitted, encouraged or condoned by Athletic Director; or of which Athletic Director had actual or constructive knowledge or reasonably should have had such knowledge, and failed to act reasonably to prevent, limit, or mitigate.

Such suspension may continue until final resolution of such matter or proceeding. (During such suspension, payment of University salary and the benefits described in Section 4.03(a) shall be determined in accordance with University policies and procedures. Athletic Director shall not be entitled to receive any other benefits or perquisites hereunder for the period of such suspension. If the matter giving rise to the suspension is finally resolved in favor of Athletic Director, and does not otherwise represent an independent basis for termination hereunder for cause, Association shall pay or make available to Athletic Director, if not paid from other sources, the salary and benefits hereunder otherwise payable to Athletic Director during the period of suspension and Athletic Director may be reimbursed for his expenses in defending himself in such suspension. Suspension under this Section 5.01(h) shall not limit or prevent the right of the Association to act pursuant to Sections 5.01(b) or 5.01(c) during or subsequent to such suspension.

5.02 Termination by Athletic Director. The parties agree the Athletic Director may terminate this Agreement on a date agreed to by giving the Association not less than thirty (30) days written notice. All unearned compensation and benefits described in Article IV hereof and all other obligations owed by

the Association to Athletic Director under this Agreement will cease as of such termination date. If Athletic Director terminates this Agreement prior to its expiration, without the agreement of the President of the University, to take employment as an athletic director or assistant or associate athletic director at an NCAA Division I school, in professional sports management or as an executive with a corporation, foundation or charity, Athletic Director shall forfeit all further rights to receive unearned compensation from University and Association, and Association agrees to accept as liquidated damages, within thirty (30) days of termination one-half (1/2) of the total amount of the then-applicable annual base salary. The parties understand and agree that if Athletic Director terminates this agreement prior to June 30, 2015, the University and the Association will suffer material damages, including but not limited to, lost revenue from and the disruption of ticket sales, product endorsements, and/or other promotional activities; additional costs in having to locate, recruit and contract a replacement Athletic Director; and other damages. Because of the difficulty of quantifying these damages, Athletic Director hereby agrees that he, either personally or through his then-employer, will make a lump sum payment equal to one half (1/2) of one full year of his then current Annual base salary (e.g. \$550,000 in 2010) to the Association (hereinafter referred to as the Liquid Damages Payment) which is the parties reasonable estimation of the Associations loss if the Athletic Director terminates the contract prior to June 30, 2015. The Association acknowledges that the Liquid Damages Payment may be made by Athletic Director or by Athletic Director's new employer. The foregoing shall not be, nor be construed to be, a penalty.

#### **Article VI - Prospective Employment**

The parties agree that should another employment opportunity in intercollegiate athletics or professional sports management be presented to Athletic Director or should Athletic Director desire to pursue employment at another college or university or with a professional sports organization during the term hereof, the Athletic Director must notify the President of the University of such interest or opportunity. Athletic Director must receive permission from the President before any discussions can be held by Athletic Director with the prospective employer, and such permission may not be withheld unreasonably.

#### **Article VII – Miscellaneous**

7.01 Despite the University's approval of the terms of this Agreement as required by the NCAA, Athletic Director and Association understand and agree that the University and the Board of Regents of the University System of Georgia are not parties to this Agreement and have no rights and duties hereunder. Nothing in this Agreement shall affect any rights or duties under Athletic Director's state employment.

7.02 The parties hereby confirm their understanding that Athletic Director's employment by the University as Director of Athletics is a non-tenure track position and will not lead to tenure. Athletic Director's employment at the University is governed by the terms and provisions of the University's Human Resources Policies and Procedures and Administrative Policies and Procedures, as currently published and as may hereafter be revised or amended, are hereby incorporated herein by reference and made a part of this Agreement as though written herein. To the extent, however, that a conflict exists between the terms and provisions of said regulations and this Agreement, this Agreement shall prevail except as otherwise required by law or Board of Regents Policies and Procedures.

7.03 This Agreement may be amended at any time only by a written instrument duly signed by the Association through its designated representative and by Athletic Director.

7.04 Athletic Director's rights and interests under this Agreement may not be assigned, pledged, or encumbered by Athletic Director.

7.05 This Agreement constitutes the full and complete understanding and agreement of the parties with respect to the payment by Association to Athletic Director of supplemental compensation and incentives and supersedes all prior understandings and agreements, oral or written, concerning this matter.

7.06 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 of any other covenant, term, or condition contained therein.

7.07 Athletic Director acknowledges that Athletic Director has read and understands the foregoing provisions of this Agreement and that such provisions are reasonable and enforceable, and Athletic Director agrees to abide by this Agreement and the terms and conditions set forth herein.

7.08 It is agreed and understood between the parties that nothing contained herein shall be

construed to constitute a waiver by the Association or University of its right to claim such exemptions, privileges and immunities as may be provided by law.

7.09 Any notice or other communication which may or is required to be given under this Agreement shall be in writing and shall be deemed to have been given either when hand delivered to Athletic Director or on the earlier of the day actual received or on the close of business on the business day following the day when deposited in the United States mail, first class postage pre-paid, addressed to the party at the address set forth after its name below or such other address as may be given by such party in writing to the other:

**If to Athletic Director:**

Athletics Department  
University of Georgia  
Athens, Georgia 30602

With a copy to Athletic Director's

Address as shown on University's  
Human Resource's database.

**If to the Association:**

Chairman of the Board of Directors  
University of Georgia Athletic Association, Inc.  
President of the University of Georgia  
Athens, Georgia 30602

With a copy to:

Executive Director for Legal Affairs  
Office of Legal Affairs  
Lustrat House  
Athens, Georgia 30602

7.10 All materials or articles of information, including without limitation, personnel records, recruiting records, team information, films, videos, statistics, or any other materials or data, furnished to Athletic Director by the University or Association or developed by Athletic Director at the University's direction or for the University's use or otherwise in connection with Athletic Director's employment by the University are and shall remain the sole and confidential property of the University and/or Association. Within fourteen (14) days of the expiration or earlier termination of this Agreement, Athletic Director shall immediately cause any such materials as well as all University-owned equipment, keys, credit cards, and other property in Athletic Director's possession or control to be delivered to the University and/or Association, except that loaned vehicles shall be returned as provided hereinabove.

7.11 Arbitration.

(a) If a dispute, controversy, or claim arises between the parties to this Agreement, the parties agree that their respective representatives shall meet, consult in good faith, and attempt to settle the matter, within thirty (30) days of written notice thereof as a condition precedent to the initiation of arbitration proceedings as set forth below.

(b) Any dispute, controversy, or claim between the parties including, without limitation, one arising out of, relating to, or concerning this Agreement; the breach, termination, or invalidity of this Agreement; tort, or statutory claims; and the scope of this arbitration clause, shall be settled by arbitration administered in accordance with the Employment Dispute Resolution Rules of the American Arbitration Association in effect prior to July 1, 2002. The parties agree, however, that any such dispute shall be submitted to and settled by only one arbitrator. The judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

(c) The arbitrator shall be mutually acceptable to the parties, or failing agreement, selected pursuant to the Employment Dispute Arbitration Rules of the American Arbitration Association.

(d) Arbitration proceedings under this Agreement shall be held in Atlanta, Georgia, or at such other place as may be selected by mutual agreement of the parties.

(e) Strict rules of evidence shall not apply in any arbitration conducted pursuant to this Agreement. The parties may offer such evidence as they desire and the arbitrator shall accept such evidence as the arbitrator deems relevant to the issues and accord it such weight as the arbitrator deems appropriate. The arbitrator shall have the discretion to order a prehearing exchange of information by the parties, including, without limitation, production of requested documents, exchange of summaries of testimony of proposed witnesses, and examination by deposition of parties. No party shall be allowed, however, to take more than one (1) deposition and no deposition shall last longer than six (6) hours, unless the arbitrator determines that a deposition is necessary because of the probable unavailability of a witness. All disputes regarding discovery shall be decided by the arbitrator.

(f) The arbitration award shall be in writing and shall specify the factual and legal bases for the award. In rendering the award, the arbitrator shall determine the respective rights and obligations of the parties according to the laws of the State of Georgia or, if applicable, federal law.

(g) The arbitrator shall have the authority to award any remedy or relief that a federal or state court within the State of Georgia could order or grant, including without limitation, specific performance of any obligation created under this Agreement; an award of punitive, exemplary, statutory, or compensatory damages; the issuance of an injunction or other provisional relief; or the imposition of sanctions for abuse or frustration of the arbitration process. Notwithstanding the foregoing, (i) the arbitrator shall have no authority to award damages, including punitive, exemplary, statutory, or compensatory damages in excess of those set forth in paragraphs 5.01(d) or 5.02 of this Agreement; (ii) Athletic Director hereby waives any claim to damages, including punitive, exemplary, statutory, or compensatory damages, in excess of those set forth in paragraph 5.01(d) of this Agreement; the Association hereby waives any claim to damages, including punitive, exemplary, statutory, or compensatory damages, in excess of those set forth in paragraph 5.02; and (iv) the arbitrator is specifically divested of any power to award any damages in excess of those provided for in this paragraph 7.11(g).

(h) All fees and expenses of the arbitration shall be equally divided by the parties; however, each party shall bear the expense of his or its own counsel, experts, witnesses, and preparation and presentation of evidence.

(i) Neither party may disclose the existence, content, subject matter, or results of any arbitration under this Agreement, other than to their attorneys and advisors, without the prior written consent of the other party, nor may the arbitrator disclose such information without the consent of both parties. This nondisclosure provision shall apply to all aspects of the arbitration proceeding, including without limitation, discovery, testimony, other evidence, briefs, and the award. The parties agree to notify their attorneys and advisors of this provision and to require them to comply with it.

(j) The parties intend that the arbitrator be independent and impartial. To this end, the arbitrator shall disclose to the parties any professional, family, educational or social relationships, past or present, with any party or counsel.

(k) Any provisional remedy that would be available from a court of law shall be available from the arbitrator, at his discretion, to the parties pending the arbitrator's determination of the merits of the parties' dispute. This shall include orders of attachment, temporary restraining orders, injunctions, and

appointment of a receiver. If the arbitrator issues such an order, either party may immediately apply to a court of competent jurisdiction for enforcement of the order, even though the arbitrator may not have rendered a final award.

(l) It is the specific intent of the parties that this arbitration clause be governed by the Federal Arbitration Act, 9 U.S.C. § 1, et seq. (hereinafter referred to as the FAA); however, if this clause is unenforceable for any reason under the FAA, then the parties intend that it be governed by the provisions of the Georgia Arbitration Code, O.C.G.A. § 9-9-1, et seq.

(m) Both Athletic Director and the Association represent and warrant they have read this Section 7.11, have had an opportunity to consult with and receive advice from legal counsel regarding this paragraph (m), and hereby forever waive all rights to assert that this paragraph was the result of duress, coercion, or mistake of law or fact.



(Initialed by Athletic Director)



(Initialed by the Association)

7.12 In the event the arbitration clause in paragraph 7.11 of this Agreement is held to be unenforceable or inapplicable for any reason, the parties agree to be bound by this paragraph and resolve disputes as follows: (i) all disputes arising from or relating to this Agreement shall be subject to the exclusive jurisdiction of and be litigated in the United States District Court for the Middle District of Georgia; if that court does not accept jurisdiction, then in the Superior Court of Clarke County, Georgia, USA; (ii) the parties hereby consent to the exclusive jurisdiction and venue of such courts for the litigation of all disputes and waive any claims of improper venue, lack of personal jurisdiction, or lack of subject matter jurisdiction as to any such disputes; (iii) Athletic Director hereby waives any claim to damages, including punitive, exemplary, statutory, or compensatory damages in excess of those set forth in 5.01(d); and (iv) the Association hereby waives any claim to damages, including punitive, exemplary, statutory, or compensatory damages, in excess of those set forth in section 5.02.

7.13 The invalidity or enforceability of any provision of this Agreement has no effect on the validity or enforceability of any other provisions. It is the desire of the parties hereto that a court judicially

revise any unenforceable provisions to the extent required to make them enforceable.

7.14 The section and paragraph headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.


7.15 The validity, interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Georgia.

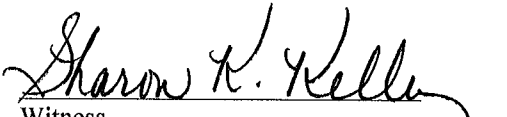
IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused this Agreement to be executed the day and year first above written.

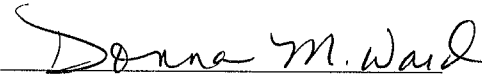
ATHLETIC DIRECTOR:

UNIVERSITY OF GEORGIA  
ATHLETIC ASSOCIATION, INC.

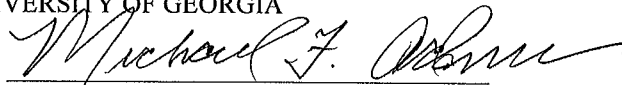
By:   
Damon M. Evans

By:   
Michael F. Adams, Chairman of the  
Board of Directors

  
Witness

  
Attest:

Approved:  
BOARD OF REGENTS OF THE UNIVERSITY  
SYSTEM OF GEORGIA, by and on behalf of the  
UNIVERSITY OF GEORGIA

By:   
Michael F. Adams, President