

**AGREEMENT**

**THIS EMPLOYMENT AGREEMENT** is effective as of July 1, 2003, by and between the University of Kansas ("University") and Lewis Perkins ("Perkins").

**WHEREAS**, the University, through the University of Kansas Athletics Corporation ("KUAC"), operates the intercollegiate athletics programs of the University, subject to the direction and control of the Chancellor of the University of Kansas; and

**WHEREAS**, the University desires that Perkins serve as the Director of Intercollegiate Athletics ("Athletics Director") of the University, and Perkins agrees to serve in this capacity,

**NOW, THEREFORE**, in consideration of the mutual representations, agreements, and promises herein contained, the parties hereto agree as follows:

1. **TERM AND COMPENSATION.** The University agrees to employ Perkins as an unclassified professional staff employee in the position of Director of Intercollegiate Athletics for the University of Kansas for a period of six (6) years from on or about July 1, 2003 through June 30, 2009, at an annual salary of \$400,000.00, paid over bi-weekly pay periods, in accordance with the State Board of Regents and University payroll and benefits policy. Perkins acknowledges that a portion of his salary for the first two (2) years of this Agreement will be paid from non-athletic reserve accounts under the control of the Chancellor. Further, for media and public relations work on behalf of the University and KUAC, Perkins shall be guaranteed an annual payment of no less than \$100,000 per year, to be made not later than June 30 of each contract year. Such payment shall include any income generated through radio and television contracts entered by KUAC pursuant to the provisions of Section 4g below.

2. **AUTOMATIC RENEWAL.** Unless one of the parties notifies the other party in

writing of an intention not to renew this Agreement on before the 30th day of June of any year, or this Agreement is terminated by the University in accordance with the provisions set forth in Sections 8 or 9 of the Agreement, or it is terminated by Perkins for any reason, this Agreement shall, without further action being required of the parties, be automatically renewed for an additional six (6) year term effective July 1<sup>st</sup> of that year. It is the express intention of the parties by this Section 2 to provide for an automatic renewal of this Agreement beginning each July 1 so that the term of the Agreement as of July 1<sup>st</sup> is always six (6) years, unless, as described above, the University shall express to Perkins in writing an intention not to so renew, or this Agreement is terminated by the University in accordance with the provisions set forth in Sections 8 or 9 of the Agreement, or by Perkins for any reason. In the event notice of non-renewal is given by either party, and the provisions of Sections 8 or 9 are not invoked, and Perkins does not terminate the contract, the contract shall continue for no less than five (5) additional years and shall include any portion of a year in which such notice is given prior to June 30, with termination occurring on June 30 of the fifth full year following notice of termination. The parties specifically agree that automatic renewal under this provision will be limited to extending Perkins's contract through June 30, 2013. That is, the parties agree that, regardless of the other provisions of this Agreement and any University policy, neither party is required to give the other party notice of non-renewal after June 30, 2007 in order for this Agreement to terminate not later than June 30, 2013.

3. **INCENTIVE PAYMENT.** No later than September 1 of each year during the first four (4) years of this Agreement, Perkins will submit to the Chancellor of the University his performance objectives for the coming year. The performance objectives may be created from the following domains: (a) academic progress by student-athletes; (b) fiscal management; (c)

fundraising; (d) increased departmental revenues; (e) bonuses for competitive athletic accomplishments; (f) bonuses for departmental academic accomplishments; (g) National Collegiate Athletic Association ("NCAA") rules compliance; and (h) equal opportunity and equity compliance. Perkins and the Chancellor will mutually agree, in advance, upon the specific performance objectives for each year, as well as the amount of bonus to be associated with each objective. The bonus amounts will be based on Perkins's monthly salary in effect at the time of negotiations, and multiples thereof. The University further agrees that, upon Perkins's successful accomplishment of one or more of the previously agreed upon performance objectives, Perkins shall be paid the bonus amount(s) corresponding to the successfully completed objective(s) up to, but not more than, \$25,000 during the first four years of this Agreement. Nothing in this paragraph shall be construed to limit the University's ability to pay Perkins additional bonuses, in its sole discretion. Attached as Exhibit A to this Agreement are the time-frames for payments, the performance objectives, and the corresponding bonus amounts specifically agreed to be used during this Agreement. Final determination of whether the agreed upon criteria have been met and the amount to be paid shall be made by the Chancellor of the University, which decision shall be made in a good faith and reasonable manner, taking into account all relevant facts and circumstances. To this end, Perkins shall submit to the Chancellor at the times specified in Exhibit A, a list of accomplishments and other information pertaining to the performance objectives agreed upon. Notice of the Chancellor's decision on bonus payments ordinarily will be provided to Perkins within 30 days of Perkins's submission of the list of accomplishments. Entitlement to any payment shall not vest until this determination by the Chancellor has been completed. Should the Chancellor determine the criteria have not been satisfied, Perkins may request a written explanation of the reasons upon which the Chancellor

based his decision. Timing of payment of any bonus amounts shall be made as mutually agreed in Exhibit A. If approved, such payments shall be made regardless of whether Perkins is employed by the University during the ensuing year. After the first four (4) years of the Agreement, the parties will meet to determine whether bonus payments should continue to be part of the employment Agreement and, if so, their amounts.

**4. OTHER COMPENSATION:**

a. Perkins shall have the use of two cars and shall be reimbursed at the rate of 15 cents per mile for gas and maintenance expenses incurred during legitimate business use of the cars on behalf of the University and the Kansas University Athletic Corporation ("KUAC"). KUAC shall provide automobile damage and liability insurance coverage with customary limits and with Perkins and his spouse named as co-insureds, and shall pay personal property taxes on both cars.

b. Perkins shall receive family membership in two country clubs in Lawrence, Kansas.

c. As a University employee, Perkins shall participate in the State Board of Regents ("Regents") retirement plan, according to its eligibility criteria, and up to the limits established by current IRS law and implementing regulations. Additionally, Perkins shall be entitled to annual leave and sick leave, pursuant to Regents policy. Perkins will receive the life insurance policy provided by the Regents system, and will be eligible to elect any additional coverage at his expense. Perkins will be provided the State of Kansas employee health insurance plan, and the opportunity to participate with his family on the same terms as any other full-time University employee. A package explaining these benefits will be provided by the University Human Resources Office.

d. The University will pay reasonable expenses for a house-hunting trip for Perkins and his spouse and will further provide reasonable moving expenses by which Perkins may move his household goods to Lawrence, Kansas.

e. Perkins shall be provided temporary transition housing in Lawrence, Kansas for a reasonable period of time while he establishes more permanent housing arrangements.

f. Perkins shall receive a one-time housing allowance of up to \$24,000 for purposes of one of the following, which election shall be at Perkins's discretion: (1) to continue paying his home mortgage in Connecticut; (2) for a down payment on a personal residence for Perkins in Lawrence, Kansas; or (3) for payment of a real estate commission in connection with sale of his personal residence in Cromwell, Connecticut. Upon making this election, Perkins shall provide the Chancellor with documentation establishing the amount of the expense claimed.

g. Perkins may engage in radio and television shows pursuant to his duties as the Athletics Director. Contracts for such programs shall be executed between the entity owning or operating the radio or television program and KUAC. Perkins shall be entitled to additional compensation from KUAC consistent with, and no less than, the net revenue to KUAC from the radio or television entity. Perkins shall notify the Chancellor of the University and the University General Counsel of any discussion of program contracts with radio or television entities and shall assist KUAC in completing the necessary contractual commitments.

h. When Gwen Perkins travels with Perkins in business support of University or KUAC business activities and functions, KUAC shall arrange for payment of her

reasonable travel expenses. Ordinarily, travel on official business will not constitute taxable income. Perkins and the University Director of Administration will jointly develop a process to document official travel. Perkins further understands that University of Kansas airplanes are state-owned property whose use is subject to heightened scrutiny and that spousal travel on these aircraft cannot be approved unless the majority of other passengers are traveling on official University business. University airplanes may not be used for personal travel.

i. KUAC shall pay reasonable travel expenses for Gwen Perkins to attend a reasonable number of away football and men's basketball games when an official business purpose is not identified. This shall include, but not be limited to, travel to and attendance at all Big 12 championship football and men's basketball tournament games, and to post-season football and men's basketball games in which a KU team is playing.

j. Perkins shall receive four season tickets to men's basketball games in Allen Field House. Two tickets shall be for business use by Perkins in his capacity as Director of Intercollegiate Athletics, and two tickets shall be considered compensation to Perkins.

k. Perkins shall have the use for business purposes, consistent with IRS law and regulations, of a scholarship suite in the Kansas Memorial Football Stadium during home football games.

l. When Perkins and his spouse, Gwen Perkins, are traveling on commercial air on official business, they shall be authorized to purchase first class tickets, or the equivalent.

5. **TAXES.** The compensation described in paragraphs 1 through 4 above may constitute taxable income and Perkins agrees the University will withhold appropriate taxes.

6. **EQUIPMENT.** Perkins shall have access to and use of all equipment and electronic devices ordinarily associated with operation of an athletics department, to include word processing equipment, computers, cell phones, and other appropriate means of communication.

7. **LEW PERKINS'S OBLIGATIONS.** Perkins hereby accepts employment with the University on the terms provided, and he agrees that he will:

a. use his best efforts to supervise and administer the intercollegiate athletics program of the University of Kansas and all appropriate KUAC fundraising and development activities, provide all proposed employment contracts and multi-year contracts to the University Director of Administration and the University General Counsel for initial review prior to any commitment, and perform such other duties in the intercollegiate athletic program as may be assigned consistent with his position and level of authority;

b. be directly responsible and accountable to the Chancellor of the University;

c. use his best efforts to develop and support a comprehensive intercollegiate athletics program for female and male students at the University consistent with state and federal gender equity law and policy;

d. conduct himself at all times in accordance with and be subject to the standards established for unclassified members of the University staff as provided in the Handbook for Faculty and Other Unclassified Staff of the University, as it may be amended from time to time, adhere to applicable standards in the Staff Manual of the Kansas University Athletic Corporation as it may be amended from time to time, and



adhere to the ethics standards for officers and employees of the State of Kansas, including submission of required ethics reports;

e. not be involved in deliberate and serious violation of NCAA or Big Twelve Conference rules and regulations or willfully and knowingly permit any other person under his direction to commit a deliberate and serious violation of the rules and regulations of the NCAA or the Big Twelve Conference or other conference to which the University may belong;

f. make no financial commitments of the KUAC budget or the Department of Intercollegiate Athletics budget beyond those amounts authorized in the annual budget of the KUAC or the annual budget of the Department of Intercollegiate Athletics within the University of Kansas budget, unless specifically authorized in advance by the Chancellor of the University; and

g. not be involved in discreditable conduct that is inconsistent with the professional standards expected of the athletics director of an intercollegiate athletics program, and that is seriously prejudicial to the best interests of the University or KUAC or that violates the University's mission.

**8. TERMINATION FOR CAUSE.** This Agreement may be terminated immediately by the University (a) upon a finding by the Chancellor after due notice and opportunity for a response and hearing before the Chancellor or a committee appointed by the Chancellor, that Perkins has violated any of the agreements contained in subparagraphs 7e, 7f or 7g above; (b) for seriously inadequate performance or cause under the due process procedures specified in paragraph C.4.k of the University of Kansas Handbook for Faculty and Other Unclassified Staff; or (c) in the event of Perkins's inability to meet the demands of his position because of death or



mental or physical disability. Upon termination pursuant to this Paragraph 8, all obligations of the University hereunder shall immediately cease, except that if such termination is a result of Perkins's mental or physical disability, University agrees that Perkins's salary shall be paid in accordance with the University's sick leave and disability policies.

#### **9. TERMINATION WITHOUT CAUSE.**

Should the University terminate this Agreement other than by non-renewal under Section 2, or by termination under the provisions of Section 8, the University shall pay Perkins, as liquidated damages, an amount equal to one year of salary, as well his multimedia and public relations compensation, at the then existing rates, for every year, including a partial year, if any, Perkins has remaining on his contract at the time of termination under this Section 9. This amount shall be paid in bi-weekly installments over the number of years and months remaining on the Agreement at the time of such termination. He also shall retain all COBRA rights regarding health insurance. Further, the University shall pay Perkins an amount of money equal to the value of the premiums it would otherwise have paid for purposes of Perkins's health insurance policy had this Agreement not been terminated under this Section 9. Such payment shall be paid in bi-weekly installments over the number of years and months remaining on the Agreement at the time of such termination. The value of each such bi-weekly installment shall be established by and equal to the value of the bi-weekly premium the University is paying at the time of termination. Additionally, if termination under this Section 9 is invoked by the University before Perkins has served as Athletics Director for four (4) years, the University shall pay Perkins the sum of \$25,000 for each of the full years remaining until Perkins would otherwise have served for four years. Furthermore, in the event of a mid-year termination in a year in which Perkins has not yet received a bonus payment, Perkins shall receive the sum of

\$25,000. A full year for the purposes of this Section 9 shall be defined as covering the period of July 1 through June 30. Perkins agrees to accept the foregoing compensation as liquidated damages for University's termination under the provisions of this Section, and understands and agrees that such liquidated damages are in lieu of all other compensation and benefits owed to Perkins under any and all other provisions of this Agreement and further constitute reasonable compensation for losses that Perkins may incur and are not a penalty. The parties agree that this provision shall not preclude damages payable to Perkins under any separate Agreement he may have in effect with the University at the time of termination.

10. **APPLICABLE LAW.** This Agreement shall be governed by and construed under the laws of the State of Kansas, rules of conflicts of law notwithstanding, and any action brought pursuant to this Agreement shall be filed in the state courts or the federal courts of the State of Kansas.

11. **EFFECT OF VOIDED PROVISION.** If any provision of this Agreement shall be determined to be void, invalid, unenforceable, or illegal for any reason, it shall be ineffective only to the extent of such prohibition and the validity and enforceability of all of the remaining provisions shall not be affected.

12. **WAIVER.** Waiver by any party of a breach of any provision of this Agreement shall not operate as or be construed as a waiver of any subsequent breach hereof.

13. **AMENDMENTS, MODIFICATIONS OR EXTENSIONS.**

In order to be enforceable, any amendments, modifications, or extensions to this Agreement must be mutually agreed to, reflected in writing, and signed by both parties.


**IN WITNESS WHEREOF**, the parties hereto have set their hands.

THE UNIVERSITY OF KANSAS

By: 

Robert E. Hemenway, Chancellor

Date: 8/20/03

  
Lewis Perkins

Date: 7/22/03

Exhibit A

**I. Performance Objectives:** Pursuant to the provisions of the Employment Agreement, paragraph 3. Incentive Payment, the University and Perkins have established the following performance objectives for the 2003-2004 academic year:

1. Establish a realistic timeline and assign responsibilities for comprehensive long-range planning for the University's intercollegiate athletics program.
2. Address organization and staffing concerns in compliance, fund raising and sports medicine units. Determine other priority staffing issues throughout the department. Review department salary issues related to coaching and secretarial staff.
3. Make a decision about outsourcing the athletics website and athletics departmental store. Do a cost analysis on the current e-commerce in-house arrangement.
4. Review current ESPN Regional contract and establish goals and options under the current deal and a direction for the future.
5. Reach out to all constituent groups in a positive fashion throughout the region and on campus and clearly establish the "win" philosophy that guides the new leadership of the athletics department. Also develop goals for enhancing donor giving and growing the Williams Fund membership.
6. Identify donor funding to complete the softball complex and review opportunities to finding funding for a video board and other enhancements in Allen Fieldhouse.

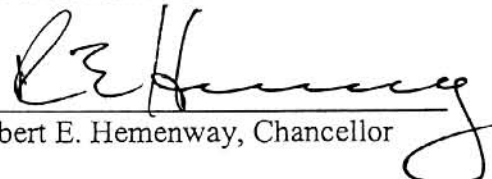
7. Move forward in fund raising for the new football office complex.
8. Establish a leadership philosophy in the department.
9. Foster a good relationship with local, regional and national media to communicate our plans, purpose and our success.
10. Audit event management, fan experience and overall atmosphere at football games and determine ways to improve.

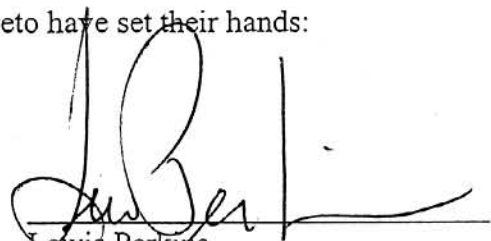
**II. Incentive Calculation:** The University and Perkins agree that the maximum incentive amount available for each of the individual performance objectives above shall be \$2,500.

**III. Payment:** Payment of any incentive amount determined by the Chancellor to have been earned by Perkins as a result of his accomplishing all or part of any of the above performance objectives, shall be paid as soon as practicable upon receipt by the Chief Business and Financial Planning Officer of written authorization from the Chancellor directing payment.

IN WITNESS WHEREOF, the parties, hereto have set their hands:

THE UNIVERSITY OF KANSAS:

By:   
Robert E. Hemenway, Chancellor

  
Lewis Perkins

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

THIS FIRST AMENDMENT TO THE EMPLOYMENT AGREEMENT ("Current Employment Agreement") by and between the University of Kansas ("University"), and Lewis Perkins ("Perkins") is effective as of July 1, 2003.

WHEREAS, the University, through the University of Kansas Athletics Corporation ("KUAC"), operates the intercollegiate athletics programs of the University, subject to the direction and control of the Chancellor of the University of Kansas;

NOW THEREFORE the parties stipulate and agree that the Current Employment Agreement shall be amended under paragraph 7, "Lew Perkins' Obligations," to include the following provision that Perkins shall:

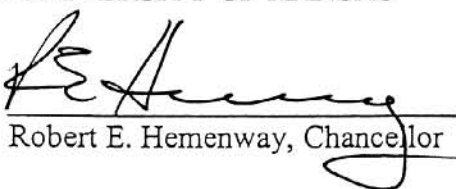
h. provide to the Chancellor of the University of Kansas by July 1, of each year a detailed accounting in writing of all athletically related income and benefits from sources outside the institution. In addition, Perkins agrees that approval for all athletically related income and benefits shall be consistent with the University's, KUAC's, and the Board of Regents' policies related to outside income and benefits applicable to all full-time or part-time employees.


EFFECT OF AMENDMENT. All other provisions of the Current Employment Agreement between the University and Perkins shall remain operational and unmodified by this amendment.

IN WITNESS WHEREOF, the parties hereto have set their hands.

THE UNIVERSITY OF KANSAS

By:

  
Robert E. Hemenway, Chancellor

  
Lewis Perkins