

December 9, 2019

Jeff Traylor
2103 Riverfront Ln
Fayetteville, AR 72703

*RE: Memorandum of Understanding
Material Terms – Head Football Coach at The University of Texas at San Antonio*

Dear Jeff:

It is with great pleasure that I offer you the position of Head Football Coach (“Head Coach”) for The University of Texas at San Antonio (“University” or “UTSA”), effective December 13, 2019. This Memorandum of Understanding (“MOU”), which presents the material terms of our offer, will be incorporated into a formal Head Football Coach Employment Agreement (“Employment Agreement”) for execution and approval by The University of Texas System soon. Your acceptance of the terms of this MOU shall constitute a binding agreement between you and the University.

Below is a summary of the material terms and conditions that would be included in any offer letter or formal employment agreement:

- The Term of your employment shall begin on December 13, 2019, and shall expire on December 31, 2024, unless earlier terminated in accordance with the terms of the Employment Agreement.
- Annual base-salary compensation (“Base Salary”):
 - Year One (from January 1, 2020 to December 31, 2020): \$600,000, plus a prorated amount for the period from December 13, 2019 to December 31, 2019;
 - Year Two (from January 1, 2021 to December 31, 2021): \$630,000;
 - Year Three (from January 1, 2022 to December 31, 2022): \$661,500;
 - Year Four (from January 1, 2023 to December 31, 2023): \$694,575;
 - Year Five (from January 1, 2024 to December 31, 2024): \$729,304.
 - Base Salary shall be paid in equal monthly installments.
- Moving expenses: The University will reimburse Head Coach for reasonable moving expenses to relocate to the San Antonio area, in an amount not to exceed \$30,000.
- Executive Housing: If requested, the University will provide Head Coach with temporary executive housing through February 29, 2020 at a rate consistent with the Travel Reimbursement Rates promulgated by the Texas Comptroller’s Office and available at <https://fm.x.cpa.state.tx.us/fm/travel/travelrates.php> as may be amended from time to time. Notwithstanding the foregoing, such rates shall not exceed a maximum of \$150 per night without prior written approval of the University.

- **Athletic Performance Incentives:** As a bonus, to supplement Head Coach's compensation, as set out herein, the University agrees to pay the following sums upon attainment of each specified goal, provided the University Football Program is in compliance with all NCAA, Conference USA (or any successor association or conference), The University of Texas System, UTSA, and its Athletics Department rules and regulations, and state or federal laws, and there are no pending or active NCAA or Conference USA investigations or major violations of which Head Coach knew or should have known. Head Coach must also complete the football season as Head Football Coach to receive any performance incentives for that season. Payment will be made to Head Coach within sixty (60) days after goal is accomplished.
 - (a) Team achieves six (6) regular season game wins in a season: \$50,000*
 - (b) Team achieves seven (7) regular season game wins in a season: \$100,000*
 - (c) Team achieves eight (8) regular season game wins in a season: \$150,000*
 - (d) Team achieves nine (9) regular season game wins in a season: \$250,000*
 - (e) Team participates in the C-USA Championship Game: \$100,000
 - (f) Team wins the C-USA Championship Game: \$25,000
 - (g) Team participates in a Non-New Year's 6 Bowl Game: \$100,000
 - (h) Team participates in a New Year's 6 Bowl Game: \$200,000
 - (i) Team wins any Bowl Game: \$25,000
 - (j) Team defeats a Power 5 program in the regular season: \$25,000
 - (k) Team wins the College Football Playoff National Championship: \$500,000
 - (l) C-USA Coach of the Year: \$25,000
 - (m) National Coach of the Year: \$100,000
 - (n) Football Ticket Sales (as calculated by University) exceed \$2 million in a season: \$150,000**
 - (o) Football Ticket Sales (as calculated by University) exceed \$2.5 million in a season: \$250,000**
 - (p) Football Ticket Sales (as calculated by University) exceed \$3 million in a season: \$350,000**

Those with * and ** are non-cumulative. In other words, for any particular season, Head Coach may be eligible, at most, for one of (a)-(d) and one of (n)-(p).

- **Sports Camps and Clinics:** Head Coach is permitted to distribute 100% of the net proceeds for each University-approved football camp to himself and the staff employed by or for the particular camp. Such distribution shall be in consultation with the AD.
- **Product Endorsement/Supplemental Compensation:** The University shall pay Head Coach \$200,000 ("Supplemental Compensation") per contract year for participation in agreed upon television, radio, and other media events promoting the University Football Program. Head Coach must complete a contract year as the University Head Football Coach to receive the Supplemental Compensation for such contract year.
- **Other Special Incentives**
 - **Automobile:** The University, at its option, will either (1) obtain a courtesy automobile from a local dealership for Head Coach's use, or (2) pay Head Coach a \$600 monthly car allowance. In either case, Head Coach shall be responsible for all repairs, maintenance and other charges related to the automobile.

- Country Club Membership: A country club membership at a club determined by University. Head Coach shall be responsible for \$35 monthly fees as well as quarterly food and beverage minimums.
- Tickets: Head Coach shall receive twelve (12) season tickets to University home games for all sports. Head Coach, his family or his agent may not sell or barter such tickets. Head Coach shall also receive ten (10) tickets to all away football games, as well as to conference championship and bowl games UTSA participates in.
- Spousal and Family Travel: From time to time, the University may call upon the Head Coach's spouse to travel and/or attend various functions on behalf of the University. Subject to state and federal laws and University Rules, the Head Coach's spouse will be entitled to reimbursement for travel and other reasonable and necessary expenses incurred while engaging in such official activities, provided that such activities are at the direction of and have the prior approval of the University's Vice President for Intercollegiate Athletics.

It is understood by the parties that Head Coach's dependent children may travel to all post season football games UTSA may participate in, including any conference championship game. When engaged in such travel and subject to any limitations or conditions placed by state and federal laws or University rules, Head Coach will be entitled to direct University payment or reimbursement for his dependent children's travel and other reasonable and necessary expenses.

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

- A list of general and specific job duties that you will be expected to fulfill.
- Regular employment benefits on the same terms as provided by the University to similarly-situated administrative and professional non-tenured, at-will employees of the University.
- A prohibition from receiving any benefits or compensation other than as described above from any other source without University's Vice President for Intercollegiate Athletics' prior written agreement.
- A provision that you will agree not to seek or apply for other positions without prior notice to University's Vice President for Intercollegiate Athletics.
- Termination without Cause by University: In the event this MOU or the Employment Agreement is terminated without cause all obligations of the University pursuant to this MOU or the Employment Agreement shall cease. The University will pay Head Coach, in lieu of any and all other legal remedies or equitable relief, liquidated damages in an amount equal to the remaining Base Salary. Such damages shall be paid on a monthly basis through Dec. 31, 2024. Head Coach shall have a duty to mitigate by seeking alternative employment at market value, and University shall have a right to offset against the liquidated damages amount any post-termination football-related income that Head Coach receives from subsequent employment through the end of the Term.
- Termination for Cause by University: A suspension and termination for cause section, which will include the standard University of Texas at San Antonio employment law provisions. This includes, but is not limited to, language that if UTSA terminates the employment of Head Coach for cause, UTSA shall have no obligation to Head Coach to pay any further amounts beyond the end of the month in which Head Coach is terminated.

- Termination without Cause by Coach:
- In the event this MOU or the Employment Agreement is terminated by you, you shall pay to the University a percentage of all the Base Salary collectively remaining under the MOU or Employment Agreement at the time of termination, as liquidated damages and not as a penalty. The percentages are 75% if the termination occurs in the first three years, 50% if it occurs in year four and 25% if it occurs in year five.
- Provision(s) addressing your obligation to know, recognize, and comply with the governing athletics rules, policies, or legislation of the NCAA, Conference USA (or any successor association or conference), The University of Texas System, UTSA, and its Athletics Department, and state or federal laws. Without limiting the foregoing, you acknowledge that you understand the expectations set forth by the Tracy Rule, and agree to abide by them. You further represent that you have not been involved with any episode that would be proscribed by the Tracy Rule, and have not otherwise committed any sexual assault or other misconduct.
- If you, or members of your staff, are found, after a full hearing by the NCAA Committee on Infractions and Appeals (if an appeal is made), to have committed a major violation of NCAA rules and regulations, whether while employed by the University or during prior employment at another NCAA member institution, you shall be subject to disciplinary or corrective action as determined by University.
- Background Check: Head Coach shall be required to submit to a criminal and other background check in accordance with all UTSA guidelines. If UTSA determines that a positive criminal history or other background check result makes Coach unsuitable for employment at UTSA, this MOU or the Employment Agreement shall be null and void.
- Board of Regents Approval: Notwithstanding anything herein to the contrary, this Binding MOU and the subsequent superseding Employment Agreement shall be subject to, and shall not be effective unless and until, Board of Regent Approval as per the UT System's policies.
- Confidentiality: To the extent permitted by law and applicable regulations, each party agrees to keep all terms and conditions of the MOU or Employment Agreement strictly confidential and to refrain from disclosing their terms and conditions (excluding terms of compensation) to anyone without prior written consent of the other party other than their authorized agents who have a need to know to carry out their authorized and appropriate business activities unless disclosure is required by law or contract.

The parties acknowledge that while this MOU is sports-related, the primary mission of the University is education and the primary purpose of all the University's legal arrangements, including this MOU, is the furtherance of the University's educational mission. These terms are in force, pending execution of an Employment Agreement. By signing below, Employee agrees to the material terms outlined in this document and agrees that these terms will be incorporated into the Employment Agreement, which the parties shall promptly negotiate in good faith and execute within sixty (60) calendar days of the effective date first set forth above. However, this MOU will remain in effect as the contract if an Employment Agreement is not signed within such sixty (60) calendar days.

It is with great enthusiasm that we offer you the position of Head Football Coach at UTSA. If you are amenable, please indicate your acceptance by signing below. We have every confidence that you will lead our football program with integrity and pride, and we look forward to welcoming you and your family as members of the Roadrunner Family.

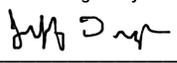
Best regards,

DocuSigned by:

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Taylor Eighmy, Ph.D.
President
The University of Texas San Antonio

I have read, understand, and accept all the terms and conditions of this MOU as described above.

DocuSigned by:

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Candidate

12/8/2019

Date