EMPLOYMENT CONTRACT

THIS EMPLOYMENT CONTRACT is made and effective as of the 1st day of July, 2015, by and between the University of Louisville Athletic Association, Inc., a Kentucky non-profit corporation (hereinafter for convenience referred to as the "Employer") c/o Director of Athletics, Student Activities Center, University of Louisville, Louisville, Kentucky 40292, and RICHARD A. PITINO (hereinafter for convenience referred to as the "Employee") c/o Rick Avare, 1843 Glen Hill Drive, Lexington, Kentucky 40502.

RECITALS

- A. Employer operates the intercollegiate athletic programs of the University of Louisville, a public institution of higher education (the "University" or "University of Louisville"). The University is presently a member of the National Collegiate Athletic Association ("NCAA") and the Atlantic Coast Conference ("ACC").
- B. Employer desires to contract for the continued services of Employee as head coach of the University of Louisville varsity men's basketball team (the "Sports Team") and Employee desires to accept such continued employment in accordance with the terms and conditions set forth below.
- C. Employer and Employee desire to enter into this Employment Contract (hereinafter "Contract" or "Employment Contract") which shall supersede and take the place of that certain Employment Contract, effective July 1, 2012, also entered into between Employer and Employee.

TERMS

In consideration of the mutual covenants, promises and conditions in this Contract, Employer and Employee agree as follows:

1. EMPLOYMENT.

- 1.1 Subject to the terms and conditions set forth in this Employment Contract, Employer hereby employs Employee as head coach of the varsity men's basketball team at the University of Louisville, and Employee agrees to and does hereby accept the terms and conditions for employment outlined in this Employment Contract.
- 1.2 Employee shall work under the immediate supervision of the University of Louisville Athletic Director ("Athletic Director"), and shall confer with the Athletic Director on all matters requiring administrative and technical decisions. Employee shall be under the general supervision of the Chairman of the Board of Directors of Employer ("Chairman"), who is also President of the University of Louisville. Athletic Director and Employee may confer with the Chairman if a problem cannot otherwise be resolved.
- 1.3 Employee shall manage and supervise the Sports Team within its allocated budget, and perform such other duties as defined herein.

2. TERM.

- 2.1 The term of employment under this Contract shall extend from the date of this Contract to June 30, 2026, unless sooner terminated in accordance with the terms hereof (the "Term"). Any automatic extensions shall be under the same provisions in effect on June 30, 2026.
- 2.2 This employment in no way grants Employee a claim to tenure in employment, or any years of employment attributable to tenure within the University or Employer.

3. COMPENSATION.

- 3.1 In consideration for services and satisfactory performance of the conditions of this Employment Contract by Employee, Employer shall provide Employee with the following:
 - 3.1.1 <u>Component A.</u> Employer shall pay to Employee an annual base salary for coaching payable in equal monthly installments on the thirtieth (30th) day of each month or in equal installments more frequently throughout the Term equal to the following:

YEAR	COMPENSATION
July 1, 2015 – June 30, 2016	\$2,031,320
July 1, 2016 – June 30, 2017	\$2,153,500
July 1, 2017 – June 30, 2018	\$2,153,500
July 1, 2018 – June 30, 2019	\$2,153,500
July 1, 2019 – June 30, 2020	\$2,153,500
July 1, 2020 – June 30, 2021	\$2,153,500
July 1, 2021 – June 30, 2022	\$2,153,500
July 1, 2022 – June 30, 2023	\$2,153,500
July 1, 2023 – June 30, 2024	\$2,153,500
July 1, 2024 – June 30, 2025	\$2,153,500
July 1, 2025 – June 30, 2026	\$2,153,500

3.1.2 <u>Component B</u>. Employer shall guarantee to Employee payment in the following annual amounts for each year of the Term:

YEAR	COMPENSATION
July 1, 2015 – June 30, 2016	\$2,031,320
July 1, 2016 – June 30, 2017	\$2,153,500
July 1, 2017 – June 30, 2018	\$2,153,500
July 1, 2018 – June 30, 2019	\$2,153,500
July 1, 2019 – June 30, 2020	\$2,153,500
July 1, 2020 – June 30, 2021	\$2,153,500
July 1, 2021 – June 30, 2022	\$2,153,500
July 1, 2022 – June 30, 2023	\$2,153,500
July 1, 2023 – June 30, 2024	\$2,153,500

July 1, 2024 – June 30, 2025	\$2,153,500
July 1, 2025 – June 30, 2026	\$2,153,500

The foregoing payments shall be payable in equal monthly installments on the last day of each month, or more frequently in equal installments throughout the Term. These sums shall be compensation for Employee's personal participation in public relations, fundraising, pre- and post-game radio programming, one weekly radio and television "coach's show" during pre-season, regular season, and post-season (through completion of competition in conference and post-season tournament games) by the Sports Team. Employer assumes responsibility for negotiating for said programming and shall retain all talent and expense fees. Employee shall make himself personally available for all programming negotiated by Employer pursuant to this Contract. Employee and Athletic Director will mutually agree that such programming will not conflict or cause undue hardship with direct duties relating to coaching the Sports Team.

- 3.1.3 During the first year of the Term (July 1, 2015 June 30, 2016), Employee shall be entitled to the following bonuses for athletic achievement by the Sports Team in the basketball season while under the direction of Employee:
- A. ACC (or other conference with which the \$50,000 University is affiliated) Regular Season Conference Champion or Co-Champion
- B. ACC (or other conference with which the \$50,000 University is affiliated) Tournament Champion
- C. Advancing to the round of the final 16 teams in \$ 50,000 the NCAA Tournament
- D. Advancing to the round of the final eight teams \$ 50,000 in the NCAA Tournament
- E. Advancing to the round of the Final Four teams \$ 75,000 in the NCAA Tournament
- F. NCAA Tournament Champion \$150,000

Employer and Employee agree that the foregoing athletic bonuses shall be considered cumulative and shall be paid to Employee within sixty (60) days following the date of achieving each goal. For example, if the Sports Team achieves the goals set forth in Sections 3.1.3 C through E, then Employee shall be entitled to a bonus of \$175,000 for that applicable year.

During all years of the Term subsequent to the first year, Employee shall be entitled to the following bonus for athletic achievement by the Sports Team in any basketball season while under the direction of Employee, which shall

be paid to Employee within sixty (60) days following the date of achieving such goal:

A. NCAA Tournament Champion

\$500,000

3.1.4 During the first year of the Term (July 1, 2015 – June 30, 2016), Employee shall be entitled to the following bonuses for academic achievement by the members of the Sports Team receiving athletic grants in aid ("Scholarship Players") during the academic year while under the direction of Employee:

A.	Collective grade point average ("GPA") of 2.25	\$ 25,000
B.	Collective GPA of 2.5	\$ 50,000
C.	Collective GPA of 2.75	\$ 75,000
D.	Collective GPA of 3.0	\$100,000
E.	If the graduation rate of the Scholarship Players exceeds the graduation rate of all male students attending the University	\$ 25,000
F.	If the graduation rate of the Scholarship Players exceeds eighty percent (80%)	\$ 75,000
G.	The Sports Team achieves a single year Academic Progress Rate, as defined, calculated	\$ 50,000

and reported by the NCAA ("APR"), of 950 or

During all years of the Term subsequent to the first year, Employee shall be entitled to the following bonuses for academic achievement by Scholarship Players during any academic year while under the direction of Employee:

A. Collective GPA of 3.0

higher for any academic year.

\$ 150,000

B. The Sports Team achieves a single year APR of \$ 100,000 950 or higher for any academic year.

Employer and Employee agree that the foregoing scholastic bonuses referred to in Section 3.1.4 are not considered cumulative. For example, in the event the Sports Team achieves a collective GPA of 3.0, Employee shall be entitled to one bonus of \$100,000 during the first year of the Term (\$150,000 during all years of the Term subsequent to the first year). In addition, each graduation rate and APR bonus referred to in Section 3.1.4 shall be considered independently and is due and payable upon achieving each of the stated goals. It is understood and agreed

that the graduation rate of Scholarship Players shall be based on those Scholarship Players who complete degree requirements within five years of initial enrollment in the University as defined by NCAA Rules and Regulations. Provided, however, Employer agrees that if a Scholarship Player determines to leave the University for any reason, including entry in the National Basketball Association draft, prior to graduation while he is in good academic standing as determined by University academic regulations, then such Scholarship Player's GPA shall not be included in the computation of the Sports Team's cumulative GPA, nor shall such Scholarship Player be included in the determination of the Sports Team's graduation rate. All payments due under this Section 3.1.4 shall be paid to Employee within sixty (60) days following the date such academic achievement has been confirmed by Employer by written report received from the University or the NCAA, as applicable.

- 3.1.5 If, during the first year of the Term (July 1, 2015 June 30, 2016), Employee shall be named the National College Basketball Coach of the Year by the Associated Press, then Employee shall be entitled to receive an additional bonus of \$100,000, payable by Employer within sixty (60) days of the official announcement of such achievement.
- 3.1.6 Subject to the provisions of Section 4 hereof and any existing agreement which Employer may have with a shoe, apparel or equipment manufacturer or seller, Employee may receive all payments designated for the men's head basketball coach from a manufacturer or seller related to an agreement that the Sports Team shall wear its shoes or apparel or use its equipment during practice and competition or that Employee shall wear, promote, endorse or consult with such manufacturer or seller concerning the design and/or marketing of such shoes, apparel or equipment.
- 3.1.7 Employer shall make available to Employee and his assistant coaches, upon request, up to forty (40) tickets to each of the Sports Team's regular season home games for so long as Employee is employed hereunder. The location of such tickets shall be mutually agreed between Employer and Employee. Such tickets shall be apportioned among Employee and his assistant coaches in such manner as Employee determines. In addition, Employer shall make available to Employee four (4) tickets to each home football game of the University's varsity football team.
- 3.1.8 Employer shall provide Employee an automobile allowance in the amount of \$3,000 per month. Employee shall maintain, at his own expense, automobile insurance for collision, comprehensive and liability (at \$100,000/\$300,000 limits for any driver).
- 3.1.9 Employee is encouraged and expected to incur reasonable and necessary business and entertainment expenses on behalf of Employer in connection with the performance of Employee's duties. Employer shall fully reimburse Employee from funds available within Employer's basketball budget

for all such expenses so incurred in accordance with Employer's Travel and Expense Reimbursement Policy, and provided Employee substantiates such expenses for business purposes.

- 3.1.10 To assist Employee with the performance of his duties, responsibilities and obligations as a head basketball coach, Employee shall be required to participate as a member of a country club as may be mutually agreed upon between Employer and Employee. Employer shall pay initiation fees and all monthly dues associated therewith. Other club expenses and charges may be covered as necessary business or entertainment in accordance with the provisions of Section 3.1.9.
- 3.1.11 Employee is entitled to one month of paid leave time per year, with unused time eligible for carry over, up to a maximum accumulation of two months.
- 3.1.12 Employee is free to negotiate for and establish a summer basketball camp. Employee shall be permitted to use athletic facilities then available at the University at the lowest rental rate for the facilities so long as Employee is an active participant in such camp. Such rental rate for facilities shall be no greater than rates then charged for similar activities conducted by other head coaches currently then employed by Employer. Employee and any business entity acting on his behalf to operate such camp shall comply with (i) the terms of leases to University facilities (the terms of which shall be no less favorable than those offered for other athletic camps of Employer's coaches). including insurance requirements, and (ii) Employer policies regarding camps. Employer and University assume no liability or responsibility for supervision of camp participants and staff and such liability and responsibility for proper supervision shall rest with Employee and/or any business entity acting on his behalf and Employee and any business entity acting on his behalf shall indemnify and hold Employer and the University harmless from and against all loss, cost and expense which may be incurred by them as a result of the operation of any such camp.
- 3.1.13 Subject to the provisions of Section 4 hereof, Employer and Employee agree that Employee may undertake commercial endorsements of products and services in which he identifies himself as the head coach of the Sports Team during such time as Employee is employed as the head coach of the Sports Team, but that he may not otherwise associate the University's name or athletics program in any other manner with an endorsement; and provided that all such endorsements must cease at the termination of Employee's employment as head coach of the Sports Team. Furthermore, Employee understands that he shall not commit, promise, give away, or make any promises for trades or agreements for University resources or University facilities, including, but not limited to, allowing advertising or promotional activities to occur on University premises without first securing the approval of the Athletic Director or other appropriate

University administrators. Employer agrees that Employee shall be entitled to all compensation derived from such endeavors and endorsements.

- 3.1.14 Subject to Section 4 hereof, Employee shall be entitled to write and release books and magazines and newspaper articles or columns in connection with his position as head coach of the Sports Team. Employee agrees to act in a professional manner in all such matters. Employer agrees that Employee shall be entitled to all compensation derived from such endeavors and endorsements.
- 3.1.15 The long-term disability insurance policy that Employer had purchased from Lloyds of London on behalf of Employee under the terms of the Employment Contract between Employer and Employee dated June 25, 2007 will be terminated effective July 1, 2015. Employee shall receive the amount of \$162,640, which represents the premium for said policy, included in the annual base salary of Employee during the first year of the Term (July 1, 2015 June 30, 2016).
- 3.1.16 Employer is the owner of a term life insurance policy on the life of Employee, having a face amount of \$24,600,000. Employer shall pay all premiums needed to keep said policy in force through June 30, 2016. In the event of Employee's death on or before June 30, 2016 and amounts are payable pursuant to such policy, a life insurance death benefit in the amount set forth in the following schedule shall be paid to such beneficiary(ies) as Employee or his assignee shall designate to Employer in writing:

IF EMPLOYEE'S DATE OF DEATH IS BETWEEN:	THEN DEATH BENEFIT AMOUNT PAYABLE TO EMPLOYEE'S BENEFICIARY(IES) SHALL BE:
July 1, 2015 – June 30, 2016 ·	\$ 6,900,000

All rights of Employee and/or his beneficiaries to receive death benefit proceeds under said life insurance policy shall lapse effective July 1, 2016, regardless of whether the policy is surrendered by Employer at that time. Provided, however, in the event that, prior to July 1, 2016, Employee becomes, in the opinion of a physician reasonably acceptable to Employer and Employee, so disabled as not to be capable of performing his duties hereunder for a period of six (6) months or more, then Employer shall assign to Employee, and Employee shall have the right to designate the beneficiary(ies) for the death benefit payable on such amount of said policy consistent with Section 6.2 hereof. Employee (or his assignee) shall have the right to designate the beneficiary(ies) for the death benefit payable on behalf of Employee as outlined in this Section 3.1.16 above, and Employer shall have the right to designate the beneficiary(ies) for any death benefit proceeds payable from the policy in excess of the amount owed to Employee's beneficiary(ies). If for any reason Employee (or his assignee) does not designate a beneficiary, such policy shall designate The Richard A. Pitino Revocable Trust

u/a September 12, 2000, as beneficiary. Employee shall have the right to assign absolutely his rights, if any, under said life insurance policy until July 1, 2016. Notwithstanding the foregoing, if this Contract is terminated prior to June 30, 2016 (other than on account of Employee's death or disability) either (i) by Employer for Just Cause, or (ii) by Employee other than by reason of Employer's continued breach of this Contract (as described in Section 6.5), then all rights of Employee and/or his beneficiaries to receive death benefit proceeds under the life insurance policy described in this Section 3.1.16 shall lapse on the date of such termination.

- 3.2 In addition to any other benefits provided herein, Employee shall be entitled to receive the following retention bonus payments:
 - 3.2.1 If on March 31, 2016, Employee is actively employed as the head coach of the Sports Team, then on July 1, 2016, Employer shall pay to Employee a lump sum bonus in the amount of Six Hundred Thousand Dollars (\$600,000).
 - 3.2.2 If on March 31, 2017, Employee is actively employed as the head coach of the Sports Team, then on July 1, 2017, Employer shall pay to Employee a second lump sum bonus in the amount of Seven Hundred Fifty Thousand Dollars (\$750,000).
 - 3.2.3 If on March 31, 2020, Employee is actively employed as the head coach of the Sports Team, then on July 1, 2020, Employer shall pay to Employee a third lump sum bonus in the amount of Two Million, Two Hundred Fifty Thousand Dollars (\$2,250,000).
 - 3.2.4 If on March 31, 2023, Employee is actively employed as the head coach of the Sports Team, then on July 1, 2023, Employer shall pay to Employee a forth lump sum bonus in the amount of Two Million, Two Hundred Fifty Thousand Dollars (\$2,250,000).
 - 3.2.5. If on March 31, 2026, Employee is actively employed as the head coach of the Sports Team, then on July 1, 2026, Employer shall pay to Employee a fifth and final lump sum bonus in the amount of Two Million, Two Hundred Fifty Thousand Dollars (\$2,250,000).
 - If Employee is actively employed as the head coach of the Sports Team as of the applicable March 31 above, but prior to the following July 1 he ceases to be employed as the head coach for any reason, the lump sum bonus earned but not yet paid shall be paid to Employee or his personal representative (in the event of Employee's death) on such July 1.
- 3.3 To the extent that Employer is required to withhold Federal, state, local or foreign taxes in connection with any benefit realized by Employee or any other person under this Contract, it shall be a condition to the realization of such benefit that Employee or such other person make arrangements satisfactory to Employer for payment of all such taxes

required to be withheld, which arrangements may include delivery of a check equal to the amount of such taxes. Employee acknowledges, understands and agrees that amounts deferred hereunder may be subject to Federal, state and local withholding and agrees to any adjustments Employer might make to meet its withholding obligations under applicable law.

- 3.4 It is agreed that the compensation paid under this Employment Contract shall be subject to the same payroll deductions and withholdings that apply to Employer's other employees.
- 3.5 Employee shall participate in Employer's group insurance and retirement programs, including health insurance for Employee and his family, and shall be eligible to participate in the voluntary payroll deduction programs with the same employer contributions that apply to Employer's employees. Employee's compensation on which Employer shall base its retirement program contribution shall include amounts payable pursuant to Sections 3.1.1 (Component A) and 3.1.2 (Component B) up to the maximum allowed that year by the Internal Revenue Code.
- 3.6 In compliance with NCAA Bylaws 11.3.1 and 11.3.2.2, the compensation provided in this Contract shall be the only compensation received by Employee for his coaching and other related duties as defined herein for Employer or the University.

4. EMPLOYEE'S DUTIES.

- 4.1 In consideration of the annual salary and other benefits to be received hereunder, Employee shall:
 - 4.1.1 Faithfully and conscientiously to devote diligent efforts to perform the duties stated herein within the budget allocated and according to policies and procedures established by Employer;
 - 4.1.2 Devote full-time, attention, and energy to the duties of head coach of the Sports Team as required herein, to the promotion of Employer's Athletic program and to avoid any business or professional activities or pursuits that would prevent Employee from devoting full-time to performance of the duties under this Employment Contract, or detract in any manner from the duties outlined herein, provided that Employee may engage in any business or professional activities that do not interfere with Employee's obligations hereunder if such outside activity is approved in advance by Employer, such approval not to be unreasonably withheld or delayed;
 - 4.1.3 Know, recognize, and comply with the laws, policies, rules, and regulations governing Employer and its employees including conflict of interest policies and the rules of the NCAA and any conference with which the University is now or subsequently affiliated, as now constituted or as they may be amended during the term hereof; to diligently supervise compliance of assistant coaches and any other employees for which Employee is administratively responsible with the aforesaid policies, rules, and regulations and to immediately

advise the Athletic Director if Employee has cause to believe violations by such subordinates have occurred or will occur;

- 4.1.4 Develop programs and procedures with respect to the evaluation, recruitment, training, and coaching of student athletes to compete while reasonably assuring the welfare of student athletes;
- 4.1.5 Expend his diligent efforts to observe and uphold all academic standards, requirements, and policies of Employer;
- 4.1.6 Submit to the Athletic Director a report evaluating the Sports Team program within thirty (30) days after the last game of the season, including an evaluation of the assistant coaches, and such other reports as the Athletic Director may require from time to time;
- 4.1.7 Expend his diligent efforts to encourage student athletes to perform to their highest academic potential, obtain the highest grades possible, and graduate;
- 4.1.8 Expend his diligent efforts to assist Employer and University in fundraising, public relations, promotion, and media activity, provided that Employee and the Athletic Director will mutually agree that such efforts will not conflict or cause undue hardship with Employee's direct duties relating to coaching the Sports Team;
- 4.1.9 Demonstrate acute sensitivity to and support of the core values of the academic institution; and
- 4.1.10 Expend his diligent efforts to recruit directly or through his assistants, only student athletes of good character and adequate academic preparation.
- 4.2 It is further agreed that Employee will not receive outside compensation, except as detailed in Section 3 hereof without the prior written consent of the University President and Athletic Director, which consent shall not be unreasonably withheld. By April 30 of each year of this Contract, Employee shall annually disclose to Employer on a confidential basis the amount and source of all outside compensation from any source which Employee receives for the immediately preceding calendar year.
- 4.3 Employee is presumed to be responsible for the actions of all assistant coaches and administrators who report, directly or indirectly, to him. Employee shall promote an atmosphere of compliance, academic integrity, and ethical conduct within his program and shall monitor the activities of all assistant coaches and administrators involved with the program who report, directly or indirectly, to him. In fulfilling these standards of conduct, Employee's responsibilities include, but are not limited to, the following:
 - 4.3.1 Employee shall ensure that he and his staff are responsive, cooperative, and timely in their involvement and responsibilities tied to all

University compliance operations. This includes his staff's involvement and responsibilities for compliance monitoring and reporting; his staff's communications with the athletics department leadership including compliance staff; and his staff's availability and participation in rules education sessions.

- 4.3.2 Employee shall meet with the University President, at least annually, as part of the Athletic Director's head coaches meeting to discuss the President's expectations for NCAA rules compliance.
- 4.3.3 Employee shall meet with the Athletic Director and compliance staff, at least annually, to review the program's compliance performance and environment.
- 4.3.4 Employee shall ensure that he and his staff are available, present, and attentive participants in regularly scheduled rules education sessions as coordinated by the athletics compliance staff.
- 4.3.5 Employee shall ensure that he and his staff immediately notify the compliance staff when concerns or red flags occur related to potential NCAA, conference, and/or University rules violations.
- 4.3.6 Employee shall ensure that he and his staff cooperate fully with any University, conference, and/or NCAA investigations and accept responsibility for maintaining the integrity of the investigation and enforcement process.
- 4.3.7 Employee shall ensure that he and his staff provide complete and truthful information in all compliance matters and investigations, be forthcoming at all times, and take responsibility for their involvement in, or knowledge of, violations.
- 4.3.8 Employee shall demonstrate a commitment to compliance through actively monitoring his staff's activities. To this end, and in consultation with the compliance staff, Employee shall create written procedures to ensure his coaching staff is actively monitoring its program's rules compliance functions. This includes assigning specific monitoring duties to assistant coaches and non-coaching staff members.
- 4.3.9 Employee shall ensure that he and his staff members are aware of, and adhere to, their responsibility to provide, in a timely manner, compliance-related records to the athletics compliance office and other campus units per University policies and procedures.
- 4.3.10 Employee shall regularly solicit feedback from his coaching staff and program personnel about all compliance monitoring areas and identify opportunities to improve compliance monitoring and reporting.

- 4.3.11 Employee shall ensure that he and his staff receive continuous training and rules education regarding NCAA, conference, and University rules and compliance policies and procedures.
- 4.3.12 Employee shall document the ways in which he has communicated and/or demonstrated a commitment to compliance and be able to produce documentation, upon request, relating to the procedures in place for monitoring his program's rules compliance.
- 4.3.13 Employee shall maintain accurate and dated records of all discussions and correspondence between him and his staff concerning compliance efforts taken by his staff.
- 4.3.14 Employee shall ensure that he and his entire staff utilize all current compliance monitoring, reporting, and documentation mechanisms implemented by the athletics compliance office and University.
- 5. TRAVEL. Employee shall conduct such travel within the allotted Sports Team budget as is necessary to carry out his duties as head basketball coach, and Employee shall be entitled to reimbursement for transportation and per diem expenses in accordance with Employer's Travel and Expense Reimbursement policy.

6. TERMINATION FOR JUST CAUSE.

- 6.1 Employer has the right to terminate this Employment Contract for Just Cause or impose other appropriate discipline, in which case prior to such action, Employee shall be given ten (10) days' prior written notice and an opportunity to be heard. The term "Just Cause" with respect to Employer's right to terminate this Employment Contract shall be understood to include all of the following:
 - 6.1.1 A material violation of this Employment Contract or refusal or unwillingness to perform this Contract in good faith and to the best of Employee's abilities;
 - 6.1.2 Disparaging media publicity of a material nature that damages the good name and reputation of Employer or the University, if such publicity is caused by Employee's willful misconduct that could objectively be anticipated to bring Employee into public disrepute or scandal, or which tends to greatly offend the public, or any class thereof on the basis of invidious distinction;
 - 6.1.3 Major violation of any rule, or bylaw of Employer, the athletic conference with which the University is then affiliated or the NCAA, including Level I and/or Level II NCAA violations, which violation damages Employer or the University in a material fashion; and
 - 6.1.4 Employee's (a) dishonesty with Employer or University, (b) acts of moral depravity, (c) conviction of a felony or employment- or drug-related misdemeanor, or (d) intoxication or being under the influence of a

psychoactive substance when performing duties under this Contract, when student athletes are present, when attending scheduled public events or appearances, or during media contacts.

- 6.2 In the event Employee becomes, in the opinion of a physician reasonably acceptable to Employer and Employee, so disabled as not to be capable of performing his duties hereunder for a period of six (6) months or more, this Contract shall terminate, and Employer will assign to Employee and Employee shall have the right to designate the beneficiary for the death benefit payable under the life insurance policy owned by Employer as described in Section 3.1.16. The foregoing shall apply only if the life insurance policy described in Section 3.1.16 is still in force. Thus, if the life insurance policy is no longer in force, then Employer shall not be required to make any payments or assign any benefits to Employee pursuant to this Section 6.2 on account of Employee's disability. In such circumstance, Employee shall be treated as any other University of Louisville full-time employee with regard to basic disability insurance coverage.
- 6.3 Subject to the Governing Board Certification principles of the ACC, termination of this Employment Contract by Employer may occur only by decision of the Board of Directors of Employer or a duly authorized and constituted subcommittee of the Board after ten (10) days' prior written notice of the charges against Employee and an opportunity for Employee to present evidence. Employee may obtain the assistance of an attorney at Employee's sole expense to aid in the proceeding.
- 6.4 In the event Employer terminates this Employment Contract for Just Cause prior to the end of the Term, all obligations of Employer to make further payments and/or to provide other consideration hereunder shall cease as of the end of the month in which such termination occurs, unless such amounts are already due and owed. Employer shall not be liable for any liquidated damages or loss of any collateral business opportunities or any other benefits, perquisites, or income from any sources that might ensue as a result of Employer's termination of this Employment Contract for Just Cause.
- 6.5 Employee has the right to terminate this Employment Contract, if Employer is in material breach of terms of this Employment Contract and such breach is not remedied within thirty (30) days following written notice from Employee to Employer specifying such breach in detail. In such event, Employer shall pay to Employee, as liquidated damages, an amount equal to the compensation due to Employee per Sections 3.1.1, 3.1.2, and 3.1.3 (if earned, but not yet paid) for the balance of the Term.
- 7. SUPPORT STAFF. Employee shall have the right to select and retain, consistent with the Sports Team budget which has been approved by Employer, assistant coaches, strength coaches and practice/game/scouting video personnel in all cases subject to the approval of the Athletic Director. Employment and discharge of such assistants shall be effected under Employer's regulations and policies. Other support staff assigned to the Sports Team, including trainers, equipment managers and secretarial help shall be retained by and report to Employer in accordance with its personnel policies and the Sports Team budget. In addition to observing applicable Employer or University personnel policies, Employee agrees to support and endeavor in good faith to achieve affirmative action employment goals established by Athletic Director.

- 8. SCHEDULING. Employee and Athletic Director shall work jointly in setting the yearly schedule of games for the Sports Team. Nevertheless, Employee shall have final say and authority as to confirmation of such schedule consistent with the Sports Team budget for such season.
- 9. RELATIONSHIP BETWEEN THE PARTIES AND AMENDMENT. The relationship between Employee and Employer shall be determined solely by the terms and conditions of this Employment Contract as amended in writing by duly authorized representatives of both parties and approved by the Board of Directors of Employer.
- 10. GOVERNING LAW. This Employment Contract shall be governed by and construed under the laws of the Commonwealth of Kentucky, the courts of which shall be the forum for any lawsuits arising from or incident to this Employment Contract.
- 11. SEVERABILITY. If any provision of this Employment Contract shall be determined to be void, invalid, unenforceable or illegal for any reason, it shall be ineffective only to the extent of such invalidation and the validity and enforceability of all the remaining provisions shall not be affected thereby.
- 12. IMPOSSIBILITY. Employer may cancel this Employment Contract at any time upon one year's notice due to a determination by the University Board of Trustees to eliminate the Sports Team program, such cancellation shall be deemed cancellation by University for Just Cause unless the Sports Team is reconstituted in less than five years from the date of such cancellation. In such event, Employee shall receive the lesser of two additional years of compensation or his compensation for the balance of the Term.
- 13. NOTICES. Notices under this Contract shall be sent in writing registered mail or signature receipt courier as follows:

IF TO: <u>Employer</u>

Athletic Director
University of Louisville
Student Activities Center
University of Louisville
Louisville, KY 40292

IF TO: Employee

Richard A. Pitino
Head Basketball Coach
Student Activities Center
University of Louisville
Louisville, Kentucky 40292

WITH COPY TO:

President University of Louisville Grawemeyer Hall University of Louisville Louisville, KY 40292

WITH COPY TO:

Rick Avare 1843 Glen Hill Drive Lexington, KY 40502

14. WAIVER. The failure of either Employee or Employer to insist upon the strict enforcement of any of the terms, conditions or covenants of this Employment Contract or to exercise any right

or remedy consequent upon a breach thereof shall not be construed to be a waiver to affect their respective rights thereafter to enforce each and every provision or right. The waiver of any default and breach of this Employment Contract shall not be held to be a waiver of any other default and breach.

15. HEADINGS; SECTION REFERENCES; CONSTRUCTION. Section headings or captions contained in this Contract are inserted only as a matter of convenience and reference and in no way define, limit, extend or describe the scope of this Contract, or the intent of any provision hereof. All references herein to Sections shall refer to Sections of this Contract unless the context clearly otherwise requires. Unless the context clearly states otherwise, the use of the singular or plural in this Contract shall include the other and the use of any gender shall include all others. The parties have participated jointly in the negotiation and drafting of this Contract. If any ambiguity or question of intent or interpretation arises, no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Contract.

IN WITNESS WHEREOF, the parties hereto have executed this Employment Contract as of the date first written above.

EMPLOYEE:

EMPLOYER:

UNIVERSITY OF LOUISVILLE ATHLETIC ASSOCIATION, INC.

JAMES R. RAMSEY

Chairman, Board of Directors

RECOMMENDED BY:

Thomas M. Jurich Athletic Director