MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is entered into between THE UNIVERSITY OF TENNESSEE ("University"), a public educational corporation of the State of Tennessee, for and on behalf of The University of Tennessee, Knoxville ("UTK") and its Athletics Department, and JOHN CURRIE ("Currie"), and records the agreement of the University and Currie as to the principal terms and conditions under which the University shall employ Currie as the University's Vice Chancellor and Director of Athletics ("Athletics Director"). This MOU constitutes a binding agreement between Currie and the University, subject to the execution of a formal Employment Agreement, which shall not be inconsistent in any material way with this MOU, and cancels and supersedes any and all prior existing oral and written agreements between the University and Currie. In consideration of the mutual promises contained herein, the parties agree as follows:

1. **TERM & DUTIES:** The University shall employ Currie as Athletics Director from April 1, 2017 through June 30, 2022 ("Term"), with the duties and authority ordinarily associated with an athletics director at a major university that participates at the NCAA Division I level. As used in this MOU, "Contract Year" means a three hundred and sixty-five (365) day period beginning on July 1 of one calendar year and ending on June 30 of the following calendar year; however, the first Contract Year in the Term will begin on April 1, 2017 and end on June 30, 2018. Currie shall report directly to the Chancellor of the University of Tennessee, Knoxville.

2. **COMPENSATION & BENEFITS (ALL SUBJECT TO APPLICABLE STATE AND FEDERAL LAWS):**

(a) The University shall pay Currie guaranteed gross base compensation of $300,000.00 per year ("Base Pay"). Beginning July 1, 2018, such Base Pay shall be increased by $25,000.00 per year on July 1 of every Contract Year in the Term. The Base Pay shall not be increased in accordance with any across-the-board or merit salary increase authorized for University employees by the State of Tennessee or the University.

(b) The University shall pay Currie guaranteed gross supplemental compensation of $600,000.00 per year ("Supplemental Pay") as compensation for such things as personal appearances, and radio, television, and other media services.

(c) The University shall pay Currie a gross signing incentive of $75,000.00 within thirty (30) days of the execution of this MOU by all parties.

(d) Currie shall be eligible to receive the annual incentive compensation described in Exhibit A to this MOU.

(e) If Currie remains in active service as Athletics Director through June 30, 2022, then the University shall make a payment of $1,500,000.00 ("Retention Bonus") to Currie. However, if Currie ceases active service as Athletics Director for any reason, voluntary or involuntary, on or before June 30, 2022, then Currie shall forfeit the Retention Bonus in its entirety. The parties agree to negotiate in good faith to structure the payment of the Retention Bonus provision in the Employment Agreement in a way that is beneficial to both parties, including a consideration of federal and state law and regulations, including regulations regarding deferred compensation, as applicable.

(f) The University shall be responsible for the payment of Currie's buyout obligation to the Kansas State University, if there is such a buyout, not to exceed $175,000; resulting from his acceptance of employment with the University (the "Expense"). The University has authorized this amount to be paid as a reimbursable employee business expense of Currie and does not consider it compensation. The University acknowledges that payment of the Expense was necessary to obtain the services of Currie, and therefore substantially benefits the University. Further, the University has determined that the requirements of its accountable plan have or will be satisfied with respect to the Expense. Currie acknowledges that he has not and will not be reimbursed for this expense from any other source. Additionally, Currie acknowledges that he will not take a deduction for the Expense on his personal income tax return. Should the Expense be determined to be non-qualified under the

University's accountable plan or if it taxed as Currie's income, the University will neutralize the actual tax impact to Currie resulting from the University's payment of the Expense. In such case, Currie must claim all deductions allowable under applicable tax law, including the Expense. The parties will review Currie's pertinent tax information, including signed income tax returns (and any amended returns) for 2017 (or other applicable tax year) to substantiate such amount as is necessary to effectuate this desired outcome.

(g) Currie shall be entitled to the same benefits as other regular, full-time exempt employees of the University in addition to the fringe benefits and/or other compensation set forth in Exhibit B to this MOU.

(h) The University shall provide Currie with a one-time moving allowance of $35,000.00 (gross) in accordance with University rules. The University also shall provide Currie with a housing reimbursement allowance for the actual, documented cost of Currie's temporary housing in or near Knoxville, Tennessee, not to exceed $5,000.00 per month to assist Currie with temporary housing and other living expenses incurred during Currie's transition to Knoxville, Tennessee. The housing allowance will automatically terminate on June 30, 2018, or upon Currie's sale of his home near Kansas State University, whichever occurs first. Currie shall utilize commercially practicable best efforts to relocate himself and his family and his primary residence to Knoxville, Tennessee on or before July 15, 2017.

3. TERMINATION FOR CAUSE BY UNIVERSITY: The University may terminate this MOU or the Employment Agreement at any time for cause as determined in the reasonable and good faith judgment of the University. For the purpose of terminating this MOU, "for cause" will be interpreted consistently with its meaning in the University's employment agreement attached in Exhibit C. Termination of the Employment Agreement "for cause" will be in accordance with the definitive terms and conditions set out in the Employment Agreement, which will not be inconsistent in any material way with the terms included in the University's employment agreement in Exhibit C, the exact terms of which are to be mutually and reasonably agreed upon. For the purpose of terminating this MOU, "for cause" will also mean the failure of Currie to execute an Employment Agreement within one hundred twenty (120) calendar days of the date on which an Employment Agreement is first presented to him by the University. In the event of a termination of either this MOU or the Employment Agreement "for cause," the University shall not be liable to Currie for any unearned or unaccrued payments or benefits after the date of termination. The University may suspend Currie with pay pending an investigation or decision relating to termination "for cause." For any one or more acts, omissions, or events that would be grounds for termination "for cause," the University may take other disciplinary or corrective action against Currie short of termination, including but not limited to suspension without pay (said suspension not to exceed 60 days). Prior to any final determination regarding a possible termination "for cause," then the University shall afford Currie notice and an opportunity to meet with the Chancellor to respond to any allegations or proposed termination. If the University terminates this MOU or the Employment Agreement "for cause," the University shall afford Currie a post-termination opportunity to contest the termination in accordance with the Tennessee Uniform Administrative Procedures Act, Tennessee Code Annotated 4-5-301 *et seq*.

4. TERMINATION WITHOUT CAUSE BY UNIVERSITY: In its sole discretion and at any time, the University may terminate this MOU or the Employment Agreement without cause. If the University terminates this MOU or the Employment Agreement without cause prior to the expiration of the Term, then the University shall pay Currie liquidated damages in an amount equal to $100,000.00 times the number of months remaining in the Term, with partial months prorated ("Separation Payment"). The Separation Payment shall be paid in equal monthly installments over the remaining Term, subject to all applicable state and federal tax reporting and withholding requirements, with the first payment due on or before the last day of the month following the date of termination of this MOU or the Employment Agreement. As a condition of being eligible to receive the Separation Payment, Currie is required to use his reasonable best efforts to mitigate the University's obligation to pay liquidated damages under this paragraph by making reasonable and diligent efforts as soon as practicable following termination to obtain another comparable employment or paid services position. While the University's obligation to pay Currie the Separation Payment is in effect, and for a period of six (6) months thereafter, Currie shall promptly report to the University on a quarterly basis all non-passive income received or earned by him relating to all employment, independent contractor and/ or paid services. For each month from the termination date through the end of the Term, the University shall have the right to deduct or offset any and all such non-passive income of Currie from the monthly Separation Payment installment.

5. **TERMINATION WITHOUT CAUSE BY CURRIE:** In his sole discretion and at any time, Currie may terminate this MOU or the Employment Agreement without cause. If Currie terminates this MOU or the Employment Agreement without cause in the first three (3) years of the Term, then Currie agrees to pay liquidated damages to the University in a single, lump sum amount within thirty (30) days of the termination date, equal to the sum of two (2) amounts: (i) the aggregate gross Base Pay which would have been due Currie for the remainder of the Term; plus (ii) the aggregate gross Supplemental Pay which would have been due Currie for the remainder of the Term. If Currie terminates this MOU or the Employment Agreement without cause in the last two (2) years of the Term, then Currie agrees to pay liquidated damages to the University in a single, lump sum amount within thirty (30) days of the termination date, equal to $25,000.00 multiplied by the number of months remaining from the Employee's termination date to the end of the Term, with partial months pro-rated.

6. **OTHER TERMS AND CONDITIONS:** In addition to the terms and conditions concerning the matters set out in Paragraphs 1 through 5 above (excluding terms and conditions applicable only while the MOU is in effect), the Employment Agreement shall include, among other things, provisions concerning the following: (a) duties and authority of Currie as Athletics Director; (b) limitations on outside compensation earned by Currie, including commercial endorsements; (c) representations by Currie concerning violations, or potential violations, of NCAA, Southeastern Conference or University rules known by him at the time of the execution of the Employment Agreement; (d) enforcement of governing athletic rules, including NCAA and Southeastern Conference rules; and (e) the University's right to use Currie's name, likeness and image.

7. **BACKGROUND:** Currie represents that he has disclosed to the University all material information concerning previous NCAA, conference, or institutional rules violations or potential violations committed by him or any coach or staff member under his direct or indirect control at any other NCAA member institution prior to the date on which he executed this Agreement; similarly, the University represents that it has disclosed to Currie all material information it has regarding any pending and/or ongoing NCAA investigations or inquiries of any University sports program. This MOU is conditioned on a satisfactory criminal background check and NCAA compliance check, to be completed within five (5) business days after the University's execution of this MOU.

8. **EXECUTION OF THE MOU:** This MOU may be executed and delivered in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, but all such counterparts shall together constitute one and the same MOU.

9. **GOVERNING LAW:** This MOU shall be governed by the laws of the State of Tennessee.

The parties acknowledge their agreement by signing and dating this Memorandum of Understanding below.

THE UNIVERSITY OF TENNESSEE

By:

Beverly Davenport

Dr. Beverly Davenport
Chancellor

2.28.17
Date

JOHN CURRIE

John Currie

28 Feb 2017
Date

David Miller
Chief Financial Officer

David L. Miller

Date

EXHIBIT A – INCENTIVE COMPENSATION

In recognition of overall exemplary athletic and academic performance by intercollegiate athletics teams at UTK and the additional work required by Currie therewith, and as an incentive for Currie to assist the teams in achieving the goals described below, the University agrees to pay Currie, if earned, the annual incentive compensation described below, subject to all applicable state and federal tax reporting and withholding requirements.

1. **Academic Performance Goals.** Currie is eligible to receive annual incentive compensation based upon the overall NCAA Graduation Success Rate ("GSR") of all of the student-athletes on all of UTK's intercollegiate athletics teams. Currie is entitled to only one annual incentive compensation payment under this subsection based on the highest GSR threshold met.

If Overall GSR is:	Then University Shall Pay Currie:
Below 83.0%	$0.00
83.0% - 85.9%	$90,000.00
86.0% - 88.9%	$95,000.00
89.0% - 91.9%	$100,000.00
92.0% 94.9%	$110,000.00
95% or better	$150,000.00

2. **Athletics Performance Goals.** Currie is eligible to receive annual incentive compensation based upon the overall competitive athletics success of all of UTK's intercollegiate athletics teams as determined by the Director's Cup standings. Currie is entitled to only one annual incentive compensation payment under this subsection based on the highest Director's Cup ranking threshold met.

If UTK's Ranking in the Director's Cup is:	Then University Shall Pay Currie:
Worse than #40	$0.00
#31-40	$90,000.00
#26-30	$95,000.00
#21-25	$100,000.00
#11-24	$110,000.00
#10 or better	$150,000.00

Annual incentive compensation earned under this Exhibit A shall be paid to Currie on or before June 30 of each Contract Year in which the goal(s) was achieved.

Annual incentive compensation shall be earned by and payable to Currie only if the following two (2) conditions have been achieved for the Contract Year in question: (1) Currie is employed as Athletics Director on June 30 of the Contract Year in which the goal(s) was achieved; and (2) every men's and women's NCAA Division I team achieves the NCAA's minimum Academic Progress Rate ("APR") necessary to be eligible compete for a NCAA championship.

The maximum amount of incentive compensation that can be earned by Currie under this Exhibit A in any Contract Year shall NOT exceed $300,000.00.

EXHIBIT B – FRINGE AND OTHER BENEFITS

1. Compensation in the amount of $40,000 per year as a non-accountable expense allowance/reimbursement for other expenses incurred by Currie in fulfilling his responsibilities as Athletics Director for which the University does not reimburse.

2. Compensation in the amount of $1,700.00 per month as a vehicle allowance.

3. Currie shall be included in the University's Athletic Play/Practice Insurance Coverage. Currie acknowledges that this insurance coverage is subject to an annual bid process and that the type and amount of coverage for all participants may change from year to year.

4. Payment and/or reimbursement of reasonable and necessary expenses incurred in connection with the performance of Currie's duties, including but not limited to travel, subject to the terms and limits of applicable University policies.

5. Payment and/or reimbursement of officially required travel expenses for Currie's spouse, when it is appropriate that she accompany him while in the performance of his official duties, subject to the terms and limits of applicable University policies.

6. At Currie's request, the University shall pay for and/or provide the following athletic event tickets:
   a. For football, one Neyland Stadium skybox, including the sixteen (16) admission tickets required in connection therewith;
   b. Up to four (4) additional football season tickets;
   c. Up to four (4) men's basketball season tickets;
   d. Up to four (4) women's basketball season tickets season tickets;
   e. Up to four (4) baseball season tickets;
   f. Up to four (4) softball season tickets;
   g. Up to four (4) away game tickets for each of football, men's basketball, and women's basketball;
   h. Up to six (6) post-season tickets for football, men's basketball, and women's basketball;
   i. For post-season football, men's basketball, and women's basketball play, one (1) hotel room suite.

The benefits outlined in this Exhibit B are subject to all applicable state and federal tax reporting and withholding requirements.

EXHIBIT C – DEFINITION OF "CAUSE"

Attached please find an example of an employment agreement between the University and it's current men's basketball coach, which will serve as the model for the "for cause" language that will appear in the long form Employment Agreement between the University and John Currie.