

Executed Final Copy

AGREEMENT

This Agreement ("Agreement") is voluntarily entered into and executed by and between Ronny Thompson ("Thompson") and Ball State University (the "University"), this 22nd day of January, 2008 (the "Effective Date").

WHEREAS, Thompson was hired by the University as its Head Men's Basketball Coach on April 4, 2006, under a five-year contract expiring on March 31, 2011 (the "Contract"); and

WHEREAS, Thompson resigned from the University on July 12, 2007 and the University and Thompson disagreed over the cause of Thompson's resignation and whether Thompson owed or was entitled to payments under the terms of the Contract;

WHEREAS, when Thompson left the University on July 12, 2007, he alleged racial harassment and retaliation for complaining of racial harassment;

WHEREAS, Thompson and the University disagreed as to the merits of Thompson's allegations; and

WHEREAS, on December 17 and 18, 2007, the University and Thompson participated in a mediation session concerning the above-described matters and all other disputes which arose from the employment relationship between Thompson and the University; and, as the result of said mediation session, the parties reached a compromise and settlement of all disputes arising from that relationship.

NOW, THEREFORE, in consideration of the mutual understandings, covenants and releases contained herein, Thompson and the University hereby voluntarily agree as follows:

1. Financial Consideration. In consideration for the release by Thompson of his rights as set forth in paragraph 3 below, the University agrees to pay to Thompson the total sum of two hundred thousand dollars (\$200,000), on January 22, 2008 in the manner set forth in Annex A to this Agreement. The parties recognize that this payment is in exchange for Thompson's relinquishment of certain contract, tort, civil rights, employment and other rights and claims, and that Thompson will not be providing services of any kind to the University in exchange for said payment. This payment shall not be subject to withholding by the University, but shall be reported to the Internal Revenue Service on IRS Form 1099; provided, however, Thompson shall indemnify and save the University harmless against any and all claims or liability for taxes, interest and penalties which may hereafter become due and payable to any state or federal taxing authorities with respect to said payment and/or on account of such failure to withhold.

2. Payment of Mediation Fees. The University also agrees to pay to the mediator all of his fees and expenses incurred in the mediation.

3. General Release by Thompson. Thompson, for himself and his personal and legal representatives, heirs and assigns, releases and forever discharges the University, its trustees, officers, employees and agents, in their official capacities and individually, from any and all claims (including, but not limited to, claims for attorneys' fees), demands, losses, damages, agreements, actions, promises or causes of action (known or unknown) which he now has or may later discover or which may hereafter exist against it or any of them, through the Effective Date, in connection with or arising directly or indirectly out of or in any way related to any and all matters, transactions, events or other things occurring prior to the Effective Date, including all those arising out of the Contract or in connection with his employment with the University or the termination of his employment, whether such termination is deemed to be voluntary or involuntary, or which occurred during the course of his employment with the University or incidental thereto, and whether pursuant to common law, statute, ordinance, regulation, or otherwise, including claims of fraud or misrepresentation in the making or execution of this Agreement. Claims or actions released herein include, but are not limited to, those based on allegations of wrongful discharge, breach of contract, tort, breach of fiduciary duty, violation of constitutional or statutory rights, and/or discrimination on the basis of race, color, sex, age, sexual preference, religion, national origin, disability or handicap, under the U.S. Constitution, the Indiana Constitution, Title VII of the Civil Rights Act of 1964, the Rehabilitation Act of 1973, the Equal Pay Act of 1963, the Americans With Disabilities Act, the Civil Rights Act of 1871, the Civil Rights Act of 1991, the Indiana Civil Rights Law, the Family and Medical Leave Act, the Employee Retirement Income Security Act (all as amended), or any other applicable federal, state or local law, ordinance, rule or regulation. Thompson agrees and understands that any claims he may have under the aforementioned constitutions and statutes, or under any other federal, state or local law, ordinance, rule, regulation, or contract, are effectively waived and released by this Agreement. Thompson agrees that he will never institute a legal or equitable action in any state or federal court against the University, or any of the other persons released herein, with respect to the matters herein resolved and settled. No rights under this Agreement or claims arising after December 18, 2007 are waived hereby. Thompson agrees, as part of this Agreement, to promptly withdraw all charges and/or complaints against the University, and/or any of the other persons released herein, with respect to the matters herein resolved and settled, that are pending with any federal, state or local civil rights or regulatory agency within five days of the Effective Date, including but not limited to EEOC Charge No. 470-2008-00518.

4. General Release by University. The University, including its current and former, trustees, officers and official representatives, in their official capacities and individually, releases and forever discharges Thompson from any and all claims (including, but not limited to, claims for attorneys' fees), demands, losses, damages, agreements, actions, promises or causes of action (known or unknown) which it now has or may later discover or which may hereafter exist against him, through the Effective Date, in connection with or arising directly or indirectly out of or in any way related to any and all matters, transactions, events or other things occurring prior to the Effective Date, including all those arising out of the Contract or in connection with his employment with the University or the termination of his employment, whether such termination is

deemed to be voluntary or involuntary, or which occurred during the course of his employment with the University or incidental thereto, and whether pursuant to common law, statute, ordinance, regulation, or otherwise, including claims of fraud or misrepresentation in the making or execution of this Agreement. Claims or actions released herein include, but are not limited to, those based on allegations of breach of contract, fraud, tort, breach of fiduciary duty, violation of constitutional or statutory rights, or any other applicable federal, state or local law, ordinance, rule or regulation. The University agrees and understands that any claims it may have under any other federal, state or local law, ordinance, rule, regulation, or contract, up to the Effective Date, are released by this Agreement. The University agrees that it will never institute a legal or equitable action in any state or federal court against Thompson, with respect to the matters herein resolved and settled. No rights under this Agreement or claims arising after December 18, 2007 are waived hereby.

5. Indemnification. If Thompson is made a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (each, a "Proceeding") (other than an action or suit by or in the right of the University), arising from his employment relationship with the University, then the University shall defend Thompson in any such Proceeding (provided that Thompson has acted in good faith) and shall protect and hold harmless Thompson, to the fullest extent permitted under Indiana Code §21-38-4-1, from and against any and all liability, cost or damage in connection therewith, including the payment of any legal fees, except if the liability, cost or damage is adjudged to be: (a) predicated on, or arises out of, the bad faith of Thompson, or (b) based on Thompson's malfeasance in employment.

6. No Admission. It is understood and agreed that each party denies that it is liable to the other on any theory and that nothing in this Agreement constitutes an admission by either party of any fact, damage or liability to the other on any theory or of any inappropriate or illegal acts or omissions.

7. Confidentiality. The parties agree that, except as mutually agreed in advance in writing, the only public dissemination of information and the only public comment that shall be made by or on behalf of either party concerning this settlement shall be: (a) the Joint Statement and press release, along with Selby's redacted findings, which have already been disclosed to the public; and (b) a copy of this Agreement. Regarding this Agreement, the parties agree not to discuss either the details of the Agreement or the process by which it was obtained. Each party shall either make no comment or refer to the Joint Statement and press release.

8. Future NCAA Matters. The parties agree to cooperate in the handling and disposition of all NCAA matters involving the University's men's basketball program during Thompson's tenure as the Head Men's Basketball Coach. Thompson shall be entitled to review and comment on any reports by the University to the NCAA regarding the University's men's basketball program during Thompson's tenure as the Head Men's Basketball Coach, prior to their submission to the NCAA.

9. Letters of Recommendation. The University shall, upon request, provide letters of recommendation to the individuals who were employed by the University as assistant coaches during the period that Thompson was employed as the University's Head Men's Basketball Coach. The precise wording of any such letters shall be determined by the University after consultation with Thompson, with the assistance of the parties' legal counsel as needed.

10. Non-Disparagement. Each party deems this Agreement to be fair and equitable and agrees to carry out its provisions in good faith. Thompson and the University, as well as the University's officers and representatives, shall use their best efforts to avoid any willful or intentional public disparagement of each other.

11. Consultation with Attorneys. Each party represents and acknowledges: (a) that it or he has sought and obtained advice from its or his own attorney before entering into this Agreement; (b) that it or he has reviewed and understands the contents and import of each and every provision of this Agreement; and (c) that it or he freely and voluntarily consents and agrees to each such provision.

12. Attorney's Fees; Arbitration. If a party to this Agreement initiates an action alleging a breach by the other party of this Agreement, including, without limitation, a violation of the non-disparagement provision in paragraph 10 above, the prevailing party in such action shall be entitled to collect its or his attorney's fees and costs of said action, in addition to any damages. All actions to enforce the terms of this Agreement shall be subject to binding arbitration by JAMS, The Resolution Experts, in Washington, D.C.

13. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their heirs, administrators, representatives, successors and assigns.

14. Applicable Law. This Agreement is made and entered into in the State of Indiana and shall in all respects be interpreted, enforced and governed under the laws of that State.


15. Entire Agreement. This Agreement sets forth the entire agreement between the parties and fully supersedes any and all prior agreements or understandings between the parties pertaining to the subject matter hereof. In the event this Agreement is ever held to be invalid or unenforceable (in whole or in part) as to any provision or as to any particular circumstances, it shall remain fully valid and enforceable as to all other provisions and circumstances.


16. Amendment. This Agreement may be amended or changed only by an instrument in writing signed by the party against whom the amendment, change, waiver, modification, extension or discharge is sought.

17. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original.

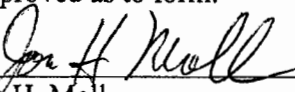
IN WITNESS WHEREOF, the parties have duly executed this Agreement on the day and year first above written.

BALL STATE UNIVERSITY

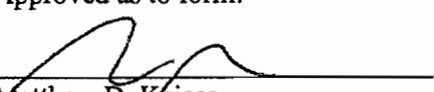
By: 
Jo Ann M. Gera, President


Ronny Thompson

Approved as to form:


Jon H. Moll
Attorney for Ball State University

Approved as to form:


Matthew D. Keiser
Attorney for Ronny Thompson

Annex A -- Payment Instructions

On the Effective Date, the University shall pay the sum of \$200,000 to Ronny Thompson via the following wire transfer instructions:

Account Name: [REDACTED]

Bank Info: [REDACTED]

Redaction pursuant to
IC 5-14-3-4 (a)(5).