

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU"), between The University of Tennessee (the "University") and Rick Barnes ("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 When fully executed, this MOU shall constitute a binding and legally enforceable agreement until superseded by a definitive written Employment Agreement between Coach and the University.

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

1. **Term of Employment Agreement:** April 1, 2015 through April 15, 2021 (6 seasons)
2. **Base Compensation:**

Annual Base Pay	\$245,000
Annual Supplemental Pay	\$2,005,000
3. **Incentive Compensation (if earned):**

All of the following:

Winning the SEC regular season	\$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):

Appearing in the NCAA Tournament	\$50,000
Appearance in the Sweet 16	\$100,000
Appearance in the Elite 8	\$150,000
Appearance in the Final Four	\$250,000
Winning the NCAA Tournament	\$500,000

All of the following:

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):

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 \$50,000 subject to actual expenditures and university rules
2 vehicles or \$850/month stipend in lieu of (each) vehicle
12 men's basketball tickets in lower level; 8 tickets for road games; 12 tickets for post season 2 parking passes
4 tickets to football games, 1 parking pass
Participation in the same fringe benefit programs for which other regular full-time employees are eligible
5. **Termination by Coach Without Cause (payable within 60 days of termination):** \$1,000,000 per contract year (April 16-April 15) remaining until April 15, 2021.
6. **Termination by University without Cause:** 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 in the amount of \$1,000,000 per contract year (April 16-April 15) remaining until April 15, 2021. Payment of the liquidated damages shall be made in equal monthly installments over the time remaining until April 15, 2021, 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 men's basketball coaching position or broadcasting position. While the University's obligation to pay liquidated damages is in effect, and for a period of six (6) months thereafter, Coach shall promptly report to the University on a quarterly basis all income received or earned by him relating to any and all men's basketball coaching positions or broadcasting positions.

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, and shall include acts or omissions in violation of NCAA legislation at prior institutions. 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 an opportunity to meet with the Athletics Director 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 8 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. Duties of Coach as Head Men's Basketball Coach;
 - b. \$25,000 penalty for single year APR less than 930 beginning with APR calculated for 2015-16 academic year;
 - c. \$10,000/game penalty for each game Coach is suspended;
 - d. Reasonable limitations on outside activities and outside compensation earned by Coach, including commercial endorsements;
 - e. Enforcement of NCAA, Southeastern Conference, and other governing athletic rules, including but not limited to provisions relating to the responsibility of a head coach to establish an atmosphere of compliance in his program and monitor the activities of all coaches and staff members in the program;
 - f. The University's limited right to use Coach's name, likeness and image during the term;
 - g. 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;
 - h. 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;
 - i. Men's basketball camps; and
 - j. Coach's obligation to notify the Athletics Director of his interest in, or any 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 coach or staff member under his direct or indirect control at any other NCAA member institution prior to the date on which he executed this Agreement; similarly, the University represents that it has disclosed to Coach all material 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 background check and NCAA compliance check, to be completed within 5 business days of the date Coach executes this MOU.
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:



Dave Hart
Vice Chancellor and Director of Athletics

3/31/15

Date



Jimmy G. Cheek
Chancellor

3/31/2015

Date



Butch Peccolo
Treasurer and Chief Financial Officer

3/31/15

Date

RICK BARNES



Rick Barnes

3-31-15

Date