

## SETTLEMENT AGREEMENT

THIS AGREEMENT is entered into by and between Dr. Mike Adams (“Adams”), and the University of North Carolina at Wilmington (“UNC-Wilmington”) organized under the Board of Governors of the University of North Carolina, a state-supported institution of higher education and constituent institution of the University of North Carolina, acting by and through its authorized officials;

WHEREAS, Adams is an associate professor at UNCW;

WHEREAS, Adams filed a lawsuit against the trustees of UNC-Wilmington and other officials and/or employees at UNC-Wilmington in the Eastern District of North Carolina, No. 7:07CV00064 (hereinafter the “Civil Action”). After a jury trial, Adams obtained a judgment in the Civil Action in his favor which was filed on 20 March 2014 and an award of backpay and order of promotion which was filed on 8 April 2014 (collectively hereinafter the “Judgment”), and the UNC-Wilmington defendants have filed a notice of appeal to the Court of Appeals for the Fourth Circuit (“Pending Appeal”);

WHEREAS, Adams obtained an order of attorneys’ fees and costs which was filed on 10 June 2014 and a notice of appeal from the order is due on 10 July 2014 (“Potential Appeal”);

WHEREAS, UNC-Wilmington and its employees and agents and Adams desire to resolve their disputes on mutually agreeable terms;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, Adams and UNC-Wilmington hereby agree to the following terms of settlement in full satisfaction of all claims or potential claims which have been, or could have been, asserted by Adams against UNC-Wilmington, the Trustees of UNC-Wilmington, or the Board of Governors of The University of North Carolina, their officers, agents or employees in the Civil Action or otherwise through the date of this Agreement:

### **I. WARRANTIES**

- A. Each party warrants and represents to the other that it has been fully informed and has full knowledge of the terms, conditions and effects of this Agreement.
- B. Each party warrants and represents to the other that no promise or inducement has been offered or made except as herein set forth, and that this Agreement is executed without reliance upon any statement or representation by any other party or its agent.
- C. Each party warrants and represents to the other that they have been advised to consult with legal counsel and have consulted with legal counsel prior to executing this Agreement.

## II. OBLIGATIONS

A. After receiving written notification that the Board of Governors of The University of North Carolina and the Office of the Attorney General have given written approval of this Agreement, Adams will:

1. Agree to dismiss or withdraw with prejudice any claim he has filed with any person, entity, or forum regarding his employment with UNC-Wilmington;
2. Forego any Potential Appeal and decline to submit any further request for fees or other relief in the pending litigation;
3. Mark the Judgment fully satisfied once he receives the funds called for in this Agreement from UNC-Wilmington;
4. Mark the 10 June 2014 Order for Attorneys' Fees and Costs fully satisfied once his counsel receive the funds called for in this Agreement from UNC-Wilmington; and
5. Agree to the terms of the releases and assurances in paragraph III of this AGREEMENT.

B. After receiving written approval of this Agreement by the Board of Governors of The University of North Carolina and the Office of the Attorney General, UNC-Wilmington will:

1. Promote Adams to the position of full professor at a salary of \$75,258 per year, effective as of the date this agreement is executed;
2. Pay Adams the sum of \$50,000 to represent back pay, subject to applicable withholdings, and issue a W2 for this amount;
3. Pay Adams' counsel a total sum of \$615,000 to represent attorneys' fees and costs payable to Alliance Defending Freedom.
4. For the next five academic years (2014-15, 2015-16, 2016-17, 2017-18, 2018-19), to the extent there are merit raises, provide Plaintiff with a raise equal to the average percentage raise in the department;
5. For Plaintiff's next post-tenure review, allow Adams to select two members of the peer review committee from outside the Department but within the University and allow the chair of the Department to select the third for a total of three members; and
6. Execute a Motion to Dismiss the Pending Appeal and forego any Potential Appeal.

### **III. RELEASES AND ASSURANCES**

Adams hereby releases, acquits and forever discharges The State of North Carolina; The University of North Carolina, the Board of Governors of the University of North Carolina, UNC-Wilmington and all current and former trustees, officers, agents and employees of the above-named entities (in both their official and individual capacities), and all successors of the above-named entities from all claims, actions, causes of action, demands, rights, damages, costs, sums of money, accounts, covenants, contracts, promises, attorney fees and all liabilities of any kind or nature whatsoever at law, in equity, or otherwise, which Adams ever had, now has, or may have had against these entities through the date of this Agreement.

### **IV. OLDER WORKERS BENEFIT PROTECTION ACT**

In compliance with the Age Discrimination in Employment Act (“ADEA”) as amended by the Older Workers Benefit Protection Act of 1990 (“OWBPA”) (collectively, “those Acts”), Adams acknowledges that the waiver contained in paragraph III includes waiver of his rights under those Acts and releases the persons and entities listed in paragraph III from liability under those Acts. Adams acknowledges that this waiver is knowing and voluntary. Adams waives his right to have twenty-one (21) calendar days to consider this Agreement. He acknowledges that he has read and understands all of the terms and conditions of this Agreement. He warrants and represents that he has consulted with an attorney concerning all of the terms and conditions of this Agreement prior to executing this Agreement. He acknowledges that he has received consideration under the terms of this Agreement in exchange for his waiver of her rights under the ADEA and the OWBPA. Adams shall have seven (7) calendar days to revoke this Agreement following execution of the same, and this Agreement is effective only if there is no revocation by Adams during that seven (7) day period of time. However, in the event that Adams revokes the Agreement, he agrees not to oppose a motion for leave to file a Notice of Appeal of the 10 June 2014 Order for attorneys’ fees and costs.

### **V. COMPROMISE OF DISPUTED CLAIMS**

Each party understands and agrees that this settlement is in compromise of doubtful and disputed claims; that no covenant herein is to be construed as an admission of liability on the part of any party hereby released; that each party hereby released denies any liability for such claims; and that each party intends merely to resolve the disputed claims between them without further litigation.

### **VI. EFFECT OF AGREEMENT**

A. This Agreement shall be binding upon and inure to the benefit of the parties or their agents, officers, employees, successors, assigns, heirs, executors, and administrators.

B. This Agreement constitutes the entire Agreement between the parties and supersedes previous discussions or agreements that the parties may have had or made regarding the settlement of their disputes.

## **VII. APPROVAL**

This Agreement will be completely void and have no legal effect on either party if it is not bindingly approved by the Board of Governors of The University of North Carolina and the Office of the Attorney General on or before August 1, 2014.

## **VIII. GOVERNING LAW AND FORUM SELECTION**

It is agreed, between the parties, that this Agreement shall be governed by, construed and enforced in accordance with laws of the State of North Carolina, where all matters relating to the validity, construction, interpretation, and enforcement shall be determined.

## **IX. SIGNATURES AND EXECUTION**

The parties agree that facsimile and electronic signatures shall be treated as original signatures. The Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Agreement.

I have read, understand and agree with the terms and conditions stated in this Agreement, and by my signature I acknowledge my agreement and my opportunity to have consulted with counsel of my own choosing, and that in signing this agreement I intend to be legally bound by it.

Mike Adams 7/9/14  
Mike Adams (Date)

UNC-Wilmington by:

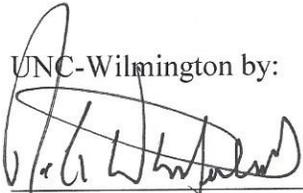
Rick Whitfield (Date)  
Vice Chancellor for Business Affairs

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\_\_\_\_\_  
Mike Adams

(Date)

UNC-Wilmington by:



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Rick Whitfield  
Vice Chancellor for Business Affairs

7/9/14

(Date)