



# UNIVERSITY OF HOUSTON

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January 2, 2019

Dana Holgorsen  
Via email

RE: Memorandum of Understanding

Dear Dana:

It is with great pleasure I offer you the position of Head Coach of the Intercollegiate Football team ("Coaching Position") at the University of Houston ("University"), beginning on January 1, 2019 and ending on December 31, 2023. The Coaching Position reports to me, in my role as Vice President for Intercollegiate Athletics. This binding Memorandum of Understanding, which presents the material terms of our offer, will be expanded and incorporated into a mutually agreed upon employment contract with the University for execution at the earliest possible date. Said employment contract will be for a period of five (5) years at mutually agreed upon terms and conditions.

Your compensation for the Coaching Position will include the following:

- Annual base salary of \$300,000 (paid in equal monthly increments).
- Annual non-salary compensation (paid in equal monthly increments) as follows:
  - 2019: \$3,400,000
  - 2020: \$3,500,000
  - 2021: \$3,700,000
  - 2022: \$3,900,000
  - 2023: \$4,000,000
- The parties will use best efforts to structure the payment of the foregoing compensation in as tax-efficient a manner as possible for you, subject to all applicable laws, rules, and regulations, and consistent with common practices in the industry.
- If the Intercollegiate Football team is invited during the Term to join a Power 5 conference, the parties agree to negotiate in good faith to increase the annual base salary and/or the annual non-salary compensation. In addition, if you remain as head coach of the Football Team at the time of the acceptance of the invitation, coach shall receive an incentive payment of \$1,000,000, payable two years after such acceptance. However, if you are terminated for cause or you terminate for convenience prior to said payment this payment is null and void.
- The following cumulative merit incentives will be awarded if the most recent (previous four-year academic data) multi-year Team Academic Progress Rate (APR)

score is 930 or higher (in accordance with NCAA standard, which may be adjusted by the NCAA) and so long as you are coach of the team during the applicable event:

- at academic years end (after Spring Semester), team overall GPA of 2.5 or above for scholarship student-athletes - \$10,000;
  - at academic years end (after Spring Semester), multi-year team APR of 940 or above - \$10,000;
  - at academic years end (after Spring Semester), team GSR of 60% or above - \$10,000;
  - conference championship game participation - \$10,000;
  - win conference championship game or be designated as overall conference champions or co-champions - \$100,000;
  - non-New Year's Six (as defined below) bowl game participation - \$10,000;
  - win non-New Year's Six bowl game - \$10,000;
  - "New Year's Six" bowl game participation, defined as any of the current College Football Playoff (CFP) bowl rotation of Rose Bowl, Sugar Bowl, Orange Bowl, Cotton Bowl, Peach Bowl, and Fiesta Bowl - \$75,000;
  - win New Year's Six bowl game - \$75,000;
  - CFP semi-final game appearance- \$200,000;
  - CFP championship game appearance - \$250,000;
  - win CFP championship - \$100,000;
  - top 25 final national ranking (at the end of the season (includes both regular and post-season) (USA Today/Coaches and/or AP) - \$20,000; and
  - national coach of the year designation by nationally recognized poll or association - \$20,000.
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- Full standard benefits on the same terms as provided by the University to all head coaching employees, with contributions and benefit amounts based upon base salary as applicable.
  - Use of one (1) University vehicle, including fuel and insurance reimbursement, in accordance with University policy.
  - Reimbursement for reasonable family travel related to your official duties, as mutually agreed upon by the parties. Complimentary tickets for the following University sporting events: football – regular season (12 lower bowl tickets and press level suite); men's basketball – regular season (6 lower bowl tickets); and tickets for post- season events will be provided as mutually agreed upon by the parties.
  - Reimbursement for actual relocation expenses consistent with University policy.

The specific language regarding the foregoing incentives will be negotiated in the mutually agreed upon long form employment contract.

Your employment is subject to the following, which will be provided in further detail in your employment contract:

- You will be expected to fulfill all job responsibilities in a timely, thorough, constructive, cooperative, and positive manner, including responsibility for appraisals, administrative

- processes, and attendance at all meetings (including, but not limited to, a meeting with the Vice President for Intercollegiate Athletics at the conclusion of each season).
- The Vice President for Intercollegiate Athletics is responsible for the team's schedule each season. The Vice President will consult with the Head Football Coach in developing game schedules, and will incorporate the Head Football Coach's reasonable input into each season's schedule.
  - You will be prohibited from receiving any benefits or compensation other than as described above from any other source without the University's prior written agreement.
  - If you terminate the contract without cause, or if the contract is terminated for cause by the University, the University will not be liable for any payments or benefits after the date of termination.
  - A termination for cause provision mutually agreed upon by the parties, which will include, but will not be limited to, strict adherence to all applicable NCAA rules and regulations, conference rules, University policies, as well as state and federal law. It further will include a provision prohibiting conduct as follows: Discredit UH or Bring Public Embarrassment to UH. Engage in any business transactions or commerce, appear on any radio or television program or in any public forum, or make statements to the media or in any public forum that may bring undue criticism or discredit to UH. Commission or participate in any act, situation, or occurrence or any conduct which, in UH's judgment, brings Coach and/or UH into public disrepute, embarrassment, contempt, scandal or ridicule or which constitutes a substantial failure to perform in good faith the duties required of Coach in Section 4.1 herein. Further, any failure by Coach to conform Coach's personal conduct to conventional standards of good citizenship, with such conduct offending prevailing social mores and values and/or reflecting unfavorably upon UH's reputation and overall primary mission and objectives, including but not limited to, acts of dishonesty, misrepresentation, fraud or violence that may or may not rise to a level warranting criminal prosecution by the relevant authorities.
  - You will have the opportunity to operate camps, consistent with University guidelines, at University facilities for rates consistent with all other head coaching camps and retain all net profits.
  - A requirement that you not seek or apply for college, NFL, or any other professional football league coaching positions without providing prior written notice to the University, and consistent with our commitment to you, a provision that you will be required to pay the University a buy-out amount as follows should you accept another coaching position during the term of this contract:
    - On or before December 31, 2019: \$12,900,000
    - On or before December 31, 2020: \$9,100,000
    - On or before December 31, 2021: \$7,100,000
    - On or before December 31, 2022: \$2,500,000
    - On January 1, 2023 or after: \$1,000,000
  - If for some reason the University decides to terminate your position as Head Coach without cause, then the University shall pay you as contracted your base and non-salary remaining compensation in full over said contract term for years 2019, 2020

and 2021 and for years 2022 and 2023 the University shall pay you 60% of your contracted base and non-salary compensation (if you both win a conference championship and participate in a New Year's Six Bowl prior to your termination without cause, then the guarantee for the 2022 and 2023 contract years will be at 100%). It is understood and agreed that these amounts are subject to your duty to reasonably mitigate and the University will be only required to pay the difference between the agreed amounts and any amounts you receive from any new position.

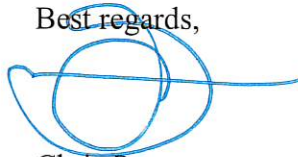
- Should another employment opportunity be presented to you or should you be interested in another coaching position during the term of the contract, you must give prior written notice to the Vice President for Intercollegiate Athletics of such opportunity or interest before you hold any substantial negotiations related to such other position.
- You will provide appropriate support, supervision, and proper treatment of all student-athletes. If you are found by the University to have mistreated a student-athlete, violated NCAA rules and/or regulations, or to have failed to report a violation that you know about or to have failed to prevent or stop a violation that you know about, you will be subject to disciplinary or corrective action pursuant to University guidelines, including suspension without pay, or termination of employment for cause with no further monetary obligations by the University.
- You will be provided an Assistant Coach (10 positions), Football Support Staff and Football Strength Coach Salary budget not to exceed \$4,500,000 (plus standard fringe benefits) annually. This annual allocation is for full-time Assistant Coaches, Football Operations staff, Quality Control, Analytics Personnel, Recruiting Personnel and any other "off the field" personnel as compliant with NCAA rules and deemed necessary to successfully operate the Football program. This annual allocation does not include certified athletic trainers (ATC) assigned to the Program nor does it include the Department Performance Nutritionist.

Among other terms, we will include an assignability clause in the contract and work with your current university to endeavor to have your current employment contract with that school assigned to University. In this regard, we will pay your current university any amounts contractually due related to liquidated damages for termination for convenience by Coach (up to \$1,000,000) to facilitate your exit from your current head coach position.

While these terms of this Memorandum of Understanding are binding, I trust that every reasonable effort will be made to mutually expand and incorporate these terms into an employment contract within sixty (60) calendar days of your employment start date with the University. Notwithstanding the foregoing, this Memorandum of Understanding will serve as the binding contract if a formal employment contract is not signed within the sixty (60) calendar day timeframe. Additionally, this Memorandum of Understanding, as well as the contract, are contingent upon you successfully passing a criminal background check. If the University Human Resources Department determines that you have a criminal history and designates you as not being recommended for employment, this Memorandum of Understanding and the employment contract will become null and void.

It is with great anticipation and enthusiasm that I offer you this Coaching Position at the University of Houston. If you are in agreement with these terms and conditions, please indicate your acceptance by signing below. I have every confidence you will lead our University Football Program with integrity and pride and I look forward to welcoming you and your family as members of the University family.

Best regards,



Chris Pezman  
Vice President for Intercollegiate Athletics  
University of Houston

I accept the above terms and conditions.

  
Dana Holgorsen

1-2-2019

Date

Approved as to form:

  
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