

CONFIDENTIAL SETTLEMENT AGREEMENT

WHEREAS MARTIN ZUMMACH and SPARKMAN, ZUMMACH & PERRY, and FRANK L. WATSON, III, WILLIAM BURNS and WATSON BURNS, PLLC ("Counsel for Certain Season Ticket Holders" or "Counsel") represent certain ticket holders of season tickets purchased for the University of Memphis' 2009-2010 basketball season as well as seasons in the future (the "Putative Plaintiffs"), and

WHEREAS these Putative Plaintiffs allege that they were deceived into purchasing said tickets and making donations to the Tiger Scholarship Fund under false pretenses in that they did not know there might be allegations forthcoming in the future as a result of alleged misconduct on the part of the Putative Defendants that could potentially depreciate the value of said season tickets (hereinafter "Putative Plaintiffs' Claims"), and

WHEREAS these Putative Plaintiffs believe that JOHN CALIPARI, R.C. JOHNSON, and DERRICK ROSE (the "Putative Defendants") are responsible for the depreciation in value of their season tickets, and

WHEREAS these Putative Plaintiffs have retained the above Counsel to file a lawsuit against the Putative Defendants, and

WHEREAS the Putative Defendants, and each of them, deny that they are in any way responsible or otherwise liable to these Putative Plaintiffs, and

WHEREAS Counsel for Certain Season Ticket Holders and the Putative Plaintiffs and Putative Defendants wish to resolve the matter without the need for litigation, and

IT IS HEREBY AGREED between all the above parties, on behalf of themselves, their heirs, beneficiaries, agents, employees, partners, associates and assigns

- 1) That the Putative Defendants Calipari and Rose will pay to Counsel for Certain Season Ticket Holders the sum of one hundred thousand dollars (\$100,000) within fourteen (14) days within the signing of this Agreement.
- 2) That said sum finally settles and completely resolves any and all claims of the Putative Plaintiffs as well as any and all attorneys' fees of Counsel for Certain Season Ticket Holders.
- 3) That said payment finally settles any and all claims of the Putative Plaintiffs and Counsel and releases the Putative Defendants from any and all claims, suits, demands, actions or causes of action of any kind or nature whatsoever, whether the underlying facts are known or unknown, that arise out the allegations and any and all other allegations relative to the purchase of University of Memphis season tickets or to allegations regarding any other wrongdoing by any of the Putative Defendants related to any actions having to do, directly or indirectly, with the University of Memphis. Putative

Plaintiffs and their Counsel agree that should they hereafter discover facts different from, or in addition to, those now known or believed to be true with respect to any aspect of the claims or damages allegedly sustained, that this Agreement shall, nevertheless, be and remain in full force and effect in all respects.

4) That with said payment the Putative Plaintiffs and Counsel agree not to sue or to institute or cause to be instituted any action in federal, state or local agency or court against any of the Putative Defendants. If any of the parties or their counsel breach the terms of this Agreement, the non-breaching party shall be entitled to recover their damages and costs, including reasonable attorneys' fees caused by such breach, and shall be entitled to an injunction restraining such breach.

5) That the payment of one hundred thousand dollars (\$100,000) set forth in paragraph one shall be deposited into an interest bearing trust account owned or controlled by a mutually agreeable third party, who shall have the authority to provide information regarding the status of the account to counsel who are signatories to this Agreement, and such funds shall be held in that account until December 31, 2010.

6) That should no person or other entity file a lawsuit that contains allegations related to the Putative Plaintiffs' Claims against the Putative Defendants, or any one of them, on or before December 31, 2010, Counsel may disperse the settlement amount, including the accumulated interest, as they agree among themselves.

7) That should any person or other entity file a lawsuit that contains allegations related to the Putative Plaintiffs' Claims against the Putative Defendants, or any one of them, on or before December 31, 2010, or should any one of the Putative Defendants or their counsel receive notice of a threatened or potential lawsuit or claim that contains allegations related to the Putative Plaintiff's Claims against the Putative Defendants, such individual shall provide immediate notice to Counsel for the Putative Plaintiffs regarding such claim and/or lawsuit including information about all parties involved and allow thirty (30) days for Counsel for the Putative Plaintiffs attempt to prevent such claim and/or lawsuit from becoming public and/or being filed. If a lawsuit is filed or threatened at any time on or before December 31, 2010, then the \$100,000 payment shall not be disbursed until Counsel for the Putative Plaintiffs provides to counsel for the Putative Defendants sworn proof denying neither they nor anyone with whom they have provided or shared information concerning these claims have cooperated, encouraged, facilitated or been involved in any way with the filing of such claims. After providing suitable sworn proof, the funds may be disbursed as set out in paragraph 6. If Counsel for the Putative Plaintiffs, or any of them, fails or refuses to provide the suitable sworn proof within a reasonable period, said account shall then be held by counsel for the Putative Defendants in trust, pending an arbitration pursuant the rules of the American Arbitration Association of the ratable forfeiture.

8) That should any of the Putative Plaintiffs or Counsel or any person or other entity related to the Putative Plaintiffs or Counsel or their agents file, or cause to be filed, a lawsuit based in any way upon or related to Putative Plaintiffs' Claims against the

Putative Defendants, or any one of them, within three (3) years from the date of the last signatory on this Agreement, then Counsel for the Certain Season Ticket Holders will be responsible for paying the Putative Plaintiffs the sum of one hundred thousand dollars (\$100,000), plus accumulated interest at the rate of 5%, within thirty (30) days of said lawsuit being filed.

9) That, although the University of Memphis is not pursuing claims for reimbursement of bonuses from Mr. Calipari, Mr. Calipari agrees to donate the bonus he received (after the deduction of taxes) which is believed to be approximately two hundred and thirty two thousand dollars (\$232,000) (as identified by the University) to the University of Memphis scholarship fund, representing the after tax dollars paid to him as a bonus following the 2007-2008 basketball season. Payment will be over a four year period beginning in 2010.

10) That Mr. Johnson agrees to resolve with the University of Memphis his contractual obligations concerning bonuses paid in connection with the 2007-2008 NCCA basketball tournament to the satisfaction of the University and Johnson.

11) That Mr. Rose is appreciative of his time and opportunities at the University of Memphis, and as such, will consider, exercising good faith and intentions, making a suitable donation to the University of Memphis Scholarship Fund at an appropriate time in the future, not to exceed five years from the date of this Agreement.

12) Counsel for the Putative Plaintiffs are entitled, upon reasonable notice to counsel for the applicable Putative Defendant, to obtain confirmation from such counsel for the applicable Putative Defendant that such Putative Defendant is in compliance with paragraph 9, 10 or 11, as applicable. If counsel for the applicable Putative Defendant is unable to provide such confirmation, then Counsel shall provide thirty (30) days written notice of any alleged breach. If the alleged breach is not cured within the thirty (30) day period, then the parties agree to submit the dispute to binding arbitration in accordance with the rules of the American Arbitration Association.

13) The parties understand and agree that the settlement as embodied in this Agreement is merely a compromise of disputed claims without the need for litigation and that nothing in this Agreement, including any payment or other consideration provided for herein, is to be construed as an admission on the part of the Putative Defendants, by whom any violation of law, liability, breach of contract or other wrongdoing is expressly denied.

14) That should this Agreement become null and void for any reason, it may not be used by any party for any purpose, whether it be in litigation or otherwise.

15) That this Agreement shall be governed by the substantive law of the State of Tennessee, and that any lawsuit with respect to the enforcement of this Agreement shall be brought in the City of Memphis, State of Tennessee.

16) Other than as required in legal proceedings, the parties and their counsel agree, from this day forward, to keep confidential the existence and terms of this Agreement, all performance hereunder, and any and all information, documents and/or materials related to the Putative Plaintiffs' Claims, including but not limited to the proposed Complaint. If a party to this Agreement receives notice or process of any legal proceeding that may require the production of this Agreement or its contents or any other information or documents related to the Putative Plaintiffs' Claims, such party agrees to provide immediate written notice to all undersigned counsel. Certain Seasoned Tickets Holders and their counsel agree to forbear from providing information, documents, data or assistance of any kind concerning or in any way related to the Putative Plaintiffs' Claims to any person or other entity. In the event that any one of the Putative Plaintiffs and Counsel fails to comply with this or any other provision of this Agreement, the Putative Plaintiffs and Counsel must return all benefits received.

17) The parties acknowledge that they are executing this Agreement entirely upon their own volition, individual judgment, belief and knowledge; that this Agreement is made without reliance upon any statement or representation of any party or any person not herein expressed; that no promise, inducement or agreement, not herein expressed, has been made; that the Agreement contains, and is, the entire agreement and understanding between the parties herein; and that the terms of this Agreement are contractual and not mere recitals.

This Agreement may be signed in multiple counterparts, each of which shall be deemed an original for all purposes.

<p>AGREED: <u>Martin Zummach (by person)</u> Martin Zummach, Esq. On behalf of himself and the Putative Plaintiffs Date: _____</p>	<p><u>Frank L. Watson III</u> Frank L. Watson, III On behalf of himself and the Putative Plaintiffs Date: <u>5/28/2010</u></p>
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<p><u>William F. Burns (by person)</u> William F. Burns On behalf of himself and the Putative Plaintiffs Date: <u>5/28/2010</u></p>	<p>_____ (John Doe Booster) Putative Plaintiff Class Representative Date: _____</p>
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Nathan A. Pinks _____

¹ John Doe Booster must execute the Agreement, and the identity of John Doe Booster, as well as proof of his or her season ticket holder status for the 2009-2010 University of Memphis basketball season must be provided to counsel for the Putative Defendants prior to the deposit and/or payment of any funds identified herein.

Nathan Bieks
On behalf of Derrick Rose
Date: 5/28/10

Randy Fishman
On behalf of R.C. Johnson
Date: R.C. Johnson 6/7/10


Jim Lockard
On behalf of John Calipari
Date: 5/28/2010