

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”), between The University of Tennessee (the “University”) and Donnie Tyndall (“Coach”), records the understanding of the parties as to the principal terms and conditions under which Coach will be employed as the Head Men’s Basketball Coach for The University of Tennessee, Knoxville. When fully executed, this MOU shall constitute a binding and legally enforceable agreement until superseded by a definitive written Employment Agreement between Coach and the University. The University agrees that it may not assign Coach to any other position without his prior, written consent (which may be granted or withheld in his sole discretion).

In consideration of the mutual promises contained herein, the parties agree as follows:

1. **Term of Employment Agreement:** April 22, 2014 through March 31, 2020 (6 seasons)
(the “Term”)

2. **Compensation and Benefits:**

Annual Base Pay	\$245,000
Annual Supplemental Pay	\$1,355,000

3. **Incentive Compensation (if earned):**

Either or both of the following:

Winning the SEC regular season (solo or shared)	\$50,000
Winning the SEC tournament	\$25,000

A maximum of one (1) of the following (payment based on highest goal achieved in this subsection per year):

Appearing in the NCAA Tournament	\$50,000
Appearance in the Sweet 16	\$75,000
Appearance in the Elite 8	\$100,000
Appearance in the Final Four	\$150,000
Winning the NCAA Tournament	\$250,000

Either or both of the following (solo or shared):

Associated Press National Coach of the Year	\$50,000
Associated Press SEC Coach of the Year	\$25,000

A maximum of one (1) of the following (payment based on highest goal achieved in this subsection per year):

Single year APR 960 or greater	\$25,000
Single year APR 980 or greater	\$50,000

4. **Other Compensation and Benefits:**

Moving allowance	up to \$30,000 subject to actual expenditures
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1 vehicle or one \$850/month stipend in lieu of vehicle
16 men’s basketball tickets in lower level (and 2 parking passes); 8 tickets for road games; 12 tickets for post season games, pre-season and regular season tournaments, and neutral site games
6 tickets to football games and 2 parking passes

The same University benefits as other regular full-time employees.

All compensation and benefits described in this MOU are subject to applicable state and federal reporting and withholding requirements and University rules.

5. **Termination by Coach Without Cause (payable within 60 days of termination):**

Prior to March 15, 2017	\$3,000,000
March 16, 2017 through March 15, 2018	\$1,750,000
On or after March 16, 2018	\$1,500,000

6. **Termination by University without Cause:**

Prior to March 15, 2017	\$3,000,000
March 16, 2017 through March 15, 2018	\$1,750,000

In its sole discretion and at any time, the University may terminate this MOU or the Employment Agreement without cause upon written notice to Coach. If the University terminates this MOU or the Employment Agreement without cause, the University shall pay Coach liquidated damages according to the schedule above. Payment of the liquidated damages shall be made in equal monthly installments over the time remaining until March 31, 2020, subject to all applicable state and federal tax reporting and withholding requirements, with the first payment due on or before the last day of the month following the date of termination of this MOU or the Employment Agreement. Coach is required to use his reasonable best efforts to mitigate the University's obligation to pay liquidated damages under this paragraph by making reasonable and diligent efforts as soon as practicable following termination to obtain another comparable employment or paid services position, including but not limited to another head men's basketball coaching position at an NCAA Division I institution or an NBA team ("Comparable Position") during the Term (had it naturally expired), then in such an event, the University's payment obligations under this Section 6 shall be offset by the compensation (excluding fringe benefits) that Coach actually receives from the Comparable Position during the Term (had it naturally expired). While the University's obligation to pay liquidated damages is in effect, and for a period of six (6) months thereafter, Coach shall promptly notify University within ten (10) days of accepting a Comparable Position and shall report to the University on a quarterly basis all income received or earned by him relating to any and all Comparable Positions (excluding income from fringe benefits).

7. **Termination by University for Cause:** The University may terminate this MOU or the Employment Agreement at any time for cause as determined in the reasonable and good faith judgment of the University. For the purpose of terminating this MOU, "for Cause" shall be interpreted consistently with its meaning in the most recent head coach's employment agreement, excluding a memorandum of understanding, executed by the University. Parties agree to make a good faith effort to execute an Employment Agreement within ninety (90) calendar days of the date on which a draft Employment Agreement is first presented to him by the University. Termination of the Employment Agreement "for cause" shall be in accordance with the definitive terms and conditions set out in the Employment Agreement, which shall approximate those terms which are included in the most recent head coach employment agreement, excluding a memorandum of understanding, executed by the University, the exact terms of which are to be mutually and reasonably agreed upon. In the event of a termination of either this MOU or the Employment Agreement "for cause," the University shall not be liable to Coach for any unearned or unaccrued payments or benefits after the date of termination. The University may suspend Coach with pay pending an investigation or decision relating to termination "for cause." For any one or more acts, omissions, or events that would be grounds for termination "for cause," the University may take other disciplinary or corrective action against Coach short of termination, including but not limited to suspension without pay (said suspension not to exceed 60 days). Prior to any final determination regarding a possible termination "for cause," the University will afford Coach notice and a reasonable opportunity to meet personally and individually with the Athletics Director and with the Chancellor to respond to any allegations or proposed termination. If the University terminates this MOU or the Employment Agreement "for cause," the University will afford Coach a post-termination opportunity to contest the termination in accordance with the Tennessee Uniform Administrative Procedures Act, Tennessee Code Annotated 4-5-301 *et seq.*

8. **Other Terms and Conditions:** In addition to more thoroughly addressing the terms and conditions concerning the matters addressed in Paragraphs 1 through 7 above (excluding terms and conditions applicable only while the MOU is in effect), the Employment Agreement will include, among other things, mutually and reasonably agreed upon provisions concerning the following matters:

- a. \$25,000 penalty for single year APR less than 930 beginning with APR calculated for 2014-15 academic year;
- b. \$10,000/game penalty for each game Coach is suspended;
- c. The University's commitment to pay \$500,000 to the University of Southern Mississippi as a business expense for the University to be able to enter into an Employment Agreement with Coach;
- d. Duties of Coach as Head Men's Basketball Coach;
- e. Reasonable limitations on outside activities and outside compensation earned by Coach, including commercial endorsements;
- f. Enforcement of NCAA, Southeastern Conference, and other governing athletic rules, including but not limited to provisions relating to the NCAA's new enforcement rules effective August 1, 2013;
- g. The University's limited right to use Coach's name, likeness and image during the term;

- h. Forfeiture and repayment of incentive compensation for athletic performance achievements paid to Coach if any achievement is subsequently vacated or if the men's basketball program is placed on probation by the NCAA;
- i. Limited indemnification of the University against certain damages incurred by the University as a direct result of any investigation or proceeding resulting in a finding of specific NCAA rules violations;
- j. Men's basketball camps; and
- k. Coach's obligation to notify the Athletics Director prior to direct or indirect contact about, employment with another college or university or with a professional men's basketball organization.

9. **Background:** Coach represents that he has disclosed to the University all material information concerning previous NCAA, conference, or institutional rules violations or potential violations committed by him or any staff member under his direct or indirect control at any other NCAA member institution prior to the date on which he executed this Agreement; similarly, the University represents that it has disclosed to Coach all information it has regarding any pending and/or ongoing NCAA investigations or inquiries of any University sports program (including, without limitation, the men's basketball program). The MOU is subject to a satisfactory criminal, educational and professional background check and NCAA compliance check, to be completed within 5 business days of the date hereof.

10. **Governing Law:** This MOU shall be governed by the laws of the State of Tennessee.

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

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

THE UNIVERSITY OF TENNESSEE

By:

Vice Chancellor and Director of Athletics

4/22/14

Date

Chancellor

Date

Chief Financial Officer

Date

COACH DONNIE TYNDALL

4-22-14

Date