

Big East Conference Membership Expansion Agreement

THIS BIG EAST CONFERENCE MEMBERSHIP EXPANSION AGREEMENT (this "Agreement") dated as of February 7, 2012, is made by and between The Big East Conference, a non-profit corporation organized and existing under the laws of the District of Columbia (the "Conference"), and The University of Memphis, a public institution of higher education organized and existing under the laws of the State of Tennessee (the "University").

WHEREAS, the Conference has invited the University to join as a full member of the Conference, effective July 1, 2013 (the "Effective Date"), subject to the University's agreement to certain obligations; and

WHEREAS, the University has accepted such invitation and is prepared to memorialize its agreement to comply with the above referenced obligations.

NOW, THEREFORE, the parties, for the mutual consideration set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, do hereby agree as follows:

1. Upon the Effective Date, subject to the University's and the Conference's compliance with the provisions of this Agreement, the University will become a member of the Conference, with all rights of a member, including all voting rights.

2. Upon and in consideration of the Conference's admission of the University as a member, the University will pay a one-time entry fee of \$2,500,000, which shall be payable in five (5) equal installments of \$500,000, the first installment being payable on June 30, 2014 and each subsequent installment being payable on each June 30 thereafter, with a final payment of all unpaid entry fees being payable on June 30, 2018. From and after the Effective Date, this obligation shall be a binding obligation of the University and shall, subject to the provisions of Section 9 hereof, not depend upon the University's continuing status as a member of the Conference at the time any payment is due. After the Effective Date, the University shall also make all other payments, including, without limitation, its pro rata share of the Conference and football reserve fund payments, which other Conference members are obligated to make as the result of determinations made by the Conference's Board of Directors. Such reserve fund amounts have been established by the Conference's board of directors and are currently \$207,000 total per member for the Conference reserve fund, and \$264,400 total per member for the football reserve fund. The University's initial aggregate pro rata share of reserve fund payments shall be determined as of the Effective Date, provided that the amount assessed to the University as of the Effective Date shall not exceed the current per-member assessments set forth in the immediately preceding sentence by more than 20%. Such reserve fund payments shall be paid to the Conference in five (5) equal installments (as an example only, \$94,280 per year based upon the current per-member assessments) and shall be due on the same dates as the

one-time entry fee payments. Such reserve fund payments shall be split ratably between the Conference and football reserve funds as determined by the Conference's Board of Directors. From and after the Effective Date, this obligation shall be a binding obligation of the University and shall, subject to the provisions of Section 9 hereof, not depend upon the University's continuing status as a member of the Conference at the time any payment is due. The University acknowledges that in the event that it withdraws from membership in the Conference at any time following the Effective Date, it will forfeit all such amounts. For so long as the University is a member of the Conference in good standing, the Conference will satisfy the foregoing obligations by withholding payments due to the University under the Conference's annual revenue sharing pool at the close of the applicable fiscal year (June 30) of the Conference unless the University notifies the Conference otherwise.

3. The University agrees that it shall:

(a) maintain an NCAA Division I athletic program, including, without limitation, an NCAA Division I Football Bowl Subdivision football program, and shall take whatever steps are necessary to maintain its status as an NCAA Division I athletic program and NCAA Division I Football Bowl Subdivision football program as such standards may be modified by the NCAA from time to time;

(b) meet all Conference program standards and policies in effect on the date hereof as such standards may be amended by the Conference from time to time, the current version of such standards and policies being attached to this Agreement as Annex A and set forth in the Conference's policy manuals which have been separately provided to the University and which are incorporated by reference as if set forth in full herein; and

(c) accept, execute, become party to and abide by (i) the Conference's Certificate of Incorporation and Bylaws, as the same may be amended from time to time, current copies of which are attached hereto as Annex B and incorporated by reference as if set forth in full herein and (ii) all other governing agreements, to the extent allowed by law (including the mutual commitment agreement among the Conference's members, the substantive terms of which have been described to the University), rules, regulations, policies and procedures of the Conference (collectively, and as the same may be amended from time to time (including prior to the University's becoming a member), (i) and (ii) are referred to herein as the "Constitution"). The University acknowledges that the Constitution provides, among other things, that all matters pertaining to football are controlled and determined by the vote of the Conference's Division I football-playing members, and that any member that withdraws from the Conference shall pay a withdrawal fee (which withdrawal fee is currently provided for in Section 11.02 of the Conference's Bylaws), subject to the provisions of Section 9 hereof.

4. Without limiting the generality of the foregoing, the University will meet the Conference's standard for participation in sports in which the Conference names a Conference champion, as such standards may be amended from time to time. A list of

such sports is attached to this Agreement as Annex C. At this time, the Conference requires its members to offer women participation in at least eight (8) Conference championship sports and to offer men participation in at least six (6) Conference championship sports. The University agrees that one of the men's Conference championship sports offered by the University will be football. The University shall initially offer participation in the following sports:

Men's Sports

Baseball
Basketball
Cross Country
Football
Golf
Soccer
Tennis
Track and Field

Women's Sports

Basketball
Cross Country
Golf
Soccer
Softball
Tennis
Track and Field
Volleyball

5. If the University does not currently meet the standards set forth in Sections 3 and 4 above, it covenants that it shall meet them prior to the Effective Date or it shall not become a member of the Conference without a waiver from the Conference.

6. The University acknowledges that (a) the Conference's current football agreement with ESPN/ABC expires on December 31, 2013 (as the same may be amended, modified, replaced, superseded and/or supplemented from time to time (including without limitation through the entry into one or more successor contracts, regardless of the counterparty(ies) thereto, the "Football Agreement") and (b) the Conference's current basketball agreement with ESPN expires on June 30, 2013, and the Conference's current basketball agreement with CBS expires at the end of the 2012-2013 season (together, and as the same may be amended, modified, replaced, superseded and/or supplemented from time to time (including without limitation through the entry into one or more successor contracts, regardless of the counterparty(ies) thereto, the "Basketball Agreements"). The Conference and the University agree that, upon and following the Effective Date: (i) with respect to football games, the University shall be included in the Football Agreement, and the University shall be included in the Conference's football revenue sharing as provided for in Section 8 below, and (ii) with respect to basketball games, the University shall be included in the Basketball Agreements, and the University shall be included in the Conference's basketball revenue sharing as provided for in (and subject to the limitations set forth in) Section 8 below. Prior to the Effective Date, the University shall be entitled to receive notices of, and to attend and participate in, Conference meetings and to receive documents, in each case to the same extent as then-current members generally, regarding any matters which may affect the rights or obligations of the University following the Effective Date, including but not limited to an extended, modified or new Football Agreement, Basketball Agreement or any other media agreement, the admission of new

members to the Conference, and amendments to the Articles, Bylaws or Constitution; provided that, (i) if reasonably requested by the Conference, the University shall execute a confidentiality agreement in connection therewith, (ii) in no event prior to the Effective Date shall the University be entitled to vote at any such meeting or negotiations, and (iii) if the Conference's outside legal counsel reasonably determines that the University must be excluded from any such meeting or negotiations (or refrain from receiving any documentation) in order for the Conference to maintain attorney-client privilege, then the University shall not be entitled to attend or participate in any such meeting or negotiations or to receive such documentation.

7. Beginning with the Effective Date, the Conference will represent the University with respect to all television and other media rights, subject only to those rights expressly reserved to all Conference members pursuant to the Constitution (the current reserved rights are as set forth in Section 4.04(b) of the Conference's Bylaws). The University represents, warrants, covenants and agrees that, upon and after its admission as a member of the Conference, there will be no agreement, document, contract or other commitment on the part of the University that will conflict with or violate the foregoing terms of Section 6 and this Section 7 or that could otherwise prevent the University from being included in the Football Agreement, the Basketball Agreements and the Conference's other television and media agreements in violation of the foregoing terms of Section 6 and this Section 7.

8. Following the Effective Date, the University will share in all revenues generated and earned by the Conference on the same terms and conditions as existing members, including participating in the Conference's incentive-based revenue distribution arrangements, provided that the University will not share in the NCAA men's basketball tournament revenue distributions earned prior to the Effective Date by the existing Conference schools. The current incentive-based distribution arrangements are described on Annex D.

9. In the event that the University refuses to join the Conference on the Effective Date or is unable to or otherwise fails to join the Conference on the Effective Date other than as a result of a breach by the Conference of the provisions of this Agreement, the University will pay the Conference a fee in an amount equal to Five Million Dollars (\$5,000,000), and such amount shall be paid in full immediately upon the date of such refusal, inability or failure; provided that, if, prior to the Effective Date, there is a decrease of 25% or greater in the aggregate total revenue of the Conference from the prior fiscal year (July 1 through June 30), then the fee payable by the University to the Conference pursuant to this Section 9 shall be reduced to One Million Dollars (\$1,000,000) if the University provides written notice to the Conference within sixty (60) days of its receipt of notice regarding such decrease in revenues that the University will not join the Conference on the Effective Date. The University acknowledges and agrees that (a) the fee described in this Section 9 constitutes liquidated damages, and is not a penalty, (b) the fee described in this Section 9 will be made in full satisfaction of all of its obligations under this Agreement, (c) the Conference would be damaged in the event that the University fails to join the Conference, and (d) the amount of such

damages are difficult to estimate and that the foregoing provides for a reasonable estimate of the damages that would likely be suffered by the Conference in such circumstances. For the avoidance of doubt, the rights afforded to the University pursuant to the final sentence of Section 6 above shall terminate upon any such refusal or failure and the University shall, at the Conference's request and subject to applicable law, return to the Conference any and all confidential Conference materials, and any copies thereof, that are in its possession.

10. The University represents and warrants to the Conference, as of the date hereof and again as of the Effective Date, that (a) the University is a state university duly organized, validly existing and in good standing under the laws of the State of Tennessee, (b) the University has the power and authority to execute and deliver this Agreement and to perform the provisions hereof, (c) this Agreement has been duly authorized by all necessary action on the part of the University, and this Agreement constitutes a legal, valid and binding obligation of the University enforceable against the University in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and general principles of equity, (d) the execution, delivery and performance by the University of this Agreement will not (i) contravene, result in any material breach of, or constitute a material default under, any by-laws, or any other agreement or instrument to which the University is party or otherwise bound or by which the University may be bound or affected, (ii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or governmental authority applicable to the University, (iii) violate any provision of any statute or other rule or regulation of any governmental authority applicable to the University or (iv) violate or otherwise interfere with or create a default or material conflict under (x) the Constitution or (y) any provision of Conference USA's Constitution and bylaws or other governing documents, any rules, regulations or policies of Conference USA, or, to the best of the University's knowledge, any document or agreement to which Conference USA is a party. Without limitation of the remedies that may be available to the Conference in the event of a breach by the University of the foregoing representations and warranties, the University unconditionally and irrevocably agrees: (a) that the execution, delivery and performance by it of this Agreement and all other agreements, contracts, documents and writings relating to this Agreement are enforceable against the University; (b) that should any proceedings be brought against it in the State of Tennessee for breach of this Agreement, then the University shall be obligated to satisfy any judgment rendered against it, subject to available appeals; and (c) consents in respect of the enforcement of any judgment against it in any proceedings in the State of Tennessee to the giving of any relief or the issue of any process in connection with such proceedings.

11. The Conference represents and warrants to the University that (a) the Conference is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, and is duly qualified as a foreign corporation and is in good standing in each jurisdiction in which such qualification is required by law, (b) the Conference has the corporate power and authority to execute and deliver this Agreement

and to perform the provisions hereof, and (c) this Agreement has been duly authorized by all necessary corporate action on the part of the Conference, and this Agreement constitutes a legal, valid and binding obligation of the Conference enforceable against the Conference in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and general principles of equity.

12. The Conference has expressed to the University its interest in dividing the football-playing Conference members into two divisions (eastern and western) prior to or following the Effective Date, with the champion of each such division playing in a Conference championship game. The University acknowledges that any final decisions regarding such Conference alignment shall be determined by the Conference members in accordance with the Constitution.

13. The University covenants and agrees that (a) during each of the first four years in which it is a member of the Conference, it will schedule men's basketball "home-and-home" games with each of Boise State University and San Diego State University (provided that they are members in good standing of the Conference at such time), (b) it will use best efforts to cause the Liberty Bowl (and any successor thereto) to commit to including a Conference member school as one of the two participants in such bowl game during each year in which the University is a member of the Conference and (c) it will use best efforts to cause FedEx Corporation to provide the Conference with appropriate levels of sponsorship, advertising and similar commitments.

14. Notwithstanding anything contained in this Agreement to the contrary, if, prior to the Effective Date, the Conference is dissolved in accordance with the Constitution or makes a voluntary filing in any bankruptcy court, then all obligations of the University arising under this Agreement shall cease to exist and the University shall have no further obligations hereunder, including without limitation any payment obligations to the Conference hereunder.

15. This Agreement contains the entire understanding between the parties, supersedes all prior agreements, oral or written, regarding the subject matter hereof, and may not be changed orally but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought. Each party acknowledges that such party has not relied upon any representation or statement, written or oral, not set forth in this Agreement. Neither party shall issue a press release or other public statement concerning this Agreement or the transactions contemplated hereby without the prior written consent of the other party. This Agreement may be executed in any number of counterparts, which together shall constitute a single agreement.

16. Any notice to a party hereto pursuant to this Agreement must be given in writing by personal delivery, overnight delivery, facsimile, telecommunications or certified or registered mail, return receipt requested, addressed as follows:

If to the University: Athletic Director
University of Memphis Athletic Department
570 Normal
Athletic Office Building
Memphis, TN 38152

With a copy to: University Counsel
University of Memphis
201 Administration Building
Memphis, TN 38152

If to the Conference: The Big East Conference
15 Park Row West
Providence, RI 02903
Attn: John M. Marinatto
Fax: 401-831-8060

With a copy to: Covington & Burling LLP
1201 Pennsylvania Avenue N.W.
Washington, DC 20004
Attn: Peter A. Zern
Fax: 202-778-5679

The parties shall notify each other of any change of address by delivery of change of address information to the above-listed persons and offices. All notices shall be effective upon receipt.

[Signatures Follow]

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to execute this Agreement as of the date first written above.

BIG EAST CONFERENCE

By: 
Name: John Marinatto
Title: Commissioner

UNIVERSITY OF MEMPHIS

By: _____
Name: Shirley C. Raines
Title: President

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to execute this Agreement as of the date first written above.

BIG EAST CONFERENCE

By: _____
Name: John Marinatto
Title: Commissioner

UNIVERSITY OF MEMPHIS

By: Shirley C. Raines
Name: Shirley C. Raines
Title: President

Annex A - Conference Standards and Policies

Annex B - Conference Articles of Incorporation and Bylaws

Annex C - Conference Sports

Baseball
Men's Basketball
Women's Basketball
Men's Cross-Country
Women's Cross-Country
Men's Indoor Track and Field
Women's Indoor Track and Field
Men's Outdoor Track and Field
Women's Outdoor Track and Field
Field Hockey
Football
Men's Golf
Women's Golf
Men's Lacrosse
Women's Lacrosse
Women's Rowing
Men's Soccer
Women's Soccer
Softball
Men's Swimming and Diving
Women's Swimming and Diving
Men's Tennis
Women's Tennis
Women's Volleyball

Annex D - Incentive-Based Distributions Through 2012-13

NCAA Men's and Women's Basketball Championships

<u>Round (Cumulative)</u>	<u>Men's</u>	<u>Women's</u>
First Round	\$300,000	\$100,000
Second Round	\$400,000	\$150,000
Sweet 16	\$550,000	\$200,000
Elite 8	\$800,000	\$250,000
Final Four	\$1,100,000	\$550,000

CBS Network/ESPN Intersectional Game Fees

Men's Basketball	\$100,000	Women's Basketball	\$75,000
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NCAA Men's and Women's Soccer Championships

Bids	\$20,000
Each Advance	\$10,000
College Cup Championship	\$25,000

NCAA Participation Team Olympic Sports

Bids	\$15,000
Championships	\$15,000

BIG EAST Men's and Women's Basketball Championships

Top 4 Regular Season Finish	\$50,000
Tournament Semifinals	\$25,000
Finals	\$50,000

Bowl Participation

BCS*	\$2,000,000	plus mileage allowance
Champs Sports	\$1,300,000	plus mileage allowance
Belk	\$1,100,000	plus mileage allowance
New Era Pinstripe	\$1,500,000	plus mileage allowance
BBVA Compass	\$1,100,000	plus mileage allowance
Beef 'O'Brady's St. Petersburg	\$1,100,000	plus mileage allowance

* Additional payment of \$1,000,000 shall be provided to the Conference's BCS representative should it be selected to participate in the Fiesta Bowl.