

## UNIVERSITY OF TENNESSEE ALL-SPORT AGREEMENT

THIS IS AN AGREEMENT made and entered into by and between The University of Tennessee (hereinafter "UNIVERSITY"), an instrumentality of the State of Tennessee, on behalf of the Athletics Department for its Knoxville campus, having an administrative office at Brenda Lawson Athletic Center, 1551 Lake Loudoun Blvd, Knoxville, TN 37996, and NIKE USA, Inc. (hereinafter "NIKE"), an Oregon corporation having its principal offices at One Bowerman Drive, Beaverton, Oregon 97005-6453.

### WITNESSETH

WHEREAS, UNIVERSITY fields and maintains nationally recognized athletic teams in numerous sports (and retains the coaches and staff in connection therewith) and owns all right, title and interest in and to the names, nicknames, mascots, trademarks, service marks, logographics and/or symbols, and any other recognized reference to UNIVERSITY or its "Covered Programs" (as defined below);

WHEREAS, NIKE is a sports and fitness company engaged in the design, manufacture, distribution and sale of athletic and athleisure footwear, apparel and related accessories, and desires to support UNIVERSITY and its Covered Programs as described below;

NOW, THEREFORE, in consideration of the mutual promises, terms and conditions set forth herein, it is agreed as follows:

#### 1. DEFINITIONS.

As used in this Agreement, the terms set forth below shall be defined as follows:

- (a) "NIKE Group" shall mean NIKE USA, Inc., NIKE Retail Services, Inc. (d/b/a NikeTown), their parent company NIKE, Inc., their licensees, distributors, subsidiaries, affiliates and any successor company.
- (b) "Covered Program(s)" shall mean any and all NCAA Division I intercollegiate athletic teams that are fielded by UNIVERSITY's Athletic Department for its Knoxville campus during the term of this Agreement (including any that are hereafter added) which, unless otherwise specified include: football, men's basketball, women's basketball, women's soccer, baseball, softball, cross country (men's and women's), golf (men's and women's), tennis (men's and women's), track and field (men's and women's), swimming and diving (men's and women's), rowing and volleyball. For purposes of this Agreement, Covered Programs shall also include the UNIVERSITY's official cheer squad and spirit squad.
- (c) "Flagship Program(s)" shall mean any of the following Covered Programs: Football; Men's Basketball; and Women's Basketball.
- (d) "UNIVERSITY Marks" shall mean the names, nicknames, mascots, trademarks, service marks, logographics and/or symbols, and any other recognized reference to UNIVERSITY or its Covered Programs.
- (e) "Team" shall mean that group of athletes attending UNIVERSITY's Knoxville Campus during the term of this Agreement and comprising the roster of each Covered Program.
- (f) "Game" shall mean game, match, meet, test or such other competition reference as is appropriate to each individual sport.
- (g) "Coach" shall mean an individual employed during the term of this Agreement to act as a head coach of a Covered Program.

- (h) "Coach Endorsement" shall mean the right to use a Coach's name, nickname, initials, autograph, facsimile signature, voice, video or film portrayals, photographs, likeness and image or facsimile image, and any other means of endorsement used by such Coach, in connection with the advertisement, promotion and sale of NIKE Products.
- (i) "Staff" shall mean, collectively, all assistant coaches and strength coaches, equipment managers, trainers, any on-field/courtside staff (e.g., ballpersons, basketball stat crews, etc.) and any upper level athletics administrators employed by UNIVERSITY during the term of this Agreement to provide services to or oversight of Covered Programs.
- (j) "Contract Year" shall mean each consecutive twelve (12) month period from July 1 through June 30 during the term of this Agreement.
- (k) "NCAA" shall mean the National Collegiate Athletic Association.
- (l) "Conference" shall mean the Southeastern Conference ("SEC") and such other intercollegiate athletic conferences of which UNIVERSITY is a member.
- (m) "Covered Program Activity" shall mean the Games, practices, exhibitions, events and public appearances of a Covered Program, in which a Team member, Coach and/or Staff member appears as an official representative of the UNIVERSITY.
- (n) "Products" shall mean:
  - (1) all athletic and athletically inspired or derived footwear that members of any Team, Coaches and/or Staff wear or may be reasonably expected to wear while participating in a Covered Program Activity;
  - (2) authentic competition apparel consisting of uniforms, sideline or courtside jackets and sweaters, game-day warm-ups, basketball shooting shirts, football player capes, wool and fitted caps, windsuits, rainsuits, sideline or courtside pants, shorts and shirts, "base-layer" apparel (i.e., compression/tight gear including padded and non-padded compression products), and similar apparel, practice wear, thermal wear, and performance undergarments (collectively, "Authentic Competition Apparel") that members of any Team, Coaches and/or Staff wear or may be reasonably expected to wear while participating in a Covered Program Activity;
  - (3) all other apparel articles of an athletic or athleisure nature including but not limited to tank-tops, T-shirts, sweatsuits, separates and other body coverings, and accessories of an athletic or athleisure nature, including but not limited to headwear, headbands, wristbands, bags, socks, hand-towels, football gloves, golf gloves, sleeves (e.g., single or double arm protective sleeves whether or not padded), batting gloves, weight training gloves, and elbow and knee pads that members of any Team, Coaches and/or Staff wear or use or may be reasonably expected to wear or use while participating in a Covered Program Activity;
  - (4) footballs, men's basketballs, women's basketballs and soccer balls;
  - (5) baseball equipment bags;
  - (6) golf bags and travel bags;
  - (7) protective eyewear (e.g., football face mask eyeshields), eyewear with performance attributes and sunglasses;

- (8) recovery products (e.g., compression wear, suits, sleeves, tights, hose, footwear, etc.);
  - (9) Dynamic Athletic Training equipment (e.g., parachutes, power bands, agility webs, speed ladders, power and quick react balls, etc.) and such other sports equipment as NIKE may add to its Product lines at any time during the term of this Agreement and subject to the provisions of Paragraph 16 below; provided, however, that the UNIVERSITY'S Covered Programs may continue to use such equipment in its possession upon the effective date of this Agreement;
  - (10) "smart products" (e.g., fuel bands, etc.), body-worn (or handheld) activity tracking/monitoring devices (e.g., pedometers, etc.) and/or performance or fitness improvement and/or activity enhancing electronic or digital devices including, but not limited to, watches (GPS and non-GPS enabled) and performance tracking monitors (collectively, "Fitness Devices") but specifically excluding any device that functions as a heart rate monitor; and
  - (11) such other sports equipment as NIKE may add to its Product lines at any time during the term of this Agreement and subject to the provisions of Paragraph 16 below.
- (o) "NIKE Products" shall mean all Products in connection with which, or upon which, the NIKE name, the Swoosh Design, the NIKE AIR Design, the Basketball Player Silhouette ("Jumpman") Design or any other trademarks or brands (e.g., Jordan Brand, Converse, SPARQ, Hurley) now or hereafter owned and/or controlled by NIKE (collectively, "NIKE Marks") appear singly or in any combination.
  - (p) "Net Sales" shall mean the gross wholesale revenue received by NIKE from the sale of "Licensed Products" (as defined below), less cash, trade, sales and other program discounts, adjusted for legitimate merchandise returns credited to NIKE's customers; provided, however, that Net Sales shall not include sales of any such Licensed Products sold under license by an independent licensee of NIKE. Net Sales shall be net sales as are computed by NIKE's accounting system, guidance for which is established by generally accepted accounting principles (GAAP).
  - (q) "College Football Playoff Bowl" shall mean any of the following bowl games (or replacement bowl games) within the format used to determine the "National Championship" and currently consisting of the Chick-fil-A Bowl, Cotton Bowl, Orange Bowl, Sugar Bowl, Fiesta Bowl, Rose Bowl and National Championship Game.
  - (r) "Digital Features" shall mean digital content or applications whether or not used in conjunction with a NIKE Product (e.g., an add-on Nike+ or a mobile device application), designed to improve, encourage, support or inspire performance, fitness and/or activity.
  - (s) "Activity Based Information" shall mean performance and/or activity information/data digitally collected from the Teams or Team members during competition, training or other activities, including, but not limited to, speed, distance, vertical leap height, maximum time aloft, shot attempts, ball possession, heart rate, running route, etc.
  - (t) "Dynamic Athletic Rating" shall mean any rating, testing, system or other method (including without limitation applications (e.g., on the Apple OS platform or Android platform operated devices) and video) of measuring, assessing or comparing

athletic performance, athletic ability or athleticism (including without limitation athletic sensory performance such as vision).

- (u) “Dynamic Athletic Training” shall mean training programs, exercises, systems or other training methods designed to develop or improve an individual’s athletic ability, athletic performance or athleticism (including without limitation athletic sensory performance such as vision).

## 2. TERM.

This Agreement shall remain in full force and effect for a period of eight (8) Contract Years, from July 1, 2015 through June 30, 2023, unless sooner terminated in accordance with the terms and conditions hereof (collectively, the “Term”). This Agreement shall be interpreted in its entirety and not as a series of one-year agreements.

## 3. GRANT OF RIGHTS.

UNIVERSITY hereby grants to NIKE, and NIKE hereby accepts:

- (a) The designation as “the exclusive supplier of the athletic footwear, apparel, accessory and equipment products of (each Covered Program)” and “the exclusive athletic footwear, apparel, accessories and equipment sponsor of (each Covered Program)”, and/or such similar designations as the parties may agree upon (collectively, the “Designations”).
- (b) The right to utilize (subject to the approval provisions of Paragraph 13 below) the UNIVERSITY Marks, Coach Endorsements, Activity Based Information, and/or Designations worldwide, in any media (now known or hereafter created) including, but not limited to, the worldwide web, CD-ROM and other interactive and multi-media technologies, in connection with the manufacture, advertising, marketing, promotion and sale of NIKE Products and Digital Features and programming. Such rights shall specifically include, but shall not be limited to, the following:
  - (1) The exclusive right to supply Products for each Covered Program and to use the Designations.
  - (2) The right to manufacture and sell (subject to Paragraph 4 below) NIKE Products bearing or incorporating UNIVERSITY Marks and to conduct promotions with and through NIKE retail accounts.
  - (3) The right to use game photographs (“Game Photos”), videotape and/or film footage (“Game Footage”) of any and all Covered Programs subject to applicable NCAA rules and regulations or conference agreements with respect to the depiction of eligible athletes. In connection therewith, at NIKE’s request, UNIVERSITY shall permit NIKE to utilize, consistent with this Paragraph 3, Game Photos and Game Footage (owned and/or controlled by UNIVERSITY), without a use fee, other than reasonable search and edit charges, subject to the student-athletes’ general consent.

## 4. RETAIL LICENSING RIGHTS.

- (a) UNIVERSITY shall enter into, or cause its licensing agent (currently, the Collegiate Licensing Company (“CLC”)) or agents to enter into, and maintain in full force and effect during the Term, a retail license or licenses granting NIKE the (1) exclusive worldwide right and license to use the UNIVERSITY Marks on and/or in connection with the manufacture and sale of Authentic Competition Apparel in the specific silhouettes as provided to each Covered Program pursuant to this Agreement,

“Performance Apparel” (as defined below), and all jersey silhouettes (e.g., authentic, alternative jerseys, replica jerseys, throwback jerseys, etc.) (“Jerseys”), for all Covered Programs; and (2) non-exclusive worldwide right and license to use the UNIVERSITY Marks on and/or in connection with the manufacture and sale of NIKE Products, other than Authentic Competition Apparel in the specific silhouettes as provided to each Covered Program pursuant to this Agreement, Performance Apparel, and Jerseys (products described in (1) and (2) collectively, “Licensed Products”). “Performance Apparel” shall mean all apparel that has unique construction (i.e., compression gear) and/or fabrications (i.e., moisture-wicking) that assist the wearer during exercise and general athletic tasks in all types of weather, and apparel items that are marketed as assisting such construction, fabrication and/or special characteristics. UNIVERSITY further agrees that the royalty rate payable by NIKE with respect to such license or licenses shall be thirteen percent (13%) of Net Sales. UNIVERSITY acknowledges that no royalty shall be payable on product provided by NIKE pursuant to this Agreement for UNIVERSITY, Team, Coach or Staff use.

- (b) NIKE shall keep and maintain accurate books and records relating to its royalty payments on Licensed Product sales. UNIVERSITY and its duly authorized representative shall have the right, upon thirty (30) days' prior written notice, at its cost, to examine and audit such books and records during NIKE's normal business hours (and not more than once each Contract Year). Should an audit pursuant to this Paragraph establish a deficiency of more than five percent (5%) between the amount due to UNIVERSITY and the amount actually paid by NIKE, within forty-five (45) days of NIKE's receipt of written notice of any such deficiency, NIKE shall pay the amount of the deficiency together with the reasonable cost of such audit. All books and records required to be maintained by NIKE hereunder shall be kept for at least three (3) years after the end of the Contract Year to which they relate, and any royalties paid with respect thereto shall be deemed incontestable after such 3-year retention period.
- (c) Throughout the Term, UNIVERSITY shall not, directly or through any of its licensing agents, enter into, extend or renew any license to use UNIVERSITY Marks with adidas, Reebok, Puma, Under Armour, Starter and/or their respective subsidiaries, affiliates, brands, controlled brands or licensees. Further, following the expiration of any such license that may now be in effect with any such company, subsidiary, affiliate, brand, controlled brand or licensee, neither UNIVERSITY nor any of its licensing agents shall knowingly permit the sale within any UNIVERSITY-controlled venue (e.g., stadium or arena concessions) or retail establishment (e.g., the University book store) of any product manufactured or sold by any of the foregoing companies, subsidiaries, affiliates, brands, controlled brands or licensees, if UNIVERSITY controls the concession and/or retail operations therein. In the event such concession and retail operation rights have been outsourced to a third party, the University agrees to advise such third party of UNIVERSITY's commitment to NIKE brand exclusivity and UNIVERSITY's desire to support such exclusivity at retail.

## 5. NIKE'S PRODUCT SUPPLY OBLIGATIONS.

- (a) In partial consideration of the rights granted under this Agreement, each Contract Year, UNIVERSITY shall be entitled to order directly from NIKE, and receive, the below indicated amounts of NIKE Products for use by (or in connection with) the Covered Programs, clinics, camps, Coaches, Staff and such other purposes as UNIVERSITY and/or the Director of Athletics may deem appropriate to support the

relationship between the parties. The aggregate retail value of supplied product that UNIVERSITY may order for each Contract Year shall be as set forth in the table below (each, an “Annual Product Allotment”). Such NIKE Products shall include, but shall not be limited to, game and practice uniforms, competition balls, and footwear for use by the Covered Programs.

1st Contract Year (2015-16)	\$3,400,000
2nd Contract Year (2016-17)	\$2,600,000
3rd Contract Year (2017-18)	\$2,700,000
4th Contract Year (2018-19)	\$2,800,000
5th Contract Year (2019-20)	\$2,900,000
6th Contract Year (2020-21)	\$3,000,000
7th Contract Year (2021-22)	\$3,100,000
8th Contract Year (2022-23)	\$3,200,000

Each Contract Year, UNIVERSITY shall be permitted to carry-over up to Two Hundred Thousand Dollars (\$200,000) (retail value) credit for unordered Annual Product Allotment from such Contract Year to the next immediately subsequent Contract Year provided that, by no later than December 15 of the preceding Contract Year, UNIVERSITY confirms in writing to NIKE such election and the amount of the credit it desires to take. Such carry-over credit shall be non-cumulative (i.e., if not used in the immediately subsequent year, it shall be deemed forfeited).

- (b) Further, in partial consideration of the rights granted to NIKE under this Agreement, UNIVERSITY shall be entitled to order through “NIKE Elite” Client Services (and subject to procedures established by NIKE for such purposes), up to the aggregate retail dollar amounts as set forth in the table below (the “Annual NIKE Elite Credit”).

	Athletic Department	Football, Men’s Basketball, Women’s Basketball, and Administration
1st Contract Year (2015-16)	\$100,000	\$100,000
2nd Contract Year (2016-17)	\$100,000	\$100,000
3rd Contract Year (2017-18)	\$100,000	\$100,000
4th Contract Year (2018-19)	\$100,000	\$100,000
5th Contract Year (2019-20)	\$100,000	\$100,000
6th Contract Year (2020-21)	\$100,000	\$100,000
7th Contract Year (2021-22)	\$100,000	\$100,000
8th Contract Year (2022-23)	\$100,000	\$100,000

All NIKE Product ordered under the NIKE Elite program must be placed through an Athletic Department member designated in writing to NIKE by the Athletic Director. No carry-over of Annual NIKE Elite Credit from one Contract Year to another shall be allowed. NIKE shall provide to UNIVERSITY and/or Athletic Department members, as applicable, such documentation as may be required with regard to such orders to facilitate the UNIVERSITY’s, and such individuals’, compliance with federal and state tax laws.

## 6. PRODUCT ORDERING, DELIVERY & LOGO USE ON PRODUCT.

- (a) The exact styles, sizes and delivery dates and, where appropriate, quantities of NIKE Products ordered under this Agreement shall be as reasonably specified by

the UNIVERSITY and consistent with NIKE's overall product marketing strategy. NIKE shall propose styles each year, at least two months prior to UNIVERSITY's order date for each sport, to allow UNIVERSITY adequate time for consideration.

- (b) If in any Contract Year UNIVERSITY requires additional NIKE Products for use by any Covered Program(s) (or any UNIVERSITY or Coach operated camp or clinic related to a Covered Program sport) and in amounts that exceed the Annual Product Allotment, then UNIVERSITY shall purchase any and all such Products directly from NIKE, or such authorized NIKE dealer as designated by NIKE, subject to availability and NIKE standard account sales terms and conditions. Except as otherwise described in this Agreement, in no event shall UNIVERSITY purchase any Products (including footwear and core basic apparel – e.g., T-shirts, shorts, fleece and socks), for Covered Program use (or use by any UNIVERSITY or Coach operated camp or clinic related to a Covered Program sport), from any third-party without NIKE's approval.
- (c) All Products to be supplied by NIKE hereunder shall be delivered F.O.B. to UNIVERSITY between the hours of 8:00am and 5:00pm EST, Monday through Friday or as specifically directed in writing by UNIVERSITY, at the location designated on the UNIVERSITY's purchase order. Only properly submitted orders from UNIVERSITY's Athletic Director or any authorized representative of UNIVERSITY's Athletic Director shall be filled by NIKE.
- (d) UNIVERSITY acknowledges that Annual Product Allotments shall be delivered to UNIVERSITY generally one (1) month prior to the start of the regular season for each Covered Program and that all orders must typically be ordered 9-12 months in advance of each season to ensure timely delivery. As long as UNIVERSITY places all orders by the October 1 preceding any Contract Year, the Annual Product Allotment for each Covered Program shall be delivered to UNIVERSITY by the following dates during such Contract Year:

Football	
Basics	July 1
Uniforms	August 1
Basketball	
Basics	July 1
Uniforms	October 1
All other Fall Athletic Programs	
Basics	July 1
Uniforms	August 1
All Spring Athletic Programs	
Basics	September 1
Uniforms	December 1

Notwithstanding the foregoing, however, if approved in writing by UNIVERSITY (such approval not to be unreasonably withheld), certain products within a Covered Program's product allotment may be delivered later than the date specified above, depending on their date of actual use. Furthermore, UNIVERSITY acknowledges that, once apparel ordering deadlines have been met, product delivery may be staggered in accordance with a written, mutually agreed upon priority schedule. (By way of example, with respect to football product, footwear and practice wear would be delivered by July 1, game uniforms by photo day, and cold weather wear by October 1.)

- (e) With respect to the purchase of NIKE football shoes, only in connection with UNIVERSITY's annual initial order of shoes, UNIVERSITY may order additional pairs of football shoes on a "2 for 1" basis after it places an order for a minimum of 325 pairs of football shoes. For purposes of this Paragraph, "2 for 1" shall mean for every two (2) pairs of NIKE football shoes purchased by UNIVERSITY from the NIKE designated dealer, UNIVERSITY shall receive one (1) pair of NIKE football shoes free. UNIVERSITY acknowledges that the price for all shoes purchased hereunder shall be as set by the NIKE designated dealer. With respect to the purchase of NIKE receiver/lineman gloves, only in connection with UNIVERSITY's annual initial order of gloves, UNIVERSITY may order additional pairs of gloves on a "1 for 1" basis after it places an order for a minimum of 500 pairs of gloves. For purposes of this Paragraph, "1 for 1" shall mean for every one (1) pair of NIKE gloves purchased by UNIVERSITY from the NIKE designated dealer, UNIVERSITY shall receive one (1) pair of gloves free. In no event shall UNIVERSITY purchase receiver/lineman gloves from any third party other than the NIKE designated dealer.
- (f) UNIVERSITY acknowledges that:
- (1) The placement of the NIKE logo, as it is currently permitted by the NCAA and now placed by NIKE (in terms of size, location placement, color contrast/prominence and/or number of placements), on Authentic Competition Apparel is a bargained for material benefit contemplated by NIKE under this Agreement and that such continued degree of manufacturer logo prominence on competition product is of the essence of this Agreement. Accordingly, during the Term, UNIVERSITY shall take no action that shall have the effect of relocating (except for a more favorable placement should a subsequent relaxation in rules so permit), reducing, or restricting NIKE's logo placement rights on product as such logo now appears and is permitted by current relevant NCAA rules or regulations including, but not limited to, NCAA Rule 12.5.4. Notwithstanding anything contained in this subparagraph, UNIVERSITY further acknowledges that nothing herein shall be construed as a restriction of any right of NIKE to avail itself of such more favorable presentation or placement of its logo (e.g., size, color contrast, number of placements, location of placement, etc.) as may be currently permitted under NCAA, Conference and/or other applicable rules, or hereafter permitted by any subsequent relaxation in NCAA, Conference and/or other applicable rules.
  - (2) From time-to-time, NIKE may elect to obtain certain apparel or accessory Products to be supplied hereunder (such as football game jerseys and pants) from third parties (and which product shall conform to applicable NCAA quality and performance specifications), which cost shall be deducted from the Product Allotment supplied to UNIVERSITY in the applicable Contract Year. Such Products shall, at NIKE's election, (i) bear the NIKE Swoosh Design and/or other NIKE Marks (as designated by NIKE), consistent with NCAA rules and regulations, or (ii) not bear any NIKE Marks.
  - (3) From time-to-time, UNIVERSITY may require a Product for use in accordance with this Agreement that may still be in development at the time of the request and is therefore not commercially available through NIKE (an "Unavailable Product"), such as certain equipment, and NIKE cannot supply such Product to UNIVERSITY. Under such circumstances UNIVERSITY may use an Unavailable Product manufactured and/or sourced through a third-



party provided, however, (i) such third-party cannot be a manufacturer or seller of footwear or athletic apparel, (ii) the Product may not feature any third-party branding, (iii) UNIVERSITY shall not endorse or otherwise promote or advertise its use of such third-party's Product, and shall not knowingly permit such third-party to promote or advertise its association with UNIVERSITY, and (iv) UNIVERSITY shall switch to the use of such Product manufactured by NIKE at such time as such Product shall become available in NIKE's product line.

NIKE shall not be liable to UNIVERSITY, Coach, or Staff for any injury or damage suffered from wearing or using NIKE Products, except such injury or damage resulting from NIKE's adjudicated negligence. **UNIVERSITY specifically waives, only as against NIKE, all express warranties, and implied warranties of merchantability or fitness for a particular purpose.**

## 7. CASH & OTHER CONSIDERATION.

- (a) Base Compensation. Each Contract Year, as further consideration for the rights granted under this Agreement, NIKE shall pay to UNIVERSITY Base Compensation (subject to Paragraphs 12 and 18(b) below) in the amount set opposite the below-indicated Contract Year, to be paid in two (2) equal semi-annual installments on July 1 and January 1 of each Contract Year.

1st Contract Year (2015-16)	\$1,000,000
2nd Contract Year (2016-17)	\$1,000,000
3rd Contract Year (2017-18)	\$1,000,000
4th Contract Year (2018-19)	\$1,000,000
5th Contract Year (2019-20)	\$ 900,000
6th Contract Year (2020-21)	\$ 900,000
7th Contract Year (2021-22)	\$ 900,000
8th Contract Year (2022-23)	\$ 900,000

The parties agree that each Contract Year UNIVERSITY may elect to convert any or all of the Base Compensation for such Contract Year into a Products allotment amount at an exchange equal to 35% of the standard retail price (or 70% of NIKE's published wholesale price) of such Products, provided that UNIVERSITY give NIKE written notice of such election not later than July 1 of the preceding Contract Year.

- (b) Commitment Bonus. NIKE shall pay UNIVERSITY a one-time commitment bonus in the amount of Two Million Dollars (\$2,000,000) not later than July 1, 2014, following full execution of this Agreement.
- (c) Performance Bonuses. In the event the indicated team achieves any of the following performances during any Contract Year, UNIVERSITY shall, within thirty (30) days of such accomplishment, invoice NIKE for payment of the corresponding bonus amount (and which bonus UNIVERSITY acknowledges may be subject to forfeit if not timely invoiced) which NIKE shall pay within thirty (30) days of its receipt thereof:

Football Bonuses	
Plays in SEC Championship Game	\$10,000
Wins SEC Championship Game	\$20,000
Plays in a College Football Playoff Bowl game	\$25,000

Plays in the National Championship game	\$50,000
Wins National Championship	\$100,000
Men's Basketball Bonuses	
Wins SEC Tournament Championship	\$10,000
NCAA Final Four Appearance	\$25,000
Wins National Championship	\$50,000
Women's Basketball Bonuses	
Wins SEC Tournament Championship	\$ 5,000
NCAA Final Four Appearance	\$10,000
Wins National Championship	\$15,000

All bonuses are cumulative (i.e., if men's basketball achieves all of the above performances, UNIVERSITY would be eligible for \$85,000 in bonuses). Notwithstanding the foregoing, UNIVERSITY acknowledges that if it is subject to a sanction(s) in which any of the above accomplishments is vacated, UNIVERSITY shall be required to return to NIKE any performance bonus paid for such vacated accomplishment within sixty (60) days of notice from NIKE (or, if UNIVERSITY so elects, NIKE may set-off such amounts against future cash payments due to UNIVERSITY).

- (d) Summer Internship. Each summer during the Term, NIKE shall fund a paid internship (valued at \$13,000 annually), to be served at NIKE's World Headquarters, for one undergraduate to be selected by NIKE from a pool of candidates to be developed and presented by UNIVERSITY.

#### 8. PROMOTIONAL APPEARANCES.

In connection with the promotion of NIKE Products and/or the NIKE brand:

- (a) Each Contract Year, upon reasonable prior notice and subject to any coaching commitment, if so requested by NIKE, UNIVERSITY shall make the Coach of each Flagship Program available for a minimum of three (3) personal appearances each, and the Coach of all other Covered Programs available for a minimum of one (1) personal appearance each, on behalf of NIKE. No single appearance shall exceed twenty-four (24) hours in duration, including travel time, unless otherwise agreed upon in advance. Such appearances may include, but are not limited to, photo shoots for posters, brochures or in-store displays, production sessions related to filming commercials and/or video productions and/or advertising, retail store appearances, trade shows, appearances at sports clinics, celebrity events and other public appearances. UNIVERSITY shall receive no additional compensation for such appearances, it being understood that the consideration for such appearances is encompassed by the Base Compensation and other consideration provided to UNIVERSITY by NIKE.
- (b) Upon reasonable prior notice and subject to any other playing commitments and compliance with any applicable NCAA and/or Conference rules or regulations, UNIVERSITY shall make its Flagship Programs, and men's and/or women's soccer team available to participate in a NIKE-sponsored and/or organized game and/or tournament not more frequently than once per team in any 2-year period.

NIKE shall pay all reasonable and necessary travel and related expenses of the relevant team and coaching staff in connection with any appearance hereunder.

9. NIKE SPONSOR BENEFITS.

(a) As a sponsor of UNIVERSITY's Covered Programs, each Contract Year, UNIVERSITY shall provide NIKE with the following promotional benefits at no additional cost to NIKE except as otherwise indicated:

(1) NIKE shall receive tickets to home games (and neutral site games as indicated below in which a Covered Program is participating) for each Covered Program in accordance with the following:

PROGRAM	No. TICKETS
Football	10 + upon request, 2 sideline passes
SEC Football Championship Game	10
Bowl Games	20
Basketball (M)	16
SEC Basketball Tournament (M)	10
NCAA Basketball Tournament (M)	10
Basketball (W)	12
SEC Basketball Tournament (W)	10
NCAA Basketball Tournament (W)	10
Soccer (M/W)	4
All Other Programs	4

Each Contract Year, NIKE shall receive: (i) fifty (50) tickets (in lieu of the above indicated 10 tickets) to one mutually agreed upon football game; and (ii) thirty (30) tickets (in lieu of the above indicated 16 tickets) to one mutually agreed upon men's basketball game, and thirty (30) tickets (in lieu of the above indicated 12 tickets) to one mutually agreed upon women's basketball game (collectively, "NIKE Game-day"). NIKE will make a good faith effort to identify these games prior to the Covered Programs' seasons beginning. For home basketball and football games, UNIVERSITY shall use best efforts to provide the best available lower level tickets, which tickets UNIVERSITY shall use best efforts to provide in blocks of seats (however, NIKE acknowledges that for neutral site games the availability of lower level seats and blocks of seats may be more limited). UNIVERSITY shall use best efforts to fulfill NIKE's requests for such additional quantities of tickets as it may reasonably request, such tickets to be best available. NIKE shall reimburse UNIVERSITY for all post-season tickets, at UNIVERSITY's cost, within 30 days of receipt of UNIVERSITY's invoice.

- (2) (i) "VIP" parking at all football and basketball games; and (ii) an exclusive area located at the football stadium, and one at the basketball arena, for NIKE hospitality events in conjunction with each home game.
- (3) A hospitality event for football and basketball NIKE Game-day ticket holders (which may include, for example, a welcome reception and/or tour of facilities).
- (4) At each home game of each Covered Program, NIKE shall be allowed to place at mutually agreed upon locations a mutually determined number of temporary (unless otherwise indicated below), camera-visible signs which prominently display the NIKE logo and/or other NIKE trademark or message as NIKE may designate from time-to-time at a rate no less favorable than the best rates offered by IMG for that location and time.

- (5) At each UNIVERSITY playing venue where concession rights are not controlled by a third-party, NIKE shall receive a suitable, high-traffic, location within or at each venue at which NIKE may, at its option and expense, set-up a merchandise display and sell NIKE Products. With respect to venues where concession rights have been granted to a third-party, upon expiration of each such agreement, UNIVERSITY shall use best efforts to secure for NIKE on-site merchandising rights.
- (6) At each home game of each Covered Program at which a public address system and/or electronic message board (or other electronic messaging systems) is used, as applicable, suitable, mutually agreed number of, in-game P.A. announcements and/or board messages using the appropriate Designation.
- (7) Full-page, 4-color NIKE advertisements (camera-ready ad to be produced and provided by NIKE at its cost) in every game program published that includes advertisements.
- (8) Prominent NIKE name and/or logo recognition in the media guides, schedule cards, posters, newsletters and other sports related publications or collateral materials for each Covered Program as well as in all appropriate athletic brochures and collateral and promotional materials, including videos, generated or commissioned by UNIVERSITY.
- (9) The opportunity to stage promotional events and/or contests around designated home games/competitions, which events or contests may occur pre-game, during half-time or post-game.
- (10) Reasonable access to Covered Program activities, where appropriate, for the purpose of shooting Game Photos or Game Footage and/or conducting and taping post-game interviews.
- (11) NIKE shall be permitted, upon its reasonable request, to use mutually agreed upon UNIVERSITY facilities in connection with community based programs and events held by NIKE (such as its P.L.A.Y. program).
- (12) UNIVERSITY shall make best efforts to secure NIKE Product placement in campus stores (e.g., UNIVERSITY bookstores) campus-wide, and/or to establish NIKE Shops and/or NIKE concept shops therein, and the right to display and sell NIKE Products at UNIVERSITY's football stadium and basketball arena concessions stands and/or stores during all games (regardless of the sport) held therein.
- (13) In addition to the above, UNIVERSITY shall afford NIKE advance notice and the opportunity to consider participation in any and all additional promotional opportunities, in any media, made available by UNIVERSITY during the Term, at the lowest cost made available to other corporate sponsors.

Notwithstanding anything in this Agreement to the contrary, NIKE acknowledges that UNIVERSITY has conveyed to IMG the rights to control and sell certain multi-media benefits which may include some or all of the sponsor benefits set forth in this Paragraph 9(a). As such, UNIVERSITY shall cause IMG (or its successor) to grant to NIKE, at a rate no less favorable than the best rates offered by IMG for that location and time, any and all such benefits.

- (b) NIKE acknowledges and agrees that any recognition, name or logo identification, statement or acknowledgement provided by the UNIVERSITY under this

Paragraph of this Agreement shall comply with the requirements of 26 USC 513 to qualify the payment to the UNIVERSITY as a “qualified sponsorship payment” and as such NIKE shall not have the right to display a message that contains a comparative or qualitative description of NIKE Products, price information or other indications of savings or value, an endorsement, or an inducement to purchase, sell or use NIKE Products. All creative materials proposed for display by NIKE shall be supplied by NIKE at NIKE’s cost and are subject to reasonable approval by the UNIVERSITY. All such recognition is subject to and shall comply with all NCAA and Conference rules and regulations.

10. USE OF NIKE PRODUCTS.

- (a) Throughout the Term, UNIVERSITY shall make NIKE Products available on an exclusive basis to each Covered Program, to be worn and/or used by Team members (consistent with applicable NCAA rules regarding athlete mandatory use of any product), Coaches, and Staff during Covered Program Activities and other official or UNIVERSITY sanctioned activities (including but not limited to photo sessions and interviews) during which Team members, Coaches and Staff of such programs wear and/or use Products except as otherwise provided under this Paragraph 10(a). UNIVERSITY shall require all such Coaches and Team and Staff members to wear and/or use NIKE Products that have been designated by NIKE (including color and style) during such activities except as otherwise permitted under subparagraphs (1)-(3) below. (NIKE acknowledges that any Coach’s wearing of non-athletic footwear and apparel (e.g., formal attire) in connection with his or her official coaching duties, as appropriate, shall not constitute a breach of this Paragraph.)
- (1) If after having used NIKE footwear, a player shall at any time suffer any foot pain or discomfort attributable to such footwear which materially affects such player’s performance, and is verified in writing by the Team’s physician, UNIVERSITY shall promptly notify NIKE of such occurrence. Upon receipt of such notice, NIKE shall diligently seek to address such player’s foot pain or discomfort and UNIVERSITY shall fully cooperate with NIKE in its efforts to satisfy such player’s special footwear requirements, including using UNIVERSITY’s best efforts to encourage such player to fully cooperate with NIKE’s remedial efforts and by facilitating such cooperation by the player. To the extent permissible under applicable NCAA and UNIVERSITY rules and regulations, such facilitation by UNIVERSITY may include, but shall not be limited to, requesting that the player (i) make himself or herself available to be examined by a podiatrist or other qualified physician (located within the UNIVERSITY metropolitan area) to assist NIKE in determining and verifying the nature and extent of the player’s foot pain or discomfort connected with the use of such NIKE footwear, (ii) make himself or herself available to NIKE for design consultations and/or tests conducted by NIKE’s footwear research and design personnel to determine any special requirements of player’s foot characteristics, (iii) wear-test customized footwear developed by NIKE to meet such special requirements, and (iv) provide NIKE with product feedback, as requested by NIKE, concerning player’s findings with respect to such wear-testing (collectively, “Remedial Efforts”). During the period NIKE is engaged in Remedial Efforts, NIKE shall directly furnish player with footwear of his or her choice (produced by any manufacturer whatsoever) but with all visible manufacturer’s identification removed or otherwise covered so as to completely obscure such manufacturer’s identification.

- (2) If notwithstanding Remedial Efforts, a player is still unable to wear NIKE footwear, then such player shall be permitted to wear non-NIKE footwear provided all visible manufacturer's identification is removed or otherwise covered so as to completely obscure such manufacturer's identification.
  - (3) If UNIVERSITY desires a Fitness Device product for use by a Team member(s) that (i) as of the time of the request (or "needed by" date) NIKE does not produce, or (ii) NIKE produces but such product is otherwise incompatible with the hardware or software applications related to UNIVERSITY's sport-science programming, or, for other good cause, UNIVERSITY wishes to source such product from an alternative source, UNIVERSITY shall have the right to source such product from an alternative source provided (a) the vendor shall not be granted any advertising rights with respect to its supply of such product, (b) the vendor (or any entity/brand under its control or partnered with it in a co-branding alliance) does not license, manufacture, brand or sell footwear or athletic apparel, and (c) UNIVERSITY shall only source such product from an alternative source until such time as such product is available from NIKE and meets UNIVERSITY's sourcing needs.
- (b) UNIVERSITY shall ensure that no Team member, Coach or Staff member shall:
    - (1) Alter or permit the alteration of any NIKE Products worn or used by them to resemble a non-NIKE Product; or
    - (2) Wear any non-NIKE Products which have been altered to resemble NIKE Products.
  - (c) UNIVERSITY shall ensure that during all Covered Program activities no Team member, Coach or Staff member (or UNIVERSITY cheerleader or spirit squad member) shall wear and/or use any athletic footwear, or other Products, manufactured by companies other than NIKE except as permitted under Paragraph 10(a) above.
  - (d) UNIVERSITY acknowledges that "spatting" or otherwise taping the NIKE athletic shoes worn by members of the Teams during practices, games, exhibitions, clinics, sports camps and other occasions during which Team members wear athletic shoes, is inconsistent with the purpose of this Agreement and the benefits to be derived from it by NIKE and is a material breach of this Agreement. Notwithstanding the foregoing, occasional, isolated spatting or taping as is deemed a bona-fide medical necessity, and so evidenced by a prior written certification from a podiatrist or other qualified physician, or as may be required "on-the-spot" in response to an injury sustained during a game/practice, shall not be deemed a breach of this Agreement.
  - (e) UNIVERSITY shall not permit: (i) the trade name, trademark, name, logo or any other identification of any person, company or business entity other than NIKE, or UNIVERSITY if approved by NIKE, to appear on NIKE Products (specifically including product supplied for camp use) worn or used by Coaches, Staff or Team members, or (ii) any third party to screenprint upon, or otherwise embellish, any NIKE Products worn or used by Coaches, Staff or Team members.
  - (f) UNIVERSITY shall not re-sell any Products provided by NIKE pursuant to this Agreement except through an on-campus "tent" sale, "garage" sale or the like and in no event shall Products be sold to liquidators, jobbers, distributors, wholesalers, retailers, or any other individual or entity in the trade.

- (g) NIKE acknowledges that UNIVERSITY is a party to pre-existing contracts and/or supply arrangements with respect to product supply as set forth on Schedule 1, and the parties agree that: (1) no later than the listed date of expiration of the Coach agreement for women's basketballs, women's basketballs thereafter shall be covered in all pertinent respects by the terms this Agreement and UNIVERSITY shall not extend, renew or replace such existing agreement; (2) no later than the listed date of expiration of the UNIVERSITY agreement for the Baseball program, wristbands and batting gloves thereafter shall be covered in all pertinent respects by the terms this Agreement and UNIVERSITY shall not extend, renew or replace such existing agreement with respect to wristbands and batting gloves; and (3) with respect to other Baseball equipment under pre-existing agreement and all Softball equipment under pre-existing agreement, such contracts and/or arrangements may be maintained, extended and/or replaced during the Term with respect to the specific Supplied Product(s) set forth on Schedule 1, provided, however, in the event any such agreement or arrangement is replaced by another supplier, such replacement supplier cannot be a company or brand well-known to the public as a footwear or athletic apparel company or brand. For avoidance of doubt, for example, UNIVERSITY could replace the Wilson and Worth agreements with a supply agreement with Louisville Slugger or Easton (both are primarily known as bat companies) but could not replace either with an agreement with Mizuno which is primarily known as a footwear brand.

#### 11. DESIGN & MARKETING CONSULTATION.

- (a) UNIVERSITY acknowledges NIKE's industry leadership in the design of performance product and its expertise and innovation in the area of sports marketing and that such leadership, expertise and innovation is a material inducement to UNIVERSITY's entrance into this Agreement. NIKE shall continue its efforts to produce high quality Products through consultation with coaches and staff of successful athletic programs such as UNIVERSITY and whose full cooperation is important to NIKE, as such individuals have knowledge that can be useful in the research, development and production of NIKE Products, and is of the essence of this Agreement. Upon request by NIKE, UNIVERSITY shall require designated Coaches and Staff to provide NIKE with written or oral reports concerning the NIKE Products supplied to each through NIKE's product development and testing program. Such reports shall address the fit, wear characteristics, materials and construction techniques of such Products.
- (b) UNIVERSITY acknowledges that a material inducement to NIKE's entrance into this Agreement is to provide broad and prominent exposure for the NIKE brand and particular Product models and styles. Accordingly, UNIVERSITY shall require the use, in practices and games, by such Teams and Coaches, such specific models and/or styles of NIKE Products as NIKE may designate from time-to-time and UNIVERSITY further acknowledges that this undertaking is a material term, and of the essence, of this Agreement.

#### 12. RIGHT OF REDUCTION, SET-OFF.

- (a) UNIVERSITY acknowledges that the principal inducements for NIKE's entrance into this Agreement are: (1) the wide-spread national television and other media exposure that certain of the Covered Programs annually receive, and (2) the accompanying prominent brand exposure NIKE receives through the placement of the NIKE logo, as it currently appears (in terms of size, location placement, color prominence and/or number of placements), on Authentic Competition Apparel and

that such continued exposure is of the essence of this Agreement. Accordingly, if in any Contract Year any of the below-identified Covered Programs is banned from television appearances or post-season competition or if, for any reason, NIKE's logo placement rights on Products are diminished (in terms of size, location placement, color prominence and/or number of placements), in lieu of NIKE's exercise of its termination right under Paragraph 18 below and without prejudice to any other rights under this Agreement or otherwise, then for such Contract Year NIKE shall have the right to reduce UNIVERSITY's scheduled Base Compensation in accordance with the following:

PROGRAM	% REDUCTION
Basketball (M)	10%
Football	50%
Basketball (W)	10%

If NIKE logo placement rights are diminished in a manner other than as enumerated above, NIKE shall have the right to in good faith equitably reduce scheduled Base Compensation to be paid UNIVERSITY prospectively taking into account the nature and extent of the diminution of rights, not to exceed 10% of Base Compensation.

- (b) UNIVERSITY further acknowledges that (1) the principal inducement for NIKE's entrance into this Agreement is the television and other media exposure that the NIKE brand receives through the prominent visibility of NIKE footwear provided for use by Covered Programs pursuant to this Agreement, including the NIKE logos that appear on the side (and other locations) of the athletic shoes and the distinctive shoe designs, (2) such continued brand and footwear design exposure is of the essence of this Agreement, and (3) the non-medically necessary "spatting" or taping of shoes in any manner is inconsistent with the purpose of this Agreement and the expected benefits to be derived from it by NIKE and is a material breach of this Agreement. Accordingly, if after UNIVERSITY's receipt of written notice of a spatting violation, the coaching staff shall permit the spatting or taping of NIKE footwear absent medical documentation, in a manner inconsistent with the terms hereof (an "Occurrence"), in lieu of NIKE's exercise of its termination rights under Paragraph 18 below, NIKE shall have the right (in its sole discretion) to reduce UNIVERSITY's annual scheduled Base Compensation (for the Contract Year in which such breach occurs) in accordance with the reduction scale set forth below. Foremost attention will be paid to the student-athletes' medical well-being, an evaluation of which will be conducted prior to exercising any penalty amounts listed below.

	% REDUCTION AMOUNT
1st Occurrence	10% of total annual Base Comp.
2nd Occurrence (after formal notice of 1 <sup>st</sup> Occurrence)	15% of total annual Base Comp.
3rd Occurrence (after formal notice of 2 <sup>st</sup> Occurrence)	25% of total annual Base Comp.

- (c) Without prejudice to any other rights of NIKE hereunder or otherwise, if Coaches, Staff or Team members fail for any reason to wear or use NIKE Products in accordance with Paragraphs 10(a) and 11(b) above NIKE shall provide written notice of the violation and will work in good faith with UNIVERSITY to resolve the



violation. After submission of written notice and good faith efforts to resolve violations, NIKE shall have the right to reduce UNIVERSITY's Base Compensation by ten percent (10%) for each subsequent breach in the same Covered Program.

- (d) NIKE shall have the right to set-off any amounts owed by UNIVERSITY to NIKE, hereunder or otherwise, against any amounts owed by NIKE to UNIVERSITY.

### 13. ADVERTISING APPROVALS.

- (a) In the event NIKE desires to use the UNIVERSITY Marks or Coach Endorsement in any consumer advertising or promotion, NIKE shall first submit a sample or the concept of the proposed advertisement or promotion to UNIVERSITY for approval, which approval shall not be unreasonably withheld. UNIVERSITY shall use its best efforts to advise NIKE of its approval or disapproval of the sample or concept within five (5) business days of its receipt thereof. UNIVERSITY's approval, or disapproval, shall be in writing. (If a submission is disapproved, UNIVERSITY's written notice thereof shall set forth in reasonable detail the basis for such disapproval.) Any submitted item that has not been disapproved within ten (10) calendar days of receipt by UNIVERSITY shall be deemed approved. Once a submitted sample or concept is approved, NIKE shall not depart therefrom in any material respect without re-submission of the item and obtaining UNIVERSITY's further approval.
- (b) In the event UNIVERSITY desires to use the NIKE Marks in any advertising or promotion, UNIVERSITY shall first submit a sample or the concept of the proposed advertisement or promotion to NIKE for approval, which approval shall not be unreasonably withheld.

### 14. DEVELOPMENT OF NEW LOGO & TRADEMARK OWNERSHIP.

- (a) If UNIVERSITY desires to develop an additional trademark, service mark, symbol and/or logographic for use in connection with any Covered Program (collectively, "New Logo"), UNIVERSITY shall in writing notify NIKE of such intention and agrees to meet with NIKE, upon NIKE's request, to discuss in good faith the use of NIKE's services to design such New Logo. Such discussions must occur prior to UNIVERSITY's engaging in negotiations with any third-party to provide such design services. Should UNIVERSITY elect to have NIKE undertake such design assignment, or a graphic identity and branding audit, NIKE shall provide such design services at no expense to UNIVERSITY except as provided below. In the event NIKE designs such New Logo and it is approved by UNIVERSITY, then UNIVERSITY shall be the sole owner of all right, title and interest in and to the New Logo and have the right to use it in connection with the University of Tennessee for all purposes. UNIVERSITY acknowledges that all trademark/copyright registration and maintenance expenses in connection with the New Logo shall be at its expense and NIKE agrees that it shall not incur any such expense on behalf of UNIVERSITY without UNIVERSITY's prior approval.
- (b) NIKE recognizes the value of the UNIVERSITY Marks and acknowledges that the goodwill attached thereto belongs to UNIVERSITY and that nothing in this Agreement serves to assign, convey or transfer to NIKE any rights, title or interest in or to the UNIVERSITY Marks.
- (c) UNIVERSITY recognizes the value of the NIKE Marks and acknowledges that the goodwill attached thereto belongs to NIKE and that nothing in this Agreement serves to assign, convey or transfer to UNIVERSITY any rights, title or interest in or to the NIKE Marks.

## 15. RIGHT OF FIRST DEALING &amp; FIRST REFUSAL, CONTRACT EXTENSION.

- (a) At NIKE's written request, and not later than December 30, 2021, UNIVERSITY shall negotiate with NIKE in good faith with respect to the terms of a renewal of this Agreement. The parties shall not be obligated to enter into an agreement if they cannot settle on mutually satisfactory terms. Until March 30, 2022 (the "Exclusive Negotiating End Date"), UNIVERSITY shall not (nor shall UNIVERSITY permit its agents, attorneys or representatives to) engage in discussions or negotiations with any third-party regarding product supply with respect to any Products, sponsorship or promotion with respect to any Products (or similar supply or promotional arrangement) ("Product Supply/Endorsement") once the Term has expired.
- (b) During the Term, and for a period of one hundred eighty (180) days thereafter, NIKE shall have the right of first refusal for Product Supply/Endorsement, as follows: If UNIVERSITY receives any bona fide third-party offer at any time on or after the Exclusive Negotiating End Date with respect to the supplying or endorsement of any Product Supply/Endorsement, UNIVERSITY shall submit to NIKE in writing the specific terms of such bona fide third-party offer in its entirety, in the form of a true and complete copy which shall be on the offeror's letterhead or other identifiable stationery or imprint readily authenticatable by NIKE as having originated with such third-party offeror. NIKE shall have fifteen (15) business days from the date of its receipt of such third-party offer to notify UNIVERSITY in writing if it will enter into a new contract with UNIVERSITY on terms no less favorable to UNIVERSITY than the material, measurable and matchable terms (e.g., durational term, covered programs, product categories, cash compensation, royalty rate and product supply quantities) of such third-party offer. If NIKE so notifies UNIVERSITY within such 15-day period, UNIVERSITY shall enter into a contract with NIKE on the terms of NIKE's offer. If NIKE fails or declines to match or better the material, measurable and matchable terms of such third-party offer within such 15-day period, UNIVERSITY may thereafter consummate an agreement with such third-party on the terms of the offer made to UNIVERSITY. Prior to the Exclusive Negotiating End Date, UNIVERSITY shall not solicit, consider or present to NIKE, and NIKE shall not be obligated to respond to, any third-party offer for any Product Supply/Endorsement.
- (c) In the event that the NCAA Division I Committee on Infractions sanctions the UNIVERSITY by placing the institution on probation for a "major violation" of NCAA rules (or UNIVERSITY self-imposes sanctions) that results in either (1) a post-season competition ban, or a ban on television appearances, for any Flagship Program, and/or (2) a reduction of the number of grants-in-aid (scholarships) by any one or more of the following: two (2) or more scholarships for two (2) or more seasons for Men's Basketball or Women's Basketball, or six (6) more scholarships for two (2) or more seasons for Football, then in lieu of exercising its right of termination under Paragraph 18 below, NIKE shall have the right, exercisable upon written notice to UNIVERSITY, to extend the Term for the number of Contract Years that corresponds to the number of impacted seasons on the same terms in effect at the time of imposition of such sanctions (and subject to any applicable reductions). (For example, if the football program was subject to a 2-year post-season competition ban, or 2-year loss of 6 scholarships, NIKE would be entitled to extend this Agreement for a period of 2 additional Contract Years.) Such right shall only be exercised after the issuance of a final decision following the conclusion of any appeal process.

16. RIGHTS FOR ADDITIONAL AND/OR NEW PRODUCTS.

From time-to-time during the Term, NIKE may add to its Products line one or more items of sports equipment. If at any time during the Term NIKE shall have a bona fide intention to expand its Products line by adding any such item(s), then NIKE shall give UNIVERSITY six (6) months' advance written notice of the particular item(s) then in development by NIKE. NIKE shall provide UNIVERSITY advance opportunity to sample and field-test such new product and, subject to the reasonable satisfaction of the Athletic Department and the Coach of the affected Team as to the performance capabilities, quality, suitability and appropriateness of any new product and its corresponding software applications if applicable (and compliance with NCAA equipment specifications, if applicable), once such item is commercially available, then such item(s) shall thereafter be deemed to be included in "Products" as defined in Paragraph 1(m) above and "NIKE Products" as defined in Paragraph 1(n) above and covered in all pertinent respects by the terms hereof and UNIVERSITY shall no longer be permitted to source such Products from a manufacturer other than NIKE unless UNIVERSITY has a contract with a third party, in which case UNIVERSITY shall no longer be permitted to source such Product from such third party once the applicable contract expires. Thereafter, UNIVERSITY shall make such new Product item(s) available to Team members, Coaches and/or Staff members, NIKE shall supply UNIVERSITY with sufficient quantities for such purpose to be mutually agreed upon by the parties, including quantities equal to or greater than the quantities of any comparable item(s) which UNIVERSITY, Team members, Coaches and/or Staff members are then receiving from a third party, and UNIVERSITY shall thereupon distribute, as is appropriate, such new item(s) to Team members, Coaches and/or Staff members for use pursuant to the terms of this Agreement.

17. RIGHT OF TERMINATION BY UNIVERSITY.

Without prejudice to any other right UNIVERSITY may have hereunder or otherwise, UNIVERSITY shall have the right to terminate this Agreement immediately upon written notice to NIKE if:

- (a) NIKE is adjudicated insolvent or declares bankruptcy;
- (b) NIKE fails to make payment to UNIVERSITY of any sum due pursuant to this Agreement within thirty (30) days following NIKE's receipt of written notice from UNIVERSITY that such payment is past due; or
- (c) NIKE shall be in material breach of this Agreement, which breach NIKE fails to cure within thirty (30) days of NIKE's receipt of written notice from UNIVERSITY specifying such breach.

18. RIGHT OF TERMINATION BY NIKE.

- (a) Without prejudice to any other right NIKE may have hereunder or otherwise, NIKE shall have the right to terminate this Agreement immediately upon written notice to UNIVERSITY if:
  - (1) Any Flagship Program is placed on NCAA probation (or UNIVERSITY self-imposes sanctions) that results in a television or post-season appearance ban for greater than one playing season, or UNIVERSITY ceases for any reason to field a Division I team in any of the Flagship Programs;
  - (2) Members of any Team fail to wear or use NIKE Products (except as permitted under Paragraphs 10(a)(1) and/or 10(a)(2) above) during practices, games, exhibitions, clinics, sports camps or other occasions during which Team

members wear or use Products (including but not limited to photo sessions and interviews), or wear NIKE Products altered, spatted or taped, in violation of the provisions of Paragraph 10; provided, however, that NIKE shall have first provided written notice to UNIVERSITY of any such violation and such violation shall then recur during the same Contract Year;

- (3) NIKE determines in good faith that the product exposure benefits contemplated to be derived by NIKE through the entrance into this Agreement are materially diminished as a result of players not wearing NIKE footwear as permitted under Paragraph 10(a)(1) and (2) above.
  - (4) Any Coach, Staff or Team member fails to perform any material obligations provided for in this Agreement, which breach UNIVERSITY fails to cure, if curable, within thirty (30) days of NIKE's delivery of written notice to UNIVERSITY of any such breach;
  - (5) UNIVERSITY, the NCAA, the Conference or any assignee thereof (including any licensing agent or broadcast partner of the foregoing) enacts, adopts or accedes to any regulation, restriction, prohibition or practice that materially deprives NIKE of the promotional benefits and/or product/brand exposure contemplated by this Agreement including, but not limited to, (i) any diminution of NIKE's logo placement rights (in terms of size, location placement, color prominence and/or number of placements) on Products or Licensed Products, including any total ban on the placement of camera-visible logo identification on Authentic Competition Apparel, (ii) "air brushing" NIKE identification from still photography or footage, or (iii) use of L-VIS technology or other "virtual signage" or electronic/computer imaging technology that alters, substitutes or replaces NIKE's stadium/arena signage (including NIKE logo identification that appears on uniforms) with other commercial identification that is seen by home television viewers;
  - (6) UNIVERSITY, the NCAA, the Conference or any assignee thereof (including any licensing agent or broadcast partner of the foregoing) enacts, adopts or accedes to any regulation, restriction, prohibition or practice, or takes any action, or causes or induces UNIVERSITY, the Athletic Department or any Team to take any action, that would materially adversely affect any rights conveyed to NIKE under this Agreement (e.g., limiting the right of NIKE to supply brand-identified footwear for Team use, requiring the use of competitive product, or to display competitor-identification, etc.);
  - (7) Any Retail Licensing Rights are terminated by UNIVERSITY or its agents(s); or
  - (8) UNIVERSITY breaches any warranty or other material term of this Agreement, which breach UNIVERSITY fails to cure, if curable, within thirty (30) days of NIKE's delivery of written notice to UNIVERSITY of any such breach.
- (b) In the event of termination under this Paragraph or Paragraph 17, UNIVERSITY shall not be entitled to any further compensation under this Agreement, except any unpaid Base Compensation and Performance Bonuses earned prior to the effective date of termination, pro-rated (in the case of Base Compensation) over the entire Contract Year and calculated to the effective date of termination. Alternatively, NIKE shall have the right to receive from UNIVERSITY reimbursement for Base Compensation, if any, paid in excess of the amount to which UNIVERSITY would be entitled if the Base Compensation were pro-rated

over the entire Contract Year, calculated to the effective date of termination. Any such payment shall be due within thirty (30) days of the date of termination.

19. NIKE POST-TERMINATION RIGHTS.

Upon expiration or termination of this Agreement for any reason, NIKE shall have the right to:

- (a) For a period of three (3) months, run any non-cancelable media involving the UNIVERSITY Marks and exhaust all advertising and promotional materials which were produced prior to the effective date of expiration or termination;
- (b) For a period of six (6) months, complete and dispose of, on a non-exclusive basis, any Licensed Products which are on-hand or in-process and fulfill orders received prior to the effective date of expiration or termination, provided royalties thereon are paid and reported in accordance with the provisions of any applicable license; and
- (c) Use, in perpetuity, Game Photos or Game Footage for in-house exhibition for historical, educational or commemorative purposes.

20. REMEDIES.

UNIVERSITY and NIKE agree that, in the event that either party breaches any material term or condition of this Agreement, the non-breaching party may seek all available remedies to the fullest extent permitted by Tennessee law.

21. NOTICES.

All notices, statements and payments provided for herein shall be in writing and deemed given if sent postage prepaid via registered or certified mail, or by express courier service or facsimile with confirmed delivery, to the parties at the addresses given below, or such other addresses as either party may designate to the other. Any written notice shall be deemed to have been given at the time it is sent addressed to the parties as set forth below. It is UNIVERSITY's obligation to notify NIKE of any address change.

NIKE USA, Inc. One Bowerman Drive Beaverton, OR 97005-6453 Attn: Legal Dept., Sports Marketing Contracts Specialist cc: Attn: Licensing Manager (on retail licensing matters only)	University of Tennessee Attn: Director of Athletics Brenda Lawson Athletic Center 1551 Lake Loudoun Blvd. Knoxville, TN 37996 Attn: Director of Athletics
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22. RELATIONSHIP OF PARTIES.

The performance of services for NIKE by UNIVERSITY is in the capacity of independent contractors. Accordingly, nothing contained in this Agreement shall be construed as establishing an employer/employee, partnership, agency or joint venture relationship between UNIVERSITY and NIKE.

23. ASSIGNMENT/DELEGATION/PASS THROUGH.

- (a) This Agreement and the rights and obligations of UNIVERSITY hereunder are personal to UNIVERSITY and shall not be assigned or delegated by UNIVERSITY. Any assignment by UNIVERSITY shall be invalid and of no force or effect and upon any such unauthorized assignment, NIKE may, at its option, immediately terminate this Agreement upon written notice to UNIVERSITY.

- (b) The rights granted to NIKE by UNIVERSITY hereunder are personal to NIKE and shall not be assigned, delegated or passed-through outside of the NIKE Group and its retail accounts without UNIVERSITY's prior approval, which approval shall not be unreasonably withheld.

24. WAIVER.

The failure at any time of UNIVERSITY or NIKE to demand strict performance by the other of any of the terms, covenants or conditions set forth herein shall not be construed as a continuing waiver or relinquishment thereof, and either party may, at any time, demand strict and complete performance by the other party of such terms, covenants and conditions.

25. SEVERABILITY.

Every provision of this Agreement is severable. If any term or provision hereof is held to be illegal, invalid or unenforceable for any reason whatsoever, such illegality, invalidity or unenforceability shall not affect the validity of the remainder of this Agreement or any other provision and the illegal, invalid or unenforceable provision shall be deemed by the parties as replaced by such substitute provision as shall be drafted by NIKE, in such form and substance as shall be legally valid, and as shall accomplish as near as possible the purpose and intent of the invalidated provision.

26. ADDITIONAL WARRANTIES.

UNIVERSITY represents and warrants that:

- (a) No agreement, contract, understanding or rule of any national, international or collegiate governing body exists which would prevent or limit performance of any of the obligations of either party hereunder.
- (b) Except as set forth on Schedule 1, neither UNIVERSITY nor any Coach nor Staff member is party to any oral or written agreement, contract or understanding which would prevent, limit or hinder the performance of any obligations hereunder of UNIVERSITY, Coaches or Staff. UNIVERSITY further represents and warrants that during the Term UNIVERSITY will not knowingly, with respect to any Covered Program (or with respect to any camp or clinic related to any Covered Program sport):
  - (1) Sponsor, endorse or allow any Coach or Staff member of any Covered Program to sponsor, endorse or wear and/or use Products licensed, manufactured, branded or sold by any person or entity other than NIKE;
  - (2) Enter into, or allow any Coach or Staff member of any Covered Program to enter into, any endorsement, promotional, consulting or similar agreement (including the sale of signage or other media) with any shoe company or other brand, licensor, manufacturer and/or seller of Products other than NIKE, except as otherwise permitted with respect to renewal rights for pre-existing agreements in accordance with Paragraph 10(g);
  - (3) Sell to any person or entity Products purchased or provided hereunder by NIKE, except for the sale of game-worn jerseys for fundraising/auction purposes or in the normal course of disposal of surplus property in accordance with Paragraph 10(f);
  - (4) Permit the trade name, trademark, name, logo or any other identification of any brand, licensor, manufacturer and/or seller of Products other than NIKE to appear on signage at practices, games, exhibitions, clinics, sports camps

and other official or UNIVERSITY sanctioned Covered Program activities (including but not limited to photo sessions and interviews), excluding events conducted in UNIVERSITY facilities operated by outside entities under a permissive use or facility rental agreement, or operated by the NCAA, and excluding events or signage associated with the agreements listed in Schedule 1;

- (5) Permit any Team members, Coaches or Staff to wear or use products (other than Products) licensed, manufactured, branded or sold by any person or entity that licenses, manufactures, brands or sells Products other than NIKE; or
  - (6) Take any action inconsistent with the endorsement of NIKE Products, or allow any Coach or Staff member to take any such action.
- (c) Neither UNIVERSITY, nor any of its licensing agents, shall enter into, extend or renew (1) any license agreement with adidas, Reebok, Puma or Under Armour and/or their brands, controlled brands, licensees, or (2) any agreement that allows the UNIVERSITY Marks to be used on adidas, Reebok, Puma, Under Armour, or Starter merchandise.
- (d) It has the full legal right and authority to enter into and fully perform this Agreement in accordance with its terms and to grant to NIKE all the rights granted herein.

27. CONFIDENTIALITY.

Subject to UNIVERSITY's public disclosure obligations under applicable open records laws and regulations, including but not limited to the Tennessee Public Records Act, Tenn. Code Ann. § 10-7-503 et seq., and other Tennessee laws and regulations, UNIVERSITY shall not (nor shall it permit or cause its employees, agents or representatives to) disclose the financial and other material terms of this Agreement, the marketing plans of NIKE and other material, or other confidential material or information disclosed to UNIVERSITY pursuant to Paragraph 11 above (including information disclosed during audit), to any third party, except as may be required by law and after prior written notice to NIKE. This Paragraph shall survive the termination or expiration of this Agreement.

28. CAPTIONS.

Paragraph captions and other headings contained in this Agreement are for reference purposes only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of the Agreement or any provision hereof.

29. NO THIRD-PARTY BENEFICIARIES.

No person or entity, other than UNIVERSITY and NIKE and their successors and permitted assigns shall have any rights, remedies, claims, benefits, or powers under this Agreement, and this Agreement shall not be construed or interpreted to confer any rights, remedies, claims, benefits, or powers upon any third party. There are no third-party beneficiaries of this Agreement.

30. TENNESSEE CLAIMS COMMISSION.

As required of the UNIVERSITY under Tennessee law, any liability of UNIVERSITY to NIKE and third parties for any claims, damages, losses, or costs arising out of or related to acts performed by the University under this Agreement will be governed by the Tennessee Claims Commission Act, Tenn. Code Ann. §§ 9-8-301, et. seq.

31. ENTIRE CONTRACT.

As of the execution date hereof, this Agreement shall constitute the entire understanding between UNIVERSITY and NIKE and may not be altered or modified except by a written agreement, signed by both parties. Any previous agreements between UNIVERSITY and NIKE shall have no further force or effect. In the event NIKE enters into terms of use, end user agreements, or other agreements or understandings, whether electronic, click-through, or shrink-wrap, and whether verbal or written, with UNIVERSITY employees or other end users, such agreements as they relate to UNIVERSITY shall be null, void, and without effect, and the terms of this Agreement shall apply.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date written below.

THE UNIVERSITY OF TENNESSEE

NIKE USA, Inc.

By: Jimmy G. Cheek  
Jimmy G. Cheek  
Chancellor

By: Tommy Kain  
Tommy Kain  
VP, North America Sports Marketing

By: Chris Cimino  
Chris Cimino  
Vice Chancellor

By: Gary D. Way  
Gary D. Way  
Vice President & Global Counsel, Sports Marketing

By: Dave Hart  
Dave Hart  
Vice Chancellor/Director of Athletics

Dated: 11/30/14

By: Charles M. Peccolo, Jr.  
Charles M. Peccolo, Jr.  
Treasurer and Chief Financial Officer



**Schedule 1  
Pre-existing Contract/Supplier**

<b>PROGRAM</b>	<b>SUPPLIED PRODUCT</b>	<b>SUPPLIER NAME</b>	<b>CONTRACT EXPIRATION</b>
Women's Basketball (contract with coach)	Basketballs	Wilson	6/30/17
Baseball	Catcher's gear, batting helmets, bats, gloves, batter's gloves, wristbands, bat bags, ATEC machines	Wilson	6/30/16
Baseball	Batter's leg guard, batter's elbow guards, protective wrist guard	EvoShield	9/20/15
Softball	Bats, gloves, protective gear, equipment, equipment bag, bat bag	Worth	6/30/16
Swimming and Diving	Competition Suits	Speedo	12/21/14 (presently in negotiation)
Men's Golf	Clubs, apparel, balls, bags, shoes	Taylor Made	6/30/15 (clubs likely to be extended)
Volleyball	Balls, racks	Baden	6/30/14 (presently in negotiation)