



INTERCOLLEGIATE ATHLETICS
UCF Athletics Association

February 15, 2021

TO: Gus Malzahn

RE: Memorandum of Understanding
Head Football Coach – University of Central Florida

It is with great pleasure that I offer you, subject to background and NCAA major infractions checks, the position of Head Football Coach at the University of Central Florida, effective February 15, 2021 (Effective Date). In your position as Head Football Coach, you will report directly to the Vice President and Director of Athletics (the “AD”). This Memorandum of Understanding, which presents the material terms of our offer, will be expanded and incorporated into a formal employment agreement with the UCF Athletics Association, Inc. (UCFAA) for execution as soon as possible. Your acceptance of this offer will constitute a binding agreement between you and UCFAA. The employment contract will be for a term of five years ending December 31, 2025.

Your compensation as Head Football Coach will be the following:

- Total annual guaranteed compensation of \$2,300,000 as follows:
 - Annual guaranteed base compensation of \$500,000
 - Annual guaranteed supplemental compensation of \$1,800,000 for radio and television shows, speaking engagements and product endorsements.
- Use of one suite in Roth Tower at on-campus stadium, along with a commensurate number of premium parking passes typical for use with such suite
- Up to eight (8) premium-level tickets for all home game contests
- Incentive compensation of up to \$500,000 (cumulative) per year based on criteria which will be formalized in the employment contract, to include:
 - Academic bonuses
 - GPA academic year 3.0 or higher
 - APR single year 980 or higher
 - On-field performance
 - Participation in Conference championship game
 - Winning Conference championship
 - Bowl participation
 - Non-NY6
 - NY6 or CFP semi-final
 - Winning bowl game
 - Non-NY6
 - NY6 or CFP semi-final
 - Win CFP National Championship
 - Undefeated season
 - Top 25 in the final CFP poll
 - Top 15 in the final CFP poll
 - Top 10 in the final CFP poll
 - Conference Coach of the Year
 - National Coach of the Year (AFCA/AP/Bobby Dodd/Paul “Bear” Bryant/Walter Camp (limited to one))

- Full standard benefits on the same terms as provided by UCFAA to all professional employees, with contributions and benefit amount based on the base salary where relevant and subject to the terms, rules, and regulations in effect from time to time regarding such plans.
- Reimbursement of household moving expenses in accordance with UCFAA policy
- Relocation allowance of \$20,000 paid to Coach within 30 days of the Effective Date
- Use of vehicle provided by UCFAA
- Membership at Interlachen Country Club subject to club's application process
- Salary pool for ten full-time assistant coaches: \$3,300,000 annually
- You shall have the authority, subject to the reasonable approval of the AD and to budgetary limitations established by the football program, to hire, manage, discipline, and terminate assistant coaches and other staff-members who report directly to the Head Football Coach.

The following additional terms shall be included in your employment contract:

- You shall be prohibited from receiving benefits or compensation other than as described above from any other source without prior written agreement.
- If you terminate the contract, or if the contract is terminated for cause, UCFAA shall not be liable for any payments or benefits after the date of termination.
- If you are or the football program is found by UCFAA or the NCAA to have committed a major violation of NCAA rules and regulations, whether while employed by UCFAA or during prior employment at another NCAA member institution, you shall be subject to disciplinary or corrective action as set forth in the NCAA enforcement procedure, including termination of employment for cause.
- Provisions for termination for cause, the terms of which are to be negotiated.¹
- A termination without cause provision that will require UCFAA to pay you as follows:
 - If termination occurs between Effective Date and December 31, 2021 - 90% of contract value remaining to be paid in semi-monthly installments through the end of the term, subject to mitigation obligations and offset.
 - If termination occurs on or after January 1, 2022 – 75% of contract value remaining to be paid in semi-monthly installments through the end of the term, subject to mitigation obligations and offset.
- In the event of termination without cause, you agree to use reasonable, good faith, and diligent efforts to find alternative football-related employment following such termination and payments from UCFAA will be offset by the greater of (i) the amount received from new employment, (ii) an annualized average of total compensation for the full term of employment from new employment in the event your annual compensation pursuant to the terms of a multi-year contract increases by more than 20% from year-to-year during the term of the contract, or (iii) a yearly average of compensation from incumbents in equivalent positions.
- A provision that you will agree not to seek *or* apply for (or have an agent seek or apply on your behalf) other collegiate/professional football coaching positions during the term without prior notice to the AD. If you accept another collegiate or professional football coaching position during the term, you (or a third party) are responsible to pay as follows:
 - \$7,000,000 if terminated before December 31, 2021
 - \$5,000,000 if terminated before December 31, 2022
 - \$3,000,000 if terminated before December 31, 2023
 - \$2,000,000 if terminated before December 31, 2024
 - \$500,000 if terminated after December 31, 2024 but before the first regular season football game of the 2025 season.
 - Payment of the above-listed amount will be due within 60 days of the termination date.

While these terms are contingent upon our executing an employment contract, I trust that every reasonable effort will be made to mutually conclude that process within 60 calendar days of your start

¹ Until an employment agreement is signed, the default UCFAA employment termination terms and conditions shall govern and control the parties' rights under this MOU.

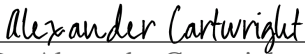
date. However, this Memorandum of Understanding, including incorporated terms, will serve as the contract if a formal contract is not signed within 60 calendar days.

Both parties agree that an electronic signature of a party, whether digital or encrypted, included in this Memorandum of Understanding is intended to authenticate this writing and to have the same force and effect as a manual signature. Delivery of a copy of this Memorandum of Understanding bearing an original or electronic signature by electronic mail in "portable document format" (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original or electronic signature.

It is with great anticipation and enthusiasm that I offer you the position with UCFAA of Head Football Coach at the University of Central Florida. Assuming that you are amenable, please indicate your acceptance by signing below. I have every confidence that you will lead our football program with integrity and pride, and I look forward to welcoming you as a member of the Knights family.

Sincerely,

DocuSigned by:



Dr. Alexander Cartwright
Chair, UCF Athletics Association, Inc.

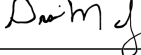
DocuSigned by:



Terry Molina
Vice President and Director of Athletics, University of Central Florida
President, UCF Athletics Association, Inc.

Terms of the Memorandum of Understanding are Accepted:

DocuSigned by:



Date: 2/15/2021

[NAME]