

**EMPLOYMENT SEPARATION, SETTLEMENT, CONSULTING  
AND FUTURE SERVICES AGREEMENT**

**THIS EMPLOYMENT SEPARATION, SETTLEMENT, CONSULTING AND FUTURE SERVICES AGREEMENT** ("Agreement") is effective this 14<sup>th</sup> day of February, 2008 (the "Effective Date"), by and among The Weiser Way, Inc. ("WWI", Timothy L. Weiser, (sometimes collectively referred to as the "Employee"), and the Intercollegiate Athletic Council of Kansas State University, Inc., ("IAC"), and Kansas State University, (sometimes collectively referred to as the "Employer" or "KSU"),

WITNESSETH:

WHEREAS, in entering into this Agreement, the Employer and the Employee wish to set forth the terms of Employee's separation from employment with the Employer, and the terms of an ongoing relationship between the Employer and the Employee.

In consideration of the mutual promises and covenants hereinafter set forth, the parties agree with one another as follows:

1. **Effective Date of Separation.** Except as otherwise set forth in this Agreement, the Employee's separation date and last date of active employment with the Employer shall be June 14, 2008, which is the last day the Employer's fiscal year (the "Separation Date").

2. **Resignation.** The Employer and Employee agree that Employee has voluntarily resigned his employment with Employer. All records of the Employer will reflect that the Employee has voluntarily resigned effective on the Separation Date, and the Employee may represent that he voluntarily resigned from employment with the Employer. The parties agree that the Employee was an excellent employee of the Employer. The Employer will not release any negative references or any other information concerning Employee whatsoever to any party or individual, including but not limited to the Employee's current or future prospective employers, and will only report that the Employee was an excellent employee, accompanied only by documents and/or comments supporting that statement.

The parties agree that the Employee will not apply for rehire by the Employer as its Director of Athletics unless invited to do so by the Employer. The Employee shall have no recourse against the Employer based on the Employer's decision(s) not to rehire the Employee as its Director of Athletics.

The Employer will provide a letter of recommendation relative to the Employee. A copy of said letter of recommendation is attached hereto as Schedule 2.

The Employee's personnel file shall contain no derogatory or negative information about the Employee. The contents of that file will only be released upon the prior written consent of the Employee. The Employee shall be given a copy of all of his employment related files on the Effective Date, at no cost or expense to the Employee.

The parties shall jointly prepare and schedule press releases and/or statements regarding this matter. No party shall make statements, issue press releases or hold press conferences without the express written consent of the other parties, and all matters communicated shall be subject to the prior written consent of all parties.

3. **Continuation of Pay and Fringe Benefits through the Separation Date.** The Employee shall continue to be paid through the Separation Date at his normal salary. The Employee will also continue to be eligible for and receive all elected benefits except sick leave and vacation days, heretofore offered by Employer through the Separation Date. Effective June 15, 2008, Employee may elect COBRA medical plan continuation coverage for himself and his family for the time period and under such conditions as are provided by COBRA. Additionally, the Employee shall continue to receive through the Separation Date, at the sole cost and expense of the Employer, unlimited, full cell phone use, the full use of his current automobile, and all other fringe benefits currently enjoyed by the Employee. Said fringe benefits are set forth in Schedule 3.

The Employee also shall be permitted to work simultaneously for the Big 12 Conference, on the equivalent of a full time basis commencing with the Effective Date, and shall undertake duties on behalf of the Employer at such times, and at such locations, as are mutually agreed to by the parties hereto.

The amounts paid to the Employee pursuant to this Section shall be paid at the normal payroll times, and shall be subject to normal withholding. Payment shall be based on the prorated portion of an annual salary of \$273,182.00 per year. Additionally, the Employee shall be paid expenses of \$15,000.00, which amount shall be paid in a lump sum within 10 days of the Effective Date.

The execution of this Agreement does not affect Employee's rights and obligations under Employer's retirement pension benefit plan, the BMA account or the Deferred Compensation Agreement between the Employer and the Employee. Employee's rights and obligations under such plans will continue to be governed by the terms and conditions of the applicable plan document(s).

4. **Vacation pay.** The Employee shall be paid his unused vacation pay at the gross rate of \$1,050.70 per day. Vacation days will continue to accrue at the Employee's customary rate through June 14, 2008. No vacation days shall be assessed against the Employee for time absent from work. On the Separation Date it is agreed that the Employee will have accrued 47 vacation days, and that a gross amount of \$49,382.90 shall be due to the Employee for vacation days. Amounts paid to the Employee pursuant to this Section shall be subject to normal withholding, and shall be paid on or before the 30<sup>th</sup> day of June, 2008, in one lump sum. There is no other vacation, paid time off or sick leave payments due the Employee.

5. **Separation and Future Consulting and Services Payments.** The Employer will pay a total of \$1,900,000.00, \$25,000.00 of which shall be separation and release payments, in settlement of any and all potential claims that Employee may have, and \$1,875,000.00 of which shall be future consulting and services payments. Said amounts shall

be paid to the Employee, his estate or to WWI, (collectively referred to as the "Recipient") as directed by the Employee or WWI in their sole discretion, based on the understanding that the Employee or a designee of WWI shall perform all services called for herein. For so long as the Employee is alive, he shall render the services called for in this Agreement, either directly or through WWI.

6. **BMA and Deferred Compensation Agreement Accounts ("DCA").** The Employee will also be entitled to withdraw his entire BMA Account and DCA account as he determines prudent, in his sole discretion, plus all interest accrued on such amounts until the time it is paid out to Employee. At the time the Employer either closes or withdraws funds from the BMA account, the Employee shall be required to repay his outstanding loan to the Employer in the amount of \$500,000.00, plus accrued interest. Until June 30, 2008, the Employer shall continue to contribute to said accounts in the same manner and pursuant to the same formula as previously contributed. Employer agrees to assist in any and all means necessary to ensure such withdrawal is completed within 10 days of the date Employee notifies the Employer in writing that he is exercising his withdrawal rights. After June 30, 2008, except as provided for herein, the Employer shall no longer be required to contribute any additional amounts to either the DCA account or the BMA account.

7. **Mutual Release of Claims.** By signing this Agreement, and accepting the consideration set forth in this Agreement, the Employee, for himself, his successors, assigns, heirs, spouse, children, representatives, guardians, executors, administrators and attorneys, (the "Releasors") does hereby release and discharge IAC and the Employer, their current and former officers, directors, owners, employees, agents, attorneys, subsidiaries, successors, and affiliates (the Releasees) from all claims, liabilities, demands and causes of action, known or unknown, fixed or contingent, which he may have or claim to have against the Releasees as of the date of the Separation Date arising out of Employee's employment or the separation of the Employee's employment. This includes, but is not limited to:

a. claims of wrongful discharge, retaliation, invasion of privacy, libel, slander, defamation, intentional or negligent infliction of emotional distress, or those arising under any purported contract, written or oral, express or implied, deemed permissible under the Fair Labor Standards Act.

b. any court filings under federal, state or local laws prohibiting employment discrimination on account of age, race, sex, creed, national origin, mental or physical disability, or any other protected classification, including, but not limited to, Title VII of the Civil Rights Act of 1964, as amended.

c. the Age Discrimination in Employment Act (ADEA), the Rehabilitation Act, the Americans with Disabilities Act (ADA), any current claims under the Family and Medical Leave Act (FMLA), any claims under Title VII of the Civil Rights Act of 1991, as amended.

d. the National Labor Relations Act (NLRA), and the Worker Adjustment and Restraining Notification Act (WARN).

e. any court filings under the Kansas Act Against Discrimination (KAAD) and the Kansas Age Discrimination Act.

f. any amendments to the aforementioned statutes, ordinances, laws or matters.

In addition, the Employee further agree to release, waive, relinquish and forego all legal relief, equitable relief, statutory relief, reinstatement, back pay, front pay and any other damages, benefits, remedies, or relief that he may be entitled to as a result of any prosecution of any claim referred to above, and he further agrees to release, waive, relinquish and forego all legal relief, equitable relief, statutory relief, reinstatement, back pay, front pay and any other damages, benefits, remedies or relief that he could receive from actions or suits filed by or on behalf of the Employee, it being specifically understood that the Employee is waiving his right to sue the Employer in court for monetary damages.

Further, the Employer releases the Employee from any claims that the Employer might have against the Employee.

Exempted from this release are any claims which may arise after the date of this agreement, and any claims relative to a breach of this Agreement.

8. **Confidentiality.** Both the fact of this Agreement and the terms of this Agreement are to be maintained as confidential. Employee agrees not to make any private or public oral or written statements, including, but not limited to, statements to anyone which are false, disparaging or damaging to the name, reputation of the Releasees or the business of Employer. Employee agrees, on behalf of himself and his spouse, not to disclose, or permit those acting on Employee's behalf to disclose, whether orally or in writing, the terms of this Agreement or any prior negotiations hereunder or the amount of consideration paid pursuant hereto, to any person, firm, organization, or entity. This provision is not intended to prohibit nor does it prohibit, however, Employee's disclosure of the terms of this Agreement to Employee's attorney(s), financial advisor(s), tax preparer(s) or spouse.

Likewise, the Employer agrees not to: (a) make any public or private oral or written statements, including, but not limited to, statements to anyone or any company or other entity which are false, disparaging or damaging to the name, reputation or business of the Employee; and (b) disclose, or permit its agents, employees, directors, officers, and/or employees to disclose, whether orally or in writing, the terms of this Agreement or any prior negotiations hereunder, or the amount of consideration paid pursuant hereto, to any person, firm, organization, or entity. This provision is not intended to prohibit nor does it prohibit, however, Employer's disclosure of the terms of this Agreement to the Employer's Attorney(s), financial advisor(s), tax preparers or to those at Employer with a need to know said information.

During the course of the Employee's employment with the Employer, he has come in contact with certain confidential and proprietary information of the Employer, which has independent value to the Employer. The Employee shall not disclose or disseminate, directly or indirectly, or otherwise use, except as permitted by the Employer any confidential or proprietary information of the Employer without the express written consent of the Employer. Confidential

or proprietary information shall not include any information which: (a) is, at the time of disclosure, available to the general public; or (b) which becomes at a later date available to the general public through no fault of the recipient, either directly or indirectly.

Both parties agree that either party shall be entitled to injunctive or other equitable relief enjoining and restraining any actual breaches of the provisions of this section. Nothing herein, however, shall be construed as prohibiting either party from pursuing any other remedies available to either party for such breach including, but not limited to, the recovery of damages (both actual and punitive) from the other party.

9. **No Wrongdoing.** The parties do not have knowledge that any parties to this Agreement, their owners, officers, directors, employees, agents, subsidiaries, affiliates, spouses or children, have done anything improper. No party knows of any wrongdoing on the part of any other party, and after adequate due diligence, all parties agree that there has been no wrongdoing on the part of any other party.

10. **Terms are Contractual.** In signing this Agreement, Employee understands that the terms hereof are contractual and not merely a recital, and that Employee is not relying upon any statement or representation made by any of the Releasees, but instead, Employee is relying solely upon Employee's own judgment and/or the advice of Employee's attorney. In signing this Agreement, Employer understands that the terms hereof are contractual and not merely a recital, and that Employer is not relying upon any statement or representation made by the Employee, but instead, Employer is relying solely upon Employer's own judgment and/or the advice of Employer's attorney.

11. **Non-Waiver.** The parties agree that the waiver by one party of the performance of any covenant, condition, or promise, shall not invalidate this Agreement nor shall it be considered a waiver by such party of any other covenant, condition, or promise hereunder. The waiver by any or all parties of the time for performing any act shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. The exercise of any remedy provided by law and the provisions of this Agreement shall not exclude other consistent remedies unless they are expressly excluded.

12. **Consulting/Teaching Agreement.** For a period of ten (10) consecutive years, commencing at the discretion of the Employee, but no earlier than the fall semester of 2014, the Employee shall become a Faculty Member of the Employer in the College of Education pursuant to terms as may be agreed to between the Employer and the Employee. For said services, the Employer shall pay the Employee compensation and benefits at the sole cost and expense of IAC.

13. **Final Four Tickets.** For a period of ten consecutive years, years, commencing with the 2008 final four, the Employee shall receive, at no cost or expense to The Employee, four (4) tickets to the Final Four of the NCAA Men's Basketball Tournament. Said tickets shall be "prime tickets" distributed from the allotment granted to KSU's Athletic Department by the NCAA.

14. **Prior Agreements.** All prior agreements between the parties are null and void and of no further force and effect.

15. **Kansas Law.** This Agreement is to be interpreted and enforced according to the laws of the State of Kansas, without regard to the principles of conflicts of law, and shall be binding upon Employer and its successors, owners, agents, employees, officers, directors, affiliates and assigns, and the Employee's heirs, next of kin, executors, administrators, successors, and assigns, and shall inure to the benefit of the Releasees and all other persons and entities released herein.

16. **Consideration Period.** Employee has twenty-one (21) days, in which to decide to enter into this Agreement, although Employee may accept at any time prior to the expiration of such twenty-one day period. This Agreement is tendered to the Employee on February 14, 2008, and the 21 execution period expires on March 6, 2008.

17. **Revocation Period.** Employee may revoke any acceptance of this Agreement within seven (7) days after it is signed by the Employee, and this Agreement shall not become effective until such revocation period has expired.

The Employee also agrees that he will execute and return to the Employer the document attached to this Agreement as Schedule 17, which is entitled "Acknowledgment of Non-revocation" at the end of the aforementioned 7 day period if he chooses not to revoke this Agreement.

18. **Nonadmission of Liability.** This Agreement shall not be construed as an admission by either party that the Employer acted wrongly with respect to the Employee. Additionally, this Agreement shall not be construed as an admission by the Employee of any misconduct.

19. **Entire Agreement.** This Agreement sets forth the entire understanding between the parties in connection with its subject matter and supersedes all prior written or oral agreements or understanding concerning the subject matter of this Agreement. Employee and Employer acknowledge that in signing this Agreement, they have not relied upon any representation or statement not set forth in this Agreement made by Employer or Employee or any of their representatives.

20. **Agreement Binding.** This Agreement is binding on Employer and any of its directors, officers, shareholders, agents, representatives, subsidiaries, successors and affiliates. This Agreement is also binding on Employee, his spouse, children, heirs and assigns.

21. **Jurisdiction.** Courts located in Sedgwick County, Kansas shall have exclusive jurisdiction over any disputes relative to this Agreement.

22. **Disputes.** In the event of any disputes relative to this agreement, the losing party shall pay the fees and expenses of the prevailing party, including reasonable attorney's fees.

23. **Voluntarily Executed.** Employee acknowledges that he has read and understands this entire Agreement, that he has signed it knowingly and voluntarily, and that he was under no duress or pressure to do so.

24. **Agreement Read and Considered.** The Employee and Employer have read and carefully considered this Agreement consisting of 7 pages, and fully understand its contents and the legal rights and claims they are waiving. They have freely, knowingly and voluntarily signed the original of this Agreement as of the date indicated below.

25. **Modification.** This Agreement may not be modified or amended except in a writing executed by all the parties hereto.

26. **Headings.** All captions and headings used in this Agreement are for convenience only. They shall not be deemed part of this Agreement and in no way define, limit, extend or describe the scope or intent of any provisions hereof.

27. **No Strict Construction.** The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

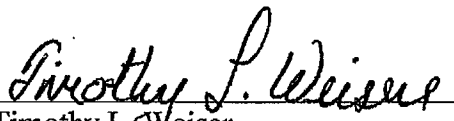
28. **Authority.** The parties represent, and are entitled to rely on each others representations, that each is possessed with absolute authority to enter into this Agreement.

"EMPLOYEE"

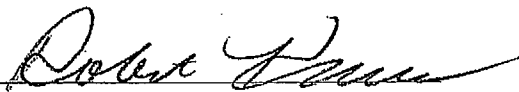
"EMPLOYER"

Kansas State University

By:

  
Timothy L. Weiser

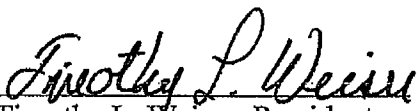
By:



The Weiser Way, Inc.

Intercollegiate Athletic Council of Kansas State University, Inc.

By:

  
Timothy L. Weiser, President

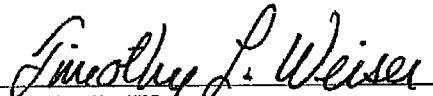
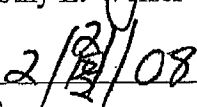
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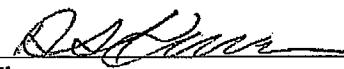
  
Robert Krause, IAC Compensation Committee


**SCHEDULE 17**  
**ACKNOWLEDGEMENT OF NON-REVOCATION**

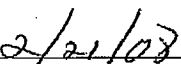
Timothy L. Weiser (hereinafter "Tim Weiser") hereby acknowledges that the 7 day revocation period referenced in Section 17 of the Employment, Separation, Settlement, Consulting and Future Services Agreement, to which this Schedule is attached, has expired, and that Tim Weiser took no action to revoke the Agreement.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand on the date set forth beneath his signature.

  
\_\_\_\_\_  
Timothy L. Weiser  
  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Witness

  
\_\_\_\_\_  
Printed Name of Witness

  
\_\_\_\_\_  
Date



### SCHEDULE 3

1. All employer paid benefits included in the bi-weekly salary payments through the Separation date.
2. Full family membership at Manhattan Country Club and one Founder privilege at Colbert Hills.
3. Expense allowances:
  - \$2,500 per each contract year for expenses not covered by employees existing health insurance relative to trips to Mayo Clinic for annual check ups.
  - A clothing allowance of \$5,000 per contract year.
  - An allowance of \$5,000 for expenses associated with vacation days used by employee during each contract year.

Any of the amounts in this section not requested by the employee prior to the end of the contract year shall be forfeited.

## CONSULTING AND FUTURE SERVICES AGREEMENT

THIS CONSULTING AND FUTURE SERVICES AGREEMENT ("Agreement") is effective this 14<sup>th</sup> day of February, 2008, by and The Weiser Way, Inc. ("WWI", Timothy L. Weiser, (sometimes collectively referred to as the "Contractor"), and the Intercollegiate Athletic Council of Kansas State University, Inc., ("IAC"), and Kansas State University, (sometimes collectively referred to as "KSU"),

### 1. DESCRIPTION OF WORK.

work on [REDACTED]  
policies and [REDACTED] It is agreed that the Contractor will not be asked to perform any work that might conflict with or compromise the Contractor's position as an employee of the Big 12 Conference.

All of the Contractor's work hereunder shall be referred to as the "project."

The Contractor shall devote as much time and attention to the project as is reasonably necessary for its success.

The parties agree that no training is required for the Contractor; that no supervision of the Contractor is required by KSU; and that there are no set hours of work. The Contractor's full-time attention is not required and the work is to be done on the Contractor's premises rather than KSU's premises.

2. RELATIONSHIP OF THE PARTIES. The parties intend and agree that an independent Contractor relationship is created by this contract. Neither the Contractor nor any agent, employee or servant of the Contractor shall be or shall be deemed to be an employee, agent or servant of KSU. KSU is interested only in the results obtained under this contract. The manner and means of conducting the work are under the sole control of the Contractor.

Unless otherwise agreed to by the parties in writing, none of the benefits provided by KSU to its own employees, including, but not limited to, worker's compensation insurance and unemployment insurance, are available from KSU to either the Contractor or the employees, agents or servants of the Contractor, nor shall KSU be responsible for any FICA or taxes or tax withholding relative to the Contractor or any of the employees, agents or servants of the Contractor.

The Contractor will be solely and entirely responsible for the acts of the Contractor and for the acts of the Contractor's agents, employees, servants and sub-contractors during the performance of this contract.

It is further understood that KSU does not agree to use the Contractor exclusively, and that the Contractor is free to contract for similar services to be performed for others while under contract with KSU for so long as it does not interfere with the work to be performed for KSU.

It is further agreed that neither the Contractor, nor the Contractor's agents, employees or servants may act on behalf of or bind KSU in any contractual matter.

3. **COMPENSATION.** KSU shall pay the Contractor an amount that may be agreed to by the parties.

4. **COMMUNICATION OF INFORMATION.** KSU agrees that all information obtained by it through work on the project shall be made available to KSU at any reasonable time during KSU's normal hours, and that KSU will communicate to the Contractor, promptly without request, all information pertinent to the project as it progresses.

5. **CONFIDENTIALITY.** During the term of this Agreement and forever thereafter, the Contractor agrees that he shall keep confidential all information and material that has become

known to him in his capacity as a Contractor, excepting only such information as is already known to the public. The Contractor shall not disclose any of said information without the prior written consent of KSU.

6. KANSAS LAW. This Agreement shall be governed by the laws of the State of Kansas.

7. ENTIRE AGREEMENT. Unless otherwise agreed to in writing, this Agreement constitutes the understanding between the parties relative to this contractor relationship.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

Kansas State University

By: Timothy L. Weiser  
Timothy L. Weiser

The Weiser Way, Inc.

By: Robert Krause

Intercollegiate Athletic Council of Kansas State  
University, Inc.

By: Timothy L. Weiser  
Timothy L. Weiser, President

By: Robert Krause  
Robert Krause, IAC Compensation Committee

## LETTER OF CLARIFICATION

THIS LETTER OF CLARIFICATION ("LOC") is effective this 14<sup>th</sup> day of February, 2008 (the "Effective Date"), by and among The Weiser Way, Inc. ("WWI", Timothy L. Weiser, (sometimes collectively referred to as the "Employee"), and the Intercollegiate Athletic Council of Kansas State University, Inc., ("IAC"), and Kansas State University, (sometimes collectively referred to as the "Employer" or "KSU").

WHEREAS, the parties entered into a Deferred Compensation Agreement dated the 20<sup>th</sup> day of December, 2002 (the "DCA"); and

WHEREAS, the parties also agreed that Weiser should be the beneficiary of a Matching Dollar Account, referred to as the BMA agreement (the "BMA"); and

WHEREAS, the parties have entered into an Employment Separation, Settlement, Consulting and Future Services Agreement, dated the 14<sup>th</sup> day of February, 2008 (the "Base Agreement") and

WHEREAS, the parties wish to clarify portions of the Base Agreement.

NOW, therefore, in consideration of the mutual promises and covenants hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree with one another as follows:

1. Section 5 shall be clarified as follows:

The Employer will pay a total of \$1,900,000.00, \$25,000.00 of which shall be separation and release payments, in settlement of any and all potential claims that Employee may have, and \$1,875,000.00 of which shall be future consulting and services payments. The foregoing notwithstanding, should the State of Kansas proscribe that a services and consulting agreement may not extend beyond one year, this portion of the LOC shall, at the sole discretion of the Employee, be amended to provide that the payments are merely installments relative to the separation and release payment, or under any other theory that would make the payments acceptable and payable. In no event shall the Employer or any other party claim, under any theory, that any of these amounts are not due. If any party, individual or entity claims that any of said payments are not due, the Employer shall indemnify and hold harmless the Employee from any amounts the Employee would otherwise not have been paid under this section, plus the Employee's damages, including reasonable attorney's fees. The amounts set forth herein shall be paid to the Employee, his estate or to WWI, (collectively referred to as the "Recipient") as directed by the Employee or WWI in their sole discretion, based on the understanding that the Employee or a designee of WWI shall perform all services called for herein. For so long as the Employee is alive, he shall render the services called for in this Agreement, either directly or through WWI. The aforementioned amount shall be paid as follows:

- a. After the Separation Date but before the 1<sup>st</sup> day of February, 2009, at the sole direction of the Recipient, \$200,000.00 shall be paid by the Employer to the

Recipient, or to the DCA or BMA, if so directed by the Recipient (the "First Payment"). Twenty-five Thousand Dollars (\$25,000.00) of said payment shall be separation and release payments, and the balance shall be future consulting and services payments; and

- b. Within 365 days of the First Payment, at the sole direction of the Recipient, \$200,000.00 shall be paid by the Employer to the Recipient, or to the DCA or BMA, if so directed by the Recipient (the "Second Payment"); and
- c. Within 365 days of the Second Payment, a minimum of \$300,000.00 shall, at the sole direction of the Recipient, be paid by the Employer to the Recipient, or to the DCA or BMA, if so directed by the Recipient (the "Third Payment"); and
- d. Within 365 days of the Third Payment, a minimum of \$400,000.00 shall, at the sole direction of the Recipient, be paid by the Employer to the Recipient, or to the DCA or BMA, if so directed by the Recipient (the "Fourth Payment"); and
- e. Within 365 days of the Fourth Payment, at the sole direction of the Recipient, the entire remaining outstanding balance in the approximate amount of \$800,000.00 shall be paid by the Employer to the Recipient, or to the DCA or BMA, if so directed by the Recipient (the "Fifth Payment").

The foregoing notwithstanding, there shall be no more than one of the aforementioned payments made in any fiscal year of the Employer. Additionally, the Employer shall use its best efforts to increase the payment set forth in Section 1(c) above to \$500,000.00, and to increase the payment set forth in Section 1(d) above to \$500,000.00, with the remaining balance to be paid as set forth in Section 1(e). The foregoing notwithstanding, total payments pursuant to this Section shall not exceed \$1,900,000.00, except in the event of the Employer's default. The Employer shall notify the Employee in writing on or before March 7, 2008, the Employer's estimate as to whether increased payments shall be made pursuant to Section 1(c) and Section 1(d) above.

There shall be no interest due or payable relative to the foregoing amounts. The payments shall be in default, however, in the event payment of the amount due is not made within twenty (20) days of the date the Employee gives written notice to the Employer that a payment is due. In the event of default, the Employer shall pay interest on the remaining balance from the date of default at the rate of 10% per annum and, at the sole discretion of the Employee, the entire balance of all remaining payments shall be immediately due and payable. In the event of default, the Employer shall also pay the Employee's costs of collection, including reasonable attorney's fees.

None of the aforementioned amounts shall be designated as wages. The Employee shall receive a 1099 from the Employer for all payments made pursuant to this Section.

2. Section 6 shall be clarified as follows:

The contributions made by the Employer shall include but shall not be limited to the following:

- a. \$102,500.00 to the BMA account on or before May 1, 2008; and
- b. \$102,500.00 to the DCA account on or before May 1, 2008; and
- c. 10% of the preceding May 1, 2007 balance in the BMA account, which 10% is estimated to be \$69,925.00. Said amount shall be paid on or before April 30, 2008; and
- d. 2/12 of 10% of the preceding May 1, 2008, balance in the BMA account, which 10% is estimated to be \$14,722.14. Said amount shall be paid on or before June 30, 2008; and
- e. 10% of the preceding May 1, 2007 balance in the DCA account, which 10% is estimated to be \$66,603.55. Said amount shall be paid on or before April 30, 2008; and
- f. 2/12 of 10% of the preceding May 1, 2008, balance in the DCA account, which 10% is estimated to be \$14,103.96. Said amount shall be paid on or before June 30, 2008.

3. Section 12 shall be clarified as follows:

The parties agree that for a period of ten (10) consecutive years commencing at the discretion of Timothy L. Weiser ("Weiser"), but no earlier than the fall semester of 2014, at the sole discretion of Weiser, Weiser shall become a faculty member of the Employer in the College of Education. For said services, the Employer shall pay Weiser the following compensation and benefits, at the sole cost and expense of the IAC:

- a. All benefits available to full-time faculty members at KSU, which shall include but shall not be limited to health insurance; and
- b. A full family golfing membership at the Manhattan Country Club and a Founder privilege at Colbert Hills; and
- c. Four season prime tickets to KSU home games (football, men's basketball, women's basketball and baseball); and
- d. \$100,000 per school year, payable pursuant to KSU's normal compensation schedule; and

- e. A travel budget of \$15,000 per school year which amounts shall be paid within a reasonable time after Weiser submits an invoice to the Employer.

Weiser's faculty position shall be limited to a teaching load of no more than six (6) hours per semester. "Teaching load" may include but shall not be limited to, by way of example, independent study courses or distance learning courses. Every effort shall be made to restrict Weiser's teaching responsibilities to the Spring Semester of each year. Weiser shall only be required to teach courses within his comfort level and area of expertise as a former director of college athletics. No additional responsibilities will be assigned to Weiser without his express written consent. Classes shall be taught at times reasonably convenient for Weiser.

Commencing with the semester Weiser teaches his first class, Weiser shall have ten (10) consecutive years to complete this teaching option. Weiser shall not receive any of the aforementioned compensation or benefits during any fiscal year Weiser elects not to teach.

4. The Base Agreement is reaffirmed and shall remain in full force and effect and the parties shall be bound by the all terms and conditions thereof except as clarified herein. All other terms and conditions contained in the Base Agreement shall remain unchanged and nothing contained herein shall otherwise affect the rights and obligations of the parties hereto under the Base Agreement and the DCA and BMA, provided however, that if any inconsistency exists between this LOC, the Base Agreement, the DCA, or the BMA this LOC shall control.

5. This LOC and the Base Agreement and the BMA and DCA set forth the entire understanding between the parties. The LOC, the Base Agreement, the DCA and the BMA shall not be altered or modified except by a written agreement between the parties hereto.

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The foregoing notwithstanding, if this LOC undermines the purpose of the DCA as a tax savings device, this LOC may be modified to effect the purpose of the DCA as a tax savings device.

"EMPLOYEE"

By: Timothy L. Weiser  
Timothy L. Weiser

The Weiser Way, Inc.

By: Timothy L. Weiser  
Timothy L. Weiser, President

"EMPLOYER"

Kansas State University

By: Robert Krause

Intercollegiate Athletic Council of Kansas State University, Inc.

By: Robert Krause  
Robert Krause, IAC Compensation Committee