

**SETTLEMENT AGREEMENT AND RELEASE**

**THIS AGREEMENT (Agreement) is entered into between PAUL DODDS (Dodds) and THE UNIVERSITY OF TENNESSEE (the University), as of the 8 day of Dec, 2009. ("Effective Date").**

**WHEREAS, the University terminated Dodds on March 17, 2009; and**

**WHEREAS, the University and Dodds wish to settle all claims that Dodds could bring against the University;**

**NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:**

- 1. The University will forthwith pay Dodds the sum of One Hundred, Twenty-Five Thousand Dollars (\$125,000.00) (the "Settlement Amount") payable as follows:**
  - A. \$125,000.00 will be paid to Dodds, of which \$37,412.88 will be designated as wage-based damages, with appropriate tax withholdings, and \$37,412.87 will be designated as non-economic damages. The University will issue appropriate tax-related documentation.**
  - B. \$50,174.25 will be paid to the law firm of Burnette, Dobson, and Pinchak ("Burnette"). The University will issue appropriate tax-related documentation.**

- C. The checks for the Settlement Amount will be delivered to Donna Mikel, Dodds' counsel, within twenty-one (21) days following the Effective Date.

2. Dodds, for himself, his heirs, assigns and executors (collectively "Releasing Parties") does release and by these presents has released the University and its agents, servants, employees, former employees, students, former students, officers, trustees and related entities (collectively referred to as "Released Parties") of and from any and all actions, causes of actions, claims, demands, damages, costs, attorneys fees, expenses, compensation, benefits, leave, wages, and all other damages, known and unknown, and all incidental or consequential damages on account of, or related to, any and all of the following:

- A. His employment with the University;
- B. The termination of his employment with the University; and
- C. All actions or omissions of any of the Released Parties which have occurred at any time up to the Effective Date.

3. Dodds shall have a right to review and revocation of this Agreement as follows:

- A. Dodds shall have up to twenty-one (21) days to consider and accept the terms of the Agreement by signing and notarizing it below, and returning it to the University's Office of General Counsel. No discussions about, or changes to, this Agreement will re-start the running of the 21-day consideration period.

- B. The University hereby expressly advises Dodds to consult with an attorney before executing this Agreement.
- C. If Dodds chooses to execute this Agreement before expiration of that 21-day period, Dodds acknowledges that he freely and knowingly waives the remainder of the review period.
- D. Dodds acknowledges that his decision to execute this Agreement is revocable for a period of seven (7) University business days. Revocation is effective by faxing to (865) 974-3074 a revocation letter to the University's Office of General Counsel by 5 p.m. on the seventh University business day after the date Dodds signed the Agreement. This Agreement becomes effective and enforceable only when the seven-day revocation period has expired without revocation (the Effective Date). The parties acknowledge that the seven-day revocation period cannot be waived.
- E. If Dodds properly revokes this Agreement before the Effective Date, the Agreement shall become null and void.

4. The parties acknowledge:

- A. This Agreement is the compromise of a doubtful disputed claim, and that the payment of the Settlement Amount is not to be construed as an admission of liability on the part of any of the Released Parties, by whom liability is expressly denied;
- B. The parties have been represented by legal counsel during

post-termination negotiations, and have had full opportunity and sufficient time to discuss the terms of this Agreement with legal counsel;

- C. The parties fully understand the terms of this Agreement;
- D. The parties intend to be legally bound by this Agreement; and
- E. The parties have executed this Agreement freely and voluntarily without coercion or distress and have not relied on any representation by any other party in making the decision to execute this Agreement.
- F. This Agreement does not release the parties from any claim arising from any obligation (or breach thereof) undertaken in this Agreement.

5. The University will pay in full any outstanding mediation fees. Each party will be responsible for his or its own attorneys fees and costs.

6. Dodds agrees that he will not have any discussions, provide information, issue statements, or take any action, either directly or indirectly, that disparage or portray the University or any Released Party in a negative light or that would cause the University or any Released Party embarrassment or humiliation or otherwise cause or contribute to the University or any Released Party being held in disrepute. If Dodds or his counsel is asked to comment on this settlement, he or they shall not make any statements other than that the matter has been resolved.

- A. The parties agree that damages sustained by a breach of this

provision would be impractical or extremely difficult to determine and, therefore, agree that in the event that Dodds violates this paragraph 5, he shall pay the liquidated damages in the sum of five hundred dollars (\$500.00) for each violation. The parties further agree that such damages are not intended to be, and shall not be construed as, a penalty.

- B. Notwithstanding this provision, the parties acknowledge that the University is subject to the provisions of the Tennessee Open Records Act, particularly Tenn. Code Ann. §§ 10-7-503 to 10-7-506, and that in accordance with that Act, any University written reports or documents must be and are available to the public upon appropriate request.
- C. Nothing contained in this Agreement shall be intended to preclude Dodds from testifying at a deposition, trial or other hearing in response to a valid subpoena or as otherwise required by law.

7. Dodds agrees that he will not apply for or otherwise seek employment or independent contractor status with the University in the future. The University has no obligation, contractual or otherwise, to hire or employ him in the future. Dodds acknowledges and agrees that he is not now, and will not in the future be, eligible for employment by the University or eligible for independent contractor status and that it is fair and just under the circumstances that he be taken out of the University's labor pool forever.

8. The parties agree that this Agreement shall be subject to and interpreted under the laws of the State of Tennessee.

9. This Agreement contains the entire agreement and understanding between the parties. The terms of this Agreement are contractual and not a mere recital. This Agreement may not be modified or amended except by written instrument signed by both parties. The waiver by either of the parties of a breach or violation of any provision of this Agreement shall not be construed as a waiver of any other provision or of any subsequent breach or violation of the Agreement. The provisions of this Agreement are severable and independent, and the invalidity, illegality or unenforceability of any provision herein shall not affect the validity, legality or enforceability of the remaining provisions of this Agreement. This Agreement is deemed to have been drafted jointly by the parties. Any uncertainty or ambiguity shall not be construed for or against any other party based on attribution of drafting to any party.

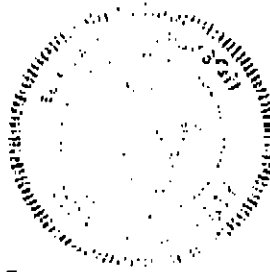
10. The parties represent and warrant that no person other than the signatories hereto had or has any interest in the matters referred to in this Agreement, that the parties have the sole right and exclusive authority to execute this Agreement, and that the parties have not sold, assigned, transferred, conveyed, or otherwise disposed of any claim, demand or legal right that is the subject of this Agreement.

*Paul Dodds*  
Paul Dodds

Date: 12/8/2009

Sworn to and subscribed before me  
This 8 day of December, 2009.

*Annmarie A. Dick*  
Notary Public



My Commission Expires: 11/21/12

The University of Tennessee

By: *Ray W. Rye*

Title: *Sr VP & CFO*

Date: 12/16/09