

RELEASE AND SETTLEMENT AGREEMENT

This Settlement Agreement is entered into by and between C. Martin Gaskell (hereinafter referred to as "Plaintiff") and the University of Kentucky (hereinafter referred to as "Defendant").

RECITALS

A. On or about July 10, 2009, the Plaintiff filed an action in the United States District Court for the Eastern District of Kentucky in its Central Division at Lexington styled, C. Martin Gaskell v. University of Kentucky, identified as Civil Action No. 09-244-KFF, seeking damages for alleged violations of Title VII of the Civil Rights Act of 1964 arising out of Defendant's decision not to hire the Plaintiff for the position of Observatory Director on the basis of religion. The action prosecuted by Plaintiff against Defendant is referred to hereinafter as "the Civil Action."

B. Plaintiff and Defendant wish to settle the claims brought in the above-referenced Civil Action and any and all claims and disputes, known and unknown, between the Plaintiff and Defendant that may exist through the date of execution of this Release and Settlement Agreement.

AGREEMENT

Now, therefore, the parties hereby agree as follows:

1. Financial Settlement. Defendant agrees to pay the Plaintiff and his attorneys the sum of \$125,000.00 ("the Financial Settlement"). The Defendant shall deliver a check in the amount of \$125,000.00 made payable to C. Martin Gaskell and the American Center for Law and Justice with whom Plaintiff's attorneys are employed. The Financial Settlement will be paid twenty (20) days after Plaintiff has executed and delivered this Release and Settlement

Agreement, provided that Defendant has received an Agreed Order of Dismissal of this Civil Action signed by Plaintiff's attorneys.

2. General Release of Claims. Plaintiff agrees to dismiss his Civil action and to release the Defendant and its officers, directors, employees, shareholders, agents, attorneys, insurers, affiliates, parents, successors and assigns as applicable (all collectively referred to as "the Released Parties") and hold them harmless from any and all claims, demands, actions, causes of action, costs and expenses and attorney fees, which he now has or may have, against Defendant, or the Released Parties, through the date of execution of this Release and Settlement Agreement. Plaintiff agrees to the execution of an Agreed Order of Dismissal with Prejudice by his attorneys with respect to the Civil Action.

This Release includes, but is not limited to, the release and dismissal of any and all charges or claims of discrimination under the Kentucky Civil Rights Act, KRS 344.010 et seq., Title VII of the Civil Rights Act of 1964, 42 U.S.C. §2000E et seq., the Civil Rights Act of 1991, and any claims of employment discrimination, retaliation, infliction of emotional distress, defamation, outrage, interference with contractual or business relations, negligence, negligent hiring or retention, promissory estoppel, claims or demands arising under either express or implied contract, breach of contract, tort, public policy, common law or any federal, state or local statute, ordinance, regulation or constitutional provision, or other liabilities, suits, debts, claims for back pay, front pay, compensatory or punitive damages, costs, attorney fees, commissions, bonuses or other sums of money, grievances, expenses, demands, controversies of every kind and description, whether liquidated or unliquidated, known or unknown, contingent or otherwise, whether specifically mentioned or not, that Plaintiff now has or has had or which may exist or might be claimed to exist at or prior to the date of the execution of this Release and Settlement Agreement. Plaintiff specifically waives any claim or right to assert any cause of action, alleged

cause of action, claim, charge or demand which may exist but which has been, through oversight or error, intentionally or unintentionally, omitted from this Release and Settlement Agreement.

Plaintiff acknowledges that Defendant would not have consented to the payment of the Financial Settlement were it not for his agreement to this Release provision, and that any breach of this provision will frustrate the underlying purpose of this Release and Settlement Agreement. For this reason, if the Court determines that Plaintiff has committed a material breach of this Agreement, Defendant will be entitled to a full measure of damages allowed by law, such damages to include, but not be limited to:

- a. The return by Plaintiff to Defendant of all sums paid pursuant to this Release and Settlement Agreement; and,
- b. The return by Plaintiff to Defendant of any recovery he obtains as a result of any legal or administrative proceeding brought against any Released Party or Parties in violation of this Release and Settlement Agreement.

3. Non-admission of Liability. The parties agree that by entering into this Release and Settlement Agreement, the Defendant, University of Kentucky, is not admitting wrongdoing. The parties understand and agree that this Release and Settlement Agreement is being entered into in an effort to resolve a dispute between the parties and avoid any further dispute, discussion or action concerning the matters related thereto.

4. Non-assignability of Claims. Plaintiff agrees, represents and warrants that no person other than Plaintiff is authorized or entitled to assert any claim based on or arising out of any alleged unlawful, wrongful, tortious or other conduct by Defendant, including, but not limited to, any and all claims for attorney fees or damages as a consequence thereof, based upon or seeking relief on account of actions or failures to act by the Defendant, University of Kentucky, or any of its agents or employees, which may have occurred or failed to occur prior to

Plaintiff's execution of this Release and Settlement Agreement. Plaintiff further represents and warrants that he has not assigned, and shall never assign any such claim, and in the event that any such claim is filed or prosecuted by any person or entity, the Plaintiff will fully cooperate with Defendant and will immediately move to withdraw his name and to disassociate himself completely with any such claim, and will request such person or entity to withdraw such claim with prejudice and will not voluntarily cooperate or testify on behalf of the person or entity prosecuting such claim.

5. Agreement Regarding Tax Liability. Plaintiff agrees that he will pay all federal, state and local taxes, if applicable, related to his receipt of the Financial Settlement pursuant to this Release and Settlement Agreement. Plaintiff also understands and agrees that, in the event of any tax liability or other penalty is assessed as a result of income received by him pursuant to this Release and Settlement Agreement or the payment made hereunder, he will indemnify and hold Defendant harmless therefore and will solely bear all costs, including penalties and attorney fees, associated with such assessment and Defendant's efforts to seek indemnification.

6. Enforceability/Severability. The parties agree that this Release and Settlement Agreement shall be binding on, and enure to the benefit of, the Defendant and the Released Parties, their heirs, successors, assigns and personal representatives, and Plaintiff, his heirs and personal representatives. Should any provision of this Release and Settlement Agreement be declared or determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, the validity of the remaining parts, terms or provisions shall not be affected thereby, and any illegal, invalid or unenforceable part, term or provision shall be deemed not to be part of this Release and Settlement Agreement. In such event, the parties agree that the Court may impose any lesser restrictions it considers appropriate to protect the interests of the Plaintiff and Defendant and the Released Parties as may be applicable.

7. Costs and Attorney Fees. The parties understand and agree that each party will be responsible for payment of his and its own costs and attorney fees related to this Civil Action.

8. Choice of Law. This Release and Settlement Agreement will be interpreted and enforced under the laws of the Commonwealth of Kentucky. The language of all parts of this Release and Settlement Agreement shall in all cases be interpreted as a whole, according to its fair meaning and not strictly for or against any of the parties. The parties agree that the language used herein has been reviewed and agreed upon by counsel for all parties and that no party shall be deemed the author or drafter thereof.

10. Choice of forum. The parties consent to the exclusive jurisdiction of the courts located in Kentucky with respect to all matters relating to and referred to in this Release and Settlement Agreement.

11. Complete Agreement. This Release and Settlement Agreement sets forth the entire agreement between Plaintiff and Defendant and supersedes any and all prior and contemporaneous oral or written agreements or understandings among the parties. No representation, promise, inducement or stay of intention has been made by Defendant that is not embodied in this Release and Settlement Agreement. This Release and Settlement Agreement cannot be amended, modified or supplemented in any respect except by a subsequent written agreement signed by the parties.

IN WITNESS WHEREOF, the Plaintiff has entered into this Release and Settlement Agreement as of the date written below.

C. M. Gaskell
C. MARTIN GASKELL

January 14, 2011
DATE

STATE OF TEXAS

COUNTY OF TRAVIS

The foregoing was acknowledged, subscribed and sworn to before me by C. Martin Gaskell on this the 14th day of January, 2011.

My commission expires: 5/10/2012



Julian T. Le
Notary Public, State at Large

Barbara W. Jones
HON. BARBARA W. JONES
UNIVERSITY OF KENTUCKY
OFFICE OF LEGAL COUNSEL

January 18, 2011
DATE

STATE OF KENTUCKY

COUNTY OF FAYETTE

The foregoing was acknowledged, subscribed and sworn to before me by Hon. Barbara W. Jones on this the 18th day of January, 2011.

My commission expires: March 17, 2012



Laura J. Castillo
Notary Public, State at Large