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MFR-01-2008 TUE 01:40 PM INDIANA UNIV ATHLETICS

FAX NO. 812 855 0448

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01/00

## Memorandum of Understanding

April 1, 2008

TO: Thomas Crean  
FROM: Rick Greenspan

Re: Indiana University Head Men's Basketball Coach Position

Dear Tom:

It is with great pleasure that I offer you the position of Head Men's Basketball Coach at Indiana University effective April 2, 2008. The Head Men's Basketball Coach at Indiana University reports to the Director of Intercollegiate Athletics. This Memorandum of Understanding, which presents the material terms of our offer, will be incorporated, not changed or renegotiated, into an employment contract for execution at the earliest possible date. The employment contract will be for a period of eight (8) years and will be substantially in form and substance the same as the draft employment contract attached hereto as Exhibit A. A summary of the financial terms of your contract is attached as Exhibit B and is part of this offer letter.

Your compensation as Head Men's Basketball Coach will consist of the following:

- Annual base salary of Six Hundred Thousand Dollars (\$600,000.00), with the possibility for annual merit increases.
- Outside, marketing, and promotional income payable monthly in the following amounts, for (i) delivery, making and granting public appearances (as coordinated through the athletic media relations and marketing staff) and media interviews (as coordinated through the athletic media relations staff) and writing newspaper articles and columns in connection with your position as Head Men's Basketball Coach; (ii) providing your full and complete cooperation and participation with the broadcast of any television, radio or other media programs related to the University's men's basketball program, including but not limited to coaches shows, pre-game and post-game shows, and off-season shows; (iii) providing personal appearances, endorsements and compliance and cooperation with sponsorship and product and supply agreements for the Athletic Department and the University's men's basketball program including participation in contracts for apparel and/or footwear for team student-athlete and staff use, which contracts are to be negotiated exclusively by the University.

Year 1	\$1,400,000.00
Year 2	\$1,480,000.00
Year 3	\$1,560,000.00
Year 4	\$1,640,000.00
Year 5	\$1,720,000.00
Year 6	\$1,800,000.00
Year 7	\$1,880,000.00
Year 8	\$1,960,000.00

- Full standard benefits on the same terms as provided by the University to all similarly situated employees (and subject to all limitations and restrictions of such plans), with contributions and benefit amount based upon the base salary where relevant..
- Use of two vehicles provided by the University and appropriate insurance.
- Bonus compensation for achieving the athletic performance goals as set forth in Exhibit B.
- The opportunity to use University athletic facilities for three weeks in connection with a summer youth's basketball camp provided the University is reimbursed for its actual and overhead expenses including room and board that is provided by the University.

Among other terms, your employment contract will include the following:

- You shall be prohibited from receiving any benefits or compensation other than as described above from any other source without prior written consent of the University.
- If you resign your employment, or if your employment is terminated by the University for Cause, the University shall not be liable for any compensation or benefits after the date of resignation or termination (and "Cause" will be defined consistent with the past practices of the University and as provided in the employment contract draft attached as Exhibit A).
- You must pay to the University liquidated damages as set forth in Exhibit B in the following amounts if you resign prior to the termination of the Agreement:

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Years 1 - 3	\$3,000,000
Years 4 - 5	\$2,000,000
Years 6-8	\$1,000,000

- If your employment is terminated without Cause, the University will pay you the lesser of: i) your annual base salary for the remainder of the Term of the Agreement or ii) Three Million Dollars (\$3,000,000.00). Irrespective of the total sum to be paid, such payments shall be paid monthly at your regular monthly annual base salary rate in accordance with the standard payroll practices of the University. This will be the University's sole obligation in this event (and you will be obligated to execute a release in form and substance satisfactory to the University to receive such base salary continuation).
- You shall be required to mitigate the University's obligation to pay you the base salary continuation due to you if the University terminates your employment without cause.
- You agree not to seek or apply for other employment positions while employed by the University without prior written notice to and the prior written consent of the University.
- You acknowledge that you will be functioning under and fully adhering to self-imposed sanctions implemented by Indiana University in conjunction with a self-report submitted to the NCAA.
- Upon receipt of a copy of the terms of your present contract with Marquette University that requires you to pay Marquette University liquidated damages upon the termination of your contract, the University will pay you the stated amount of liquidated damages, however, such amount shall not exceed Five Hundred Twenty Five Thousand Dollars (\$525,000.00). In the event this amount is deemed to be income, you will be responsible for any associated tax consequences.

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This offer is expressly contingent upon execution of the contemplated employment contract on or before May 15, 2008. By acceptance hereof, you agree to use your best efforts to finalize the employment contract within thirty (30) days of the date hereof.

It is with great anticipation and enthusiasm that I offer you the position of Head Men's Basketball Coach at Indiana University. If you desire to accept this offer, please indicate your acceptance by signing below. I have every confidence that you will lead our athletics program with integrity and pride, and I look forward to welcoming you as a member of the Indiana University family.

Best personal regards,

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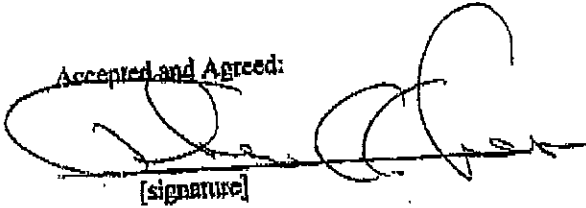
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Richard I. Greenspan,  
Director of Interscholastic Athletics

Accepted and Agreed:

  
[signature]

Dated: April 1, 2008

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**Exhibit B**

<b>Annual Guaranteed Base Salary</b>		<b>\$600,000.00</b>
		<b>TOTAL</b>
<b>Supplemental /Media</b>		<b>\$2,000,000.00</b>
Year 1	\$1,400,000.00	\$2,000,000.00
Year 2	\$1,480,000.00	\$2,080,000.00
Year 3	\$1,560,000.00	\$2,160,000.00
Year 4	\$1,640,000.00	\$2,240,000.00
Year 5	\$1,720,000.00	\$2,320,000.00
Year 6	\$1,800,000.00	\$2,400,000.00
Year 7	\$1,880,000.00	\$2,480,000.00
Year 8	\$1,960,000.00	\$2,560,000.00
<b>Bonus Structure</b>		<b>\$250,000.00</b>
National Championship		\$125,000.00
Final Four		\$50,000.00
Elite Eight		\$35,000.00
Sweet 16		\$25,000.00
NCAA Appearance-Second Round		\$25,000.00
NCAA Appearance		\$125,000.00
Big Ten Regular Season Champs		\$50,000.00
Big Ten Tournament Champs		\$685,000.00
	<b>CUMULATIVE IMPACT</b>	
<b>Buyouts / Coach owes IU</b>		<b>\$3,000,000.00</b>
Years 1-3		\$2,000,000.00
Years 4-5		\$1,000,000.00
Years 6-8		