

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding, between The University of Tennessee (the "University"), for and on behalf of The University of Tennessee Men's Athletics Department ("Athletics Department"), and Eddie Gran ("Coach Gran"), records the agreement of the parties as to the principal terms and conditions under which Coach Gran will be employed as an Assistant Football Coach for the University and which will later be incorporated into a formal employment agreement ("Employment Agreement").

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

1. **EFFECTIVE DATE OF EMPLOYMENT:** The University will name Eddie Gran as an Assistant Football Coach, effective January 16, 2009.
2. **TERM:** The term of the initial employment agreement will be for a period of two (2) years.
3. **COMPENSATION:** The University will pay Coach Gran annual compensation, which will be comprised of base salary which will total the annual compensation as set forth below:

<u>Calendar Year</u>	<u>Annual Compensation</u>
2009	\$185,000.00
2010	\$195,000.00

Payments to Coach Gran will be subject to all applicable state and federal withholding requirements. Note: for January, 2009, compensation shall be calculated as a pro-rata share of fifteen-thousand, four hundred and sixteen dollars and sixty-six cents (\$15,416.66), based upon the days worked in the month of January, 2009. For purposes of this calculation, fifteen-thousand, four hundred and sixteen dollars and sixty-six cents (\$15,416.66) represents one-twelfth (1/12) of Coach Gran's 2009 annual compensation of one hundred and fifty-thousand dollars (\$185,000.00).

4. **INCENTIVE COMPENSATION:** In the event of certain achievements by the football team, the University shall pay Coach Gran extra service pay in accordance with a policy annually agreed upon by the President and the Director of Men's Athletics.

5. **BENEFITS:** Coach Gran will be entitled to the same benefits as other regular, full-time exempt employees of the University.
6. **AUTOMOBILES:** Coach Gran will be furnished with the personal use of one (1) loaned automobile of a quality – in terms of make and model – similar to the vehicles provided to other University assistant coaches. Coach Gran will be solely responsible for maintaining insurance on the vehicles and for fuel costs pursuant to the Courtesy Car Policy of the Tennessee Men's Athletics Department now in effect or hereafter adopted.
7. **MOVING EXPENSES:** The University will provide Coach Gran with a moving allowance for his reasonable moving expenses in accordance with University policy.
8. **REPORTING AND SUPERVISION:** Coach Gran will report for all purposes to the Director of Football Operations, who will supervise all aspects of Coach Gran's employment, including but not limited to Coach Gran's job performance and work activities; conduct Coach Gran's annual performance evaluations; and make recommendations concerning Coach Gran's compensation and other terms and conditions of his employment agreement to the Sport Administrator and Director of Men's Athletics.
9. **LIQUIDATED DAMAGES:** In the event Coach Gran elects to terminate his employment with the University during the initial term of the Employment Agreement, he agrees to pay liquidated damages in the amount of \$92,500.00, payable over twenty-four (24) months in equal monthly installments.

The obligation to pay liquidated damages shall not apply should Coach Gran obtain an offensive or defensive coordinator position where he will have play-calling responsibilities or if he should obtain a head coaching position at the Division I level. Coach Gran acknowledges that the University will commit substantial financial resources to the success of its football program and that if Coach Gran terminates his employment with the University, the University will suffer damages the amount, nature, and extent of which are difficult to determine and which may include, but not be limited to, additional expenses to search for another assistant football coach, salary or other compensation to hire another assistant football coach, tangible and intangible detriment to the football program of the University and support of its fans and donors. Accordingly, Coach Gran acknowledges and agrees that the amount of liquidated damages set forth in this Section 9 is a reasonable and fair approximation of the harm that the University will incur in the event of such termination by Coach.

10. **TERMINATION OF MEMORANDUM OF UNDERSTANDING:** Coach Gran understands and agrees that the University may terminate this Memorandum of Understanding at any time for cause, including, but not limited to, (i) acts of gross misconduct by Coach Gran, as defined by University personnel policy now in effect or hereafter adopted by the University; (ii) conduct of such an inappropriate nature thereby bringing the University into public disrepute, as determined by the University; or (iii) failure of Coach Gran to negotiate in good faith to execute the Employment Agreement within a reasonable time.
11. **OTHER TERMS AND CONDITIONS:** Among other terms, the Employment Agreement will include provisions concerning the following matters:
- a. Duties and responsibilities of Coach Gran as Assistant Football Coach;
 - b. Outside compensation earned by Coach Gran;
 - c. Termination of the Employment Agreement for cause;
 - d. Termination of the Employment Agreement at the University's convenience by means of a "buy-out", limited to the monthly rate of the "annual compensation" stated in Paragraph Number Three (3) of this Memorandum of Understanding times the number of months remaining in the term of this Memorandum of Understanding, and its subsequent Employment Agreement. The "buy-out" will be payable in equal monthly installments from the date the Employment Agreement terminates;
 - e. Disciplinary or corrective action short of termination for cause;
 - f. University's right to use Coach Gran's name, likeness and image to support and to promote the football program, the Athletics Department and the University and in connection with any reasonable radio and television services or endorsement or consultation contracts the University enters into for the University's endorsement or Coach Gran's endorsement;
 - g. Coach Gran's obligation to notify the University's Director of Men's Athletics of his interest in, or any direct or indirect contact about, employment with another college or university or with a professional football organization; and
 - h. Application of policies of the University's Athletics Department, the NCAA, the University and the Board of Trustees of the University of Tennessee to Coach Gran's employment.

Except for Section 10 ("Termination of Memorandum of Understanding"), the foregoing terms and conditions of this Memorandum of Understanding are contingent upon execution of the Employment Agreement. The parties shall use reasonable diligence to negotiate in good faith and execute the Employment Agreement within a reasonable time.

This Memorandum of Understanding shall be governed by the laws of the State of Tennessee.

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

THE UNIVERSITY OF TENNESSEE

COACH EDDIE GRAN

By: _____

President

Eddie Gran

Date

Date

Director of Men's Athletics

Date