

**RESTATED HEAD FOOTBALL COACH EMPLOYMENT AGREEMENT AND
AGREEMENT FOR SERVICES AND INTELLECTUAL PROPERTY**

THIS EMPLOYMENT AGREEMENT and AGREEMENT FOR SERVICES AND INTELLECTUAL PROPERTY (this “Agreement”) is by and among The University of Texas at Austin (the “University”), Thomas J. Herman (“Coach”), and 1-0 Culture LLC, a Texas limited liability company (“LLC”) (collectively, the “Parties”). This Agreement terminates and replaces the December 21, 2016, Assignment and Assumption of Employment Agreement between the University and Coach relating to the employment of Coach by the University (ATTACHMENT A). This Agreement is referred to in section 8 of such Assignment and Assumption Agreement as the “New Agreement” that Coach agrees to enter into and execute with the University.

For and in consideration of the mutual promises and covenants set forth herein, the Parties agree as follows:

1. PURPOSE

The Parties have entered into this Agreement because the University desires to employ Coach as the Head Football Coach for the period provided and to utilize certain services, publicity rights, and intellectual property provided by LLC for the benefit of University. Coach further desires to serve the entire term of this Agreement, a long-term commitment by the Parties being critical to Coach’s decision to enter into this Agreement and the University’s desire to run a stable intercollegiate Football Program (the “Program”). The Parties agree that, although this Agreement is athletics-related, the primary purpose of the University and, accordingly, of all its legal arrangements, including this Agreement, is educational. Coach recognizes the importance of the maintenance and observance of the principles of institutional control over the Program. Coach agrees to recognize and respect the organizational structure of the University in the execution of his duties under this Agreement.

2. DEFINITIONS

As used in this Agreement (including within these paragraphs) the following terms shall have these meanings:

“NCAA” shall mean the National Collegiate Athletic Association.

“Big 12” shall mean the Big 12 Conference.

“Governing Athletics Rules” shall mean any and all present or future legislation, rules, regulations, directives, written policies, bylaws and constitutions, and official or authoritative interpretations thereof, and any and all amendments, supplements, or modifications thereto, promulgated hereafter by the NCAA or the Big 12, or by the University or the Men’s Athletics Director in the conduct and administration of Intercollegiate Athletics for Men.

“University Rules” shall mean the *Rules and Regulations* of the Board of Regents of The University of Texas System, the rules and policies of The University of Texas System, the rules and policies of The University of Texas at Austin, and the rules and policies of the University’s Athletics department.

3. TERM OF EMPLOYMENT

The term of this Agreement shall begin on December 22, 2016, and shall terminate on December 31, 2021 (the “Term”), subject to the provisions below for termination. To extend or renew the Term of this Agreement, the Parties must sign a written agreement to do so. Coach, LLC, and University agree that oral agreements to renew or extend this Agreement are invalid and non-binding. This Agreement in no way grants to Coach a claim to tenure in employment, nor shall Coach’s service pursuant to this Agreement count in any way toward tenure at the University.

4. COACH’S DUTIES AND RESPONSIBILITIES

A. Recognition of Duties. Subject to the other provisions of this Agreement and the Professional Services and License Agreement between University and LLC, Coach shall devote his full time, skill, and attention to the performance of his duties as the Head Football Coach at the University. He will report directly to and act and perform to the reasonable satisfaction of the Men’s Athletics Director, who will determine Coach’s duties and responsibilities.

B. General Duties and Responsibilities. In his position as Head Football Coach at the University, Coach is responsible for the duties normally associated with a Division I football program including: prospect evaluation, recruiting, training, coaching, competing successfully, student-athlete academic achievement, student-athlete conduct and welfare, compliance with the Governing Athletics Rules and University Rules, personnel supervision and evaluation, budgetary control, scheduling assistance, promotions, public relations, development activities, and the overall effective performance of the Program’s student-athletes and coaching staff. Coach is responsible for conducting his duties and managing the Program within the annual budgets established for the Program by the Men’s Athletics Director and the University.

C. Specific Duties and Responsibilities. In addition to the general duties and responsibilities set out above, the duties and responsibilities assigned to Coach in connection with the Program are set forth below. Coach’s job duties and responsibilities may be reviewed and revised from time to time by the Men’s Athletics Director, provided such duties are reasonable and consistent with duties typical of an intercollegiate head football coach who coaches at an NCAA Division I program. The list of specific duties and responsibilities supplements, and is not exclusive of, other general duties and responsibilities provided for elsewhere in this Agreement. The specific responsibilities of the position include, but are not limited to, the following:

- (1) Coach will be responsible for customary coaching decisions including, without limitation, the systems and strategies used on the field (both in practice and actual game play), conduct of practice and training, selection of team members, position

assignment of players, and all other matters relating to the preparation, practice for, and playing of games.

(2) Coach will comply with the academic policies established by the University, the Big 12, and the NCAA. Coach shall maintain an environment in which the pursuit of higher education is a priority as reflected by class attendance, the NCAA academic progress rates (APR), and the NCAA and federal graduation rates.

(3) Coach will ensure that he and his staff and assistant coaches recruit student-athletes who are likely to meet the University and NCAA's academic requirements.

(4) Coach will work to integrate the student-athletes and team into the whole spectrum of academic life so as to complement the University and its mission.

(5) Coach will oversee all aspects of prospective student-athlete recruiting, including recruiting contacts, evaluations, official and unofficial visits, telephone calls and other communications, and any travel-related activities of prospective student-athletes and the Program's coaching staff.

(6) Coach agrees to cooperate in the scheduling of games for the Program and agrees that the authority for and final decisions on such scheduling are with the Men's Athletics Director, in consideration of the overall needs of University Athletics.

(7) Coach shall maintain and enforce conduct (both on and off the field), and disciplinary rules and sanctions, fairly and uniformly for all student-athletes in the Program so as to ensure academic and moral integrity while encouraging excellence.

(8) Coach shall adhere to the University's Athletics department policies and procedures.

(9) Coach has authority and responsibility to make decisions as to the hiring, continued employment, job titles, compensation, and discharge of assistant coaches and all other personnel employed exclusively for the Program. All such decisions will be subject to the prior approval of the Men's Athletics Director and in accordance with University policies and procedures.

(10) Coach agrees to conduct annual performance evaluations for all assistant coaches and other employees who report to Coach to ensure that such assistant coaches and other employees meet performance expectations and comply at all times with all Governing Athletics Rules and University Rules.

(11) The employees referred to directly above in (9) and (10) will report directly to and be supervised by Coach.

(12) LLC shall cause Coach to cooperate fully with the University in promoting the Program, the Longhorn Foundation, all other fundraising, outreach, and related activities of the University as directed by the Men's Athletics Director. This includes, but is not limited to: (a) attendance and participation at meetings, events, and media outlets of the University, the Longhorn Network, and other University-affiliated organizations; (b) endorsement of products and performance of promotional services; and (c) personal appearances, in each case as directed by the Men's Athletics Director, all of which shall be subject to the terms and conditions set forth in the Professional Services and License Agreement between University and LLC.

(13) For the period that Coach is the Head Football Coach at the University, LLC will cause Coach to assist in the production of and to appear on any radio or television show that features the Program, including, but not limited to, any weekly radio and television shows, as directed by the Men's Athletics Director, subject to the terms and conditions set forth in the Professional Services and License Agreement between University and LLC.

(14) Coach will work with the University and use reasonable best efforts to raise funds to help fund the Program. During the Term of this Agreement, LLC shall allow Coach's name, likeness, and biographical sketch to be used by the University for fundraising and for any other reasonable purpose that supports the Program or the University, subject to the terms and conditions set forth in the Professional Services and License Agreement between University and LLC.

(15) Coach will be required to perform such services in connection with University sports camps and clinics as may be assigned by the Men's Athletics Director. Coach may not participate in sports camps or clinics that are not approved by the Men's Athletics Director. Coach understands that assistant coaches on his staff also will be required to perform services in connection with University sports camps and clinics and that they also may not participate in sports camps and clinics that are not approved by the Men's Athletics Director.

(16) Coach recognizes that his statements about the University and its administrators are often publicized and he agrees to use his best efforts to keep positive and constructive in tone any public comments he makes about University policies or actions taken by senior administrators.

(17) The University enters into agreements with various manufacturers and distributors to provide athletic equipment, supplies, and accessories ("Products") for the University's Intercollegiate Athletics departments and programs. In accordance with the terms of such agreements, and subject to the terms and conditions set forth in the Professional Services and License Agreement between University and LLC, LLC will cause Coach to participate in promotional activities and will sublicense exclusively the use of Coach's name, image, and likeness for commercial exploitation by University to endorse those Products that are provided for use in the Program. Coach, the assistant coaches, student-athletes, and other personnel of the Program will be required to use the

Products in practice, games, and at public appearances in accordance with the terms of any such agreements.

(18) Coach will be a Campus Security Authority (“CSA”) as defined by the Clery Act. As a CSA, Coach will comply with University policies on the reporting of crime statistics and related information to the official designated by the University for the purposes of Clery Act reporting.

(19) In compliance with Title IX of the Education Amendments of 1972, Coach will be a Responsible Employee as defined by University policies on Sexual Harassment and Sexual Misconduct. As a Responsible Employee, Coach will report incidents of sexual misconduct (including sexual harassment and sexual violence) and other inappropriate sexual conduct to the University’s Title IX Coordinator or other appropriate designee as required by University policy.

(20) Coach shall also perform such other duties and responsibilities that are consistent with his position as may be assigned from time-to-time by the Men’s Athletics Director.

D. NCAA and Other Governing Athletics Rules and University Rules.

(1) Coach agrees to know, recognize, and comply in all respects with NCAA and other Governing Athletics Rules and University Rules. In the performance of all his duties and obligations under this Agreement, Coach will abide by and comply with all Governing Athletics Rules and University Rules and all decisions issued by the University. Violations of any Governing Athletics Rules or University Rules by Coach will be sufficient cause for disciplinary action.

(2) It shall be the responsibility of Coach to promote an atmosphere of compliance within the Program and to monitor the activities regarding compliance of all student-athletes, assistant coaches, and other administrators and staff involved with the Program who report directly or indirectly to Coach. In this regard, Coach shall take special notice of NCAA Bylaw 11.1.1.1, Head Coach Control (and any amendments made to that Bylaw during the Term of this Agreement). If, at any time during the Term of this Agreement, Coach knows, or has reasonable cause to believe that he or any student-athlete or coach of any University Athletics program, any student, faculty member, other employee, or agent of the University, or any outside individual has violated, or allowed or caused to be violated, any Governing Athletics Rules or University Rules, or if Coach receives notice or information that the NCAA or the Big 12 intends to investigate or to review any alleged violations of Governing Athletics Rules or University Rules, or if Coach receives notice or information that any law is alleged to have been violated by any student-athlete, coach, or staff of any University Athletics program, including himself, he must immediately report such information, knowledge or belief to the Men’s Athletics Director, and to the Athletics compliance staff as appropriate. If such information, knowledge, or belief includes allegations that the Men’s

Athletics Director was complicit in the alleged violation, Coach must immediately report such information, knowledge, or belief to the University President.

(3) If Coach is found to be in violation of Governing Athletics Rules, whether while employed by the University or during prior employment at another NCAA member institution, Coach shall be subject to disciplinary or corrective action as set forth in the provisions of the NCAA enforcement procedures, including suspension without pay, or the employment of Coach may be terminated as provided in Section 7.A of this Agreement.

5. OTHER EMPLOYMENT

During the Term of this Agreement and except as otherwise permitted by the Professional Services and License Agreement between University and LLC, Coach shall either: (a) not engage in any other employment, act in a consulting or independent contractor capacity to any person, partnership, association, or corporation, or receive any athletically-related income or benefit from sources outside the University; or (b) be permitted to engage in outside employment only after receiving the prior written approval of the Men's Athletics Director and the President of the University in accordance with University policies on outside employment and commitment, which approval shall not be unreasonably withheld, and shall in all respects comply with University policy. Approval shall be required annually. Each request for approval must be in writing and shall specify the source and anticipated amount of the income or benefit to be received. Except when Coach or LLC is required by the University to endorse, promote, appear in advertisements of, or consult with regard to athletics equipment or accessories for the purpose of complying with contractual obligations of the University, the name, marks, or logos of the University may not be used and Coach may not be identified as the Head Football Coach at the University (1) for purposes related to any employment, consulting, or athletically-related activities of Coach, other than for the University, or (2) in connection with Coach's endorsement, support, promotion, or advertisement of any person, partnership, corporation, association, product, or service. Coach and LLC also shall comply with all University required reporting and/or approval of any other outside commitments and potential conflicts of interest.

The Parties agree that, should another coaching opportunity be presented to Coach or his representatives during the Term of this Agreement, or if Coach and/or his representatives pursue or discuss another coaching opportunity with any parties other than the University, Coach or his representatives must immediately notify the Men's Athletics Director of such opportunity or interest and permission must be given to Coach by the Men's Athletics Director before any discussions can be held by Coach or his representative with the anticipated coaching position principals. Such permission shall not be withheld unreasonably.

6. COMPENSATION AND BENEFITS

A. Base Salary.

(1) Effective December 22, 2016, the annual gross Base Salary rate for duties performed by Coach under this Agreement shall be \$3,500,000, payable in 12 monthly

installments (or as modified by start and/or ending dates within a month). The Base Salary will be reviewed at least annually and may be adjusted as required by the legislature or as deemed appropriate by the University.

(2) Coach shall be paid by University a one-time relocation expense in the amount of \$236,316. This relocation expense will be paid within thirty (30) days of the approval of this Agreement.

(3) Coach also will receive all other regular employment benefits provided by the University to similarly-situated administrative and professional non-tenured, at-will employees of the University, and such benefits may be modified or terminated. Coach acknowledges and agrees that such regular employment benefits may be modified from time to time as provided for by legislative action of the State of Texas.

B. Fringe Benefits. For the period that Coach serves as the University's Head Football Coach, he also will be entitled to the compensation and benefits found in this Section 6.B. Each of these benefits is subject to the University Rules and Governing Athletics Rules.

(1) Automobile. For the period that Coach is Head Football Coach, the University will obtain two (2) courtesy automobiles from a local dealership for Coach's use in accordance with University Rules. Coach may elect annually to receive a payment of \$7,500 gross per automobile in lieu of use of one or both automobiles, subject to the prior approval of the Men's Athletics Director. Coach will comply with all University Rules and Governing Athletics Rules relating to the use of the automobiles or the automobile allowance. Coach will report the business and personal use of the automobile(s) according to fiscal procedures of the University. The personal use of such automobiles will be valued according to the guidelines of the Internal Revenue Service and reported as income to Coach.

(2) Club Membership. For the period that Coach is Head Football Coach, the University will provide memberships in The University of Texas Club, the UT Golf Club, and the Headliners Club. The University will pay all monthly dues and either pay directly or reimburse Coach for official business use.

(3) Spousal and Dependent Children Travel. It is understood by the Parties that while Coach is serving as the Head Football Coach, his spouse may be called upon from time to time to travel and/or attend various functions, including all away or neutral site football games and post season football games, on behalf of the University. When engaged in such activities and subject to any limitations or conditions placed by state and federal laws or University Rules, Coach's spouse will be entitled to direct University payment or reimbursement for travel and other reasonable and necessary expenses incurred while engaging in such official activities.

It is understood by the Parties that while Coach is serving as the Head Football Coach, his dependent children may travel to all post season football games, 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, Coach will be entitled to direct University payment or reimbursement for his dependent children's travel and other reasonable and necessary expenses.

(4) Suite and Tickets. For the period that Coach is Head Football Coach, the University will provide the following tickets upon Coach's request for use in accordance with University Rules:

- (a) One suite for use at all home football games;
- (b) Six (6) season tickets to all other men's sports; and
- (c) Six (6) season tickets to all women's sports.

(5) Use of Airplane. For the period that Coach is Head Football Coach, the University will provide to Coach, for use at his sole discretion, twenty (20) hours per year of flight time that has been donated to the University. Such flight use shall be documented and accounted for as compensation in accordance with University and Athletics department policies and procedures. Should an appropriate donor plane not be available for a time period that Coach needs personal flight time, University may use gift funds to purchase jet flight hours for use by Coach.

C. Performance Incentives. The University agrees to pay the following sums to supplement Coach's compensation, as set out herein, upon attainment of each specified goal, provided the Program is in compliance with all Governing Athletics Rules and University Rules, and there are no pending or active NCAA, Big 12, or University investigations of major (Level I or Level II) violations of which Coach knew or should have known. Coach must be employed by University on the date of any game or event that earns the performance incentive and must have participated as head coach in such game or activity. Payment will be made to Coach within 30 days after the pertinent goal is accomplished.

(a) Big 12 (or Conference) Champion: \$100,000 in any contract year in which the team is the Big 12 (or Conference) Champion.

(b) Bowl Games:

(i) \$25,000 in the post season of any contract year in which the team participates in a Bowl Game other than the six (6) Major Bowls (see Section 6.C.(b)(ii) below); and an additional \$50,000 in the post season of any contract year in which the team wins such Bowl Game; or

(ii) \$50,000 in the post season of any contract year in which the team participates in one of six (6) Major Bowls (Rose, Orange, Cotton, Sugar, Peach, and Fiesta); and an additional \$50,000 in the post season of any contract year in which the team wins such Major Bowl; or

(iii) \$100,000 in the post season of any contract year in which the team appears in the College Football Playoffs; and an additional \$125,000 in the post season of any contract year in which the team appears in the College Football Playoff Final Game.

(c) College Football Champion/Ranking:

(i) \$250,000 in the post season of any contract year in which the team is the College Football Playoff Champion; or

(ii) \$180,000 in the post season of any contract year in which the team achieves a College Football Playoff Final Ranking of 2-5; or

(iii) \$120,000 in the post season of any contract year in which the team achieves a College Football Playoff Final Ranking of 6-10.

(d) Coaching Recognition:

(i) \$100,000 in any contract year/season for which Coach is named a National Coach of the Year for one (or more) of the following: Eddie Robinson Coach of the Year Award, George Monger Coach of the Year Award, Bear Bryant Coach of the Year, Home Depot Coach of the Year, Associated Press Coach of the Year, Walter Camp Football Foundation Coach of the Year; and Gene Stallings Coach of the Year. Only one \$100,000 incentive payment per year/season will be made even if Coach is recognized with more than one of these national coaching awards in such year/season; and,

(ii) \$50,000 in any contract year/season for which Coach is named Big 12 Coach of the Year.

D. One-Time Special Payment. The University agrees to pay Coach a one-time special payment of \$1,000,000 gross in the event, and only in the event, Coach is the Head Football Coach for the University on December 25, 2019 and Coach has not been given notice prior to such date that he has been relieved of his coaching duties under this Agreement. In such event, the one-time special payment will be payable on January 3, 2020.

E. Deductions from Compensation. Payments to Coach by the University pursuant to the terms of Section 6(A) – (D) of this Agreement shall be subject to all deductions required by state and federal law or regulation. The University will make such other deductions permitted by law and authorized in writing by Coach.

F. Corporate Payments. University agrees to pay LLC a corporate payment (each, a “Corporate Payment” and, collectively, the “Corporate Payments”) of \$1,750,000 annually during the Term, on a quarterly basis beginning on January 1, 2017 (or the later execution of this Agreement) and increasing by \$250,000 annually thereafter on each January 1 during the period that Coach serves as Head Football Coach, to sublicense exclusively and exploit certain

intellectual property belonging to or licensed to LLC and to provide the services of Coach for efforts expended in personal appearances, interviews, and overall relationships with international, national, local, and social media including television, radio, newspapers, and social media avenues in a manner that reflects positively on the Program and the University. For sake of clarity, the Corporate Payments due to LLC on each year, to be paid on a quarterly basis, beginning each January 1 during the Term shall be as follows: (i) January 1, 2017: \$1,750,000; (ii) January 1, 2018: \$2,000,000; (iii) January 1, 2019: \$2,250,000; (iv) January 1, 2020: \$2,500,000; and, (v) January 1, 2021: \$2,750,000. The Corporate Payment(s) shall be paid by University to LLC without any federal, state, or local wage withholdings or tax deductions being made by University.

G. Tax Indemnity Agreement. LLC shall be responsible for any and all income, sales, employment, or other taxes, if any, with respect to Corporate Payments made to LLC pursuant to Section 6.F of this Agreement, and LLC and Coach specifically agree to indemnify and hold harmless the University from and with respect to any and all claims for taxes, penalties, and interest that arise out of or in any way relate to a recharacterization of, or other adverse determination, by the Internal Revenue Service or other taxing authority with respect to, the treatment of the Corporate Payments made to LLC.

7. **SUSPENSION AND TERMINATION**

A. Suspension or Termination by the University for Cause. The University shall have the right and option to either suspend Coach for a period of time with or without pay or to terminate Coach's employment and this Agreement for cause prior to the expiration of the Term as stated in Section 3 above. In the event this Agreement is terminated for cause, all obligations of the University to make further payment or provide any other consideration hereunder shall cease as of the date of termination. In no case shall the University be liable to Coach for the loss of any collateral business opportunities, or any benefits, perquisites, income, or consequential damages suffered by Coach as a result of the University's termination of his employment. The term "cause" includes:

(1) Failure or refusal by Coach to perform any of the obligations, duties, or responsibilities outlined in Section 4 or any refusal or unwillingness to perform any of such obligations, duties, or responsibilities in good faith and to the best of Coach's abilities; provided, however, athletic success (wins and losses) in and of itself shall never constitute "cause" as the term is used in this Agreement; or

(2) A serious or major violation or a pattern of violations, whether intentional or negligent, by Coach of any Governing Athletics Rules or University Rules, which violation(s) may, in the sole judgment and discretion of the University President and the Men's Athletics Director, reflect adversely in a material way upon the University or the Program; or

(3) A serious or major violation or a pattern of violations of any Governing Athletics Rules or University Rules, whether intentional or negligent, or the allowing or condoning, whether directly or by negligent supervision, of any such violation or pattern

of violations, by any coaching staff or other person under Coach's supervision and direction, including student-athletes in the Program, which violation was known (or reasonably should have been known) by Coach in the course of his normal duties, and which may, in the sole judgment and discretion of the University President and the Men's Athletics Director, reflect adversely in a material way upon the University, its Athletics programs, or The University of Texas System, including, without limitation, any violation which may result in the University being investigated or penalized by the NCAA or the Big 12; or

(4) Failure by Coach to report promptly to the Men's Athletics Director, any alleged violations of the Governing Athletics Rules or University Rules by Coach or by members of Coach's coaching staff, student-athletes, or other persons under Coach's direct control or authority that become known to Coach; or

(5) Failure or refusal to provide information or documents in response to any reasonable requests or inquiries by the NCAA, the Big 12, the University, or any other governing body concerning or related to the supervision of the Program, or directing or otherwise instructing any coach, student-athlete, or any other individual to fail or to refuse to provide such information or documents; or

(6) Any fraud or dishonesty by Coach while performing the duties required by this Agreement, including, but not limited to, falsifying, altering, or otherwise fraudulently preparing any document(s) or record(s) of, or required by The University of Texas System, the University, the NCAA, or the Big 12 pertaining to the Program, including recruits or student-athletes, transcripts, eligibility forms, compliance reports, expense reports, or any other pertinent document; or

(7) Any conduct, including acts or omissions, that misleads in a material way the University or the Men's Athletics Director about any matters related to the Program, including matters related to the Coach, any assistant coaches, other staff members, or any student-athletes; or

(8) Any prolonged absence from the performance of Coach's obligations, duties, and responsibilities under this Agreement without prior consent of the Men's Athletics Director; or

(9) Engaging in, assisting, encouraging, or soliciting others to engage in bookmaking, illegal gambling, or betting of any type involving any intercollegiate or professional athletics contest; or

(10) Possession, use, sale, or manufacture of any narcotics, drugs, or other controlled substances, steroids, or other chemicals in a manner that is prohibited by the University Rules or Governing Athletics Rules, or allowing, encouraging, or condoning the possession, use, sale, or manufacture of any narcotics, drugs, alcohol, controlled substances, steroids, or other chemicals by any student-athlete in a manner that is prohibited by the University Rules or Governing Athletics Rules, or failure or refusal to

fully participate and cooperate in the University's implementation and enforcement of any narcotic, drug, alcohol, controlled substance, steroid, or other chemical educational and/or testing program(s); or

(11) Engaging in conduct that violates any Governing Athletics Rules or University Rules concerning (a) prohibition of consensual relationships between employees and students or (b) sexual harassment; or

(12) Any conduct (a) that the University administration reasonably determines is unbecoming to a head coach, or that reasonably brings into question the integrity of Coach in a material way, or that would render Coach unfit to serve in the position of Head Football Coach; or (b) resulting in a criminal charge being brought against Coach involving a felony, or any crime involving theft, dishonesty, or moral turpitude; or

(13) Team APR, NCAA Graduate Success Rate, or other academic measure causes the Program to be ineligible for a post-season game and Coach has repeatedly exhibited, in the reasonable and good faith opinion of the Men's Athletics Director, grossly negligent failure to create and support an atmosphere of academic success and accountability.

The University shall have no obligation to use progressive discipline regarding Coach's misconduct. If the University is considering terminating this Agreement for cause under this Section 7, it shall give Coach an opportunity to explain the circumstances from his point of view before a final decision to terminate, unless the circumstances are so heinous that, in the University's judgment, it would be impossible for Coach to justify his actions. If the University decides to terminate this Agreement for cause under this Section 7, it shall give written notice to Coach of its intention to so terminate this Agreement. Any University decision to utilize progressive discipline shall not create any future obligation for the University to use progressive discipline.

B. Termination by the University without Cause. The University shall have the right to terminate Coach's employment and this Agreement (and the related Professional Services and License Agreement) without any reason and without cause prior to the expiration of the Term as stated in Section 3 above. In the event this Agreement is terminated without cause: (1) all obligations of the University to Coach pursuant to this Agreement shall cease as of the date of any such termination, (2) Coach shall be eligible for any post-termination benefits applicable to regular employees of the University (i.e. COBRA insurance eligibility, etc.), and (3) the University will pay to Coach, in lieu of any and all other legal remedies or equitable relief available to Coach or LLC, liquidated damages equal to \$5,000,000 for each remaining contract year (pro-rated for partial month/months) of the unexpired Term of this Agreement as stated in Section 3 above. Such liquidated damages shall be paid in monthly installments beginning on the date of termination through December 31, 2021, the term over which any such liquidated damages will be paid shall be referred to as the "Payout Period."

Coach acknowledges that he will minimize the payments due to him under this Section 7.B and agrees to make reasonable efforts to obtain other employment as long as the University

has the obligation to make such payments. If Coach obtains new football-related employment during the Payout Period, the University shall offset against the liquidated damages paid to Coach the amount of any post-termination football-related income that Coach receives, earns, or is owed for such employment through the Payout Period. Coach shall immediately, but no later than twenty (20) days, upon/after acceptance of other employment, notify the Men's Athletics Director in writing of such employment and the total compensation to be paid to Coach for the employment. In addition, Coach agrees to either provide the University with, or allow the University to audit, a copy of his W-2 form(s), relevant 1099's, and other tax documents related to earnings for each calendar year corresponding to the years, if any, that the University has the obligation to make payments under Section 7.B.

If the University ends this Agreement without cause prior to the expiration of the Term as stated in Section 3 above, in accordance with the provisions of this Section 7.B hereof, the University in no case shall be liable for Coach's or LLC's loss of any collateral business opportunities or any other benefits, perquisites, or income resulting from activities such as, but not limited to, camps, clinics, media appearances, personal appearances, radio, television, internet, marketing and promotional services, apparel or shoe agreements, equipment agreements, consulting relationships, or from any other sources that may result from the University's termination of this Agreement without cause.

For purposes of this Section 7.B, (1) "employment" shall mean working as an employee of another employer, as a consultant, as a self-employed person, or as an independent contractor; (2) "football-related" shall mean performing services as a coach, an athletics administrator, an officer or staff member in an organization that may regulate or oversee football competition (such as the National Football League, the NCAA, or an athletics conference), or performing services as a broadcaster or otherwise involved in the production of football-related events; (3) "amounts earned by Coach in the new employment" shall mean any and all compensation received, earned, or due through Coach's employment during the Payout Period, including, base salary, consulting fees, bonuses, deferred compensation, and any other compensation received by Coach during the Payout Period. Coach shall use his good faith best efforts not to structure and or defer any compensation due for services performed during the Payout Period to a time beyond the Payout Period.

C. Termination of Employment by Coach. The Parties agree that Coach has special, exceptional, and unique knowledge, skill, and ability as a football coach which, in addition to the continuing acquisition of coaching experience at the University as well as the University's special need for continuity in its Program, render Coach's services unique. Coach further recognizes that his promise to work for the University for the entire Term of this Agreement is an essential consideration in the University's decision to employ him as Head Coach of the Program. Coach also recognizes that the University is making a highly valuable investment in his continued employment by entering into this Agreement and its investment would be lost or diminished were he to resign or otherwise terminate his employment as Head Football Coach with the University prior to the expiration of this Agreement. Accordingly, Coach agrees that in the event he resigns or otherwise terminates his employment under this Agreement, he shall pay to the University as liquidated damages, and not as a penalty, the following:

The combined sum of (a) \$3,000,000 for each remaining contract year (pro-rated for partial month/months) of the unexpired Term of this Agreement, *plus* (b) the dollar amount equal to the total compensation the University will be obligated to pay any football assistant coaches, on Coach's staff at the time that he terminates this Agreement and not retained on the new head coach's football staff, who remain employed by the University sixty (60) days after Coach terminates this Agreement.

Payment of said liquidated damages will be in a single lump sum amount with payment to be made within seventy-five (75) days of Coach ceasing to be the University's Head Football Coach. If Coach terminates his employment under this Agreement prior to its expiration in accordance with this Section 7.C, his compensation and benefits, to the extent not already vested, shall cease upon the date that Coach terminates.

D. Waiver of Claims. The financial consequences of termination of this Agreement or suspension hereunder are exclusively set forth herein. Therefore, with the sole exception of payments required by this Agreement, in any instance of termination for cause or without cause, or suspension effected in accordance with the procedures established in this Agreement, neither Coach nor the University shall be entitled to receive, and each hereby waives any claim against the other, and their respective officers, directors, agents, employees, successors, and personal representatives for consequential damages by reason of any alleged economic loss, including, without limitation, loss of collateral income, deferred income, loss of earning capacity, loss of business opportunity, loss of perquisites, loss of fees from speeches, camps or other outside activity, or exception income, or damages allegedly sustained by reason of alleged humiliation or defamation resulting from the fact of termination, the public announcement thereof, or the release by the University or Coach of information or documents required by law. Coach acknowledges that in the event of termination of this Agreement, Coach shall have no right to occupy the position of Head Football Coach and that his sole remedies are provided herein and shall not extend to injunctive relief. University likewise acknowledges that in the event of termination of this Agreement by Coach, University's sole remedies are provided herein and shall not extend to injunctive relief.

E. Termination for Disability/Death. If Coach dies or becomes permanently disabled to the extent that, in the judgment of the Men's Athletics Director, Coach cannot satisfactorily perform the duties of Head Football Coach, this Agreement shall terminate on such date for the reason of death or permanent disability and all obligations of the University to compensate Coach pursuant to this Agreement shall cease as of the date of such death or permanent disability, except that the University shall be obligated to compensate Coach or Coach's estate in accordance with this Agreement only for services performed prior to the date terminated for reasons of permanent disability or death. Coach or Coach's estate shall be entitled to those benefits, if any, that are payable under any University sponsored group employee insurance or benefit plan in which Coach is or was enrolled on the date this Agreement terminated for reasons of permanent disability or death.

8. MISCELLANEOUS

A. Merger and Amendment. Except as otherwise provided in the Professional Services and License Agreement between the University and LLC, the provisions of this Agreement constitute the entire agreement between the Parties with respect to the subject matter hereof and no prior or contemporaneous agreement, either written or oral, shall have the effect of varying the terms hereof. No amendment to this Agreement shall be effective unless reduced to writing and signed by the Parties.

B. Unenforceability of Provisions. The provisions of this Agreement are severable. If any provision of this Agreement is determined by a proper court or authority to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect or impair the remainder of this Agreement, and this Agreement shall remain in full force and effect without such invalid, illegal, or unenforceable provision.

C. Governing Law. This Agreement shall be construed, enforced, and governed by and in accordance with the laws of the State of Texas. The University and Coach agree that venue for any dispute arising from or related to employment shall be in Travis County, Texas. This provision does not prevent the University from removing to federal court any action brought in state court.

D. Mutual Understanding. Each party has read this Agreement, fully understands the contents of it, has had the opportunity to obtain independent legal advice regarding the Agreement's legal effect, and is under no duress regarding its execution.

E. Confidentiality; University Records. All materials or articles of information, including, without limitation, financial records, personnel records, recruiting records, team information, films, statistics and any other material or data furnished to Coach by the University or developed by Coach on behalf of the University or at the University's or Coach's direction or supervision, are and shall remain the sole and confidential property of the University. Within ten (10) days of the expiration of this Agreement or its earlier termination with or without cause by either party, Coach shall immediately cause any such materials in his possession or control to be returned and delivered to the University and he shall not be entitled to retain any copies thereof. At the same time, Coach shall return all automobiles, credit cards, keys, equipment, or other items issued to him by the University.

F. Counterparts. This Employment Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, but all such counterparts shall together constitute one and the same Employment Agreement.

G. Disclosure. The Parties acknowledge and agree that the University is required to comply with the Texas Public Information Act.

H. Review. This Agreement is subject to review and approval by the President or President's delegate, the Executive Vice Chancellor for Academic Affairs, and the Board of

Regents of The University of Texas System. This Agreement includes terms of appointment approved by the Board of Regents of The University of Texas System at its meetings on December 3, 2016, and May 10, 2017.

[Signature Page Follows]

EXECUTION VERSION

IN WITNESS WHEREOF, the Parties hereto, having represented and warranted their authority to enter into and execute this Agreement, have executed this Agreement to be effective as of the beginning of the Term as stated in Section 3 of this Agreement.

UNIVERSITY:

COACH:

THE UNIVERSITY OF TEXAS AT AUSTIN

By: Michael Perrin
Michael Perrin
Men's Athletics Director

Date: 5/17/2017

By: Thomas J. Herman
Thomas J. Herman

Date: 5/19/17

By: _____
Gregory L. Fenves
President

Date: _____

LLC:

1-0 CULTURE, LLC

By: Tom Herman
Its Managing Member

Date: 5/19/17

APPROVED AS TO LEGAL FORM:

By: _____
Patricia C. Ohlendorf
Vice President for Legal Affairs

Date: _____

THE UNIVERSITY OF TEXAS SYSTEM

By: _____
Steve Leslie
Executive Vice Chancellor for
Academic Affairs

Date: _____

IN WITNESS WHEREOF, the Parties hereto, having represented and warranted their authority to enter into and execute this Agreement, have executed this Agreement to be effective as of the beginning of the Term as stated in Section 3 of this Agreement.

UNIVERSITY:

COACH:

THE UNIVERSITY OF TEXAS AT AUSTIN

By: _____
Michael Perrin
Men's Athletics Director

By: _____
Thomas J. Herman

Date: _____

Date: _____

By: _____
Gregory L. Fennes
President

LLC:

1-0 CULTURE, LLC

Date: 5/17/2017

By: _____
Its Managing Member

APPROVED AS TO LEGAL FORM:

Date: _____

By: _____
Patricia C. Ohlendorf
Vice President for Legal Affairs

Date: 5/18/2017

THE UNIVERSITY OF TEXAS SYSTEM

By: _____
Steve Leslie
Executive Vice Chancellor for
Academic Affairs

Date: _____

IN WITNESS WHEREOF, the Parties hereto, having represented and warranted their authority to enter into and execute this Agreement, have executed this Agreement to be effective as of the beginning of the Term as stated in Section 3 of this Agreement.

UNIVERSITY:

COACH:

THE UNIVERSITY OF TEXAS AT AUSTIN

By: _____

Michael Perrin
Men's Athletics Director

Date: _____

By: _____

Thomas J. Herman

Date: _____

By: _____

Gregory L. Fenves
President

Date: _____

LLC:

1-0 CULTURE, LLC

By: _____

Its Managing Member

Date: _____

APPROVED AS TO LEGAL FORM:

By: _____

Patricia C. Ohlendorf
Vice President for Legal Affairs

Date: _____

THE UNIVERSITY OF TEXAS SYSTEM

By: Steve Leslie

Steve Leslie
Executive Vice Chancellor for
Academic Affairs

Date: 5/17/17

ATTACHMENT A

ASSIGNMENT AND ASSUMPTION OF EMPLOYMENT CONTRACT

This Assignment and Assumption of Employment Contract (this "Assignment" or this "Agreement") is by and among The University of Houston ("Assignor"), The University of Texas at Austin ("Assignee") and Thomas J. Herman ("Employee"). It is effective at the end of the seventh (7th) day after Employee executes this Agreement ("Effective Date").

WHEREAS, Assignor entered into that certain Head Coach Employment Contract with the Employee dated as of December 15, 2014, and subsequently an amendment of that contract dated as of December 4, 2015 ("Employment Contract"), setting forth the terms and conditions of Assignor's employment of Employee and Employee's agreement to perform the duties and responsibilities set forth in the Employment Contract; and

WHEREAS, the Employment Contract is for a term continuing through February 28, 2021; and

WHEREAS, Assignor wishes to assign to Assignee Assignor's rights under the Employment Contract and Assignee wishes to assume the obligations and liabilities of Assignor under the Employment Contract (the "Transferred Interest") in exchange for certain consideration to be paid by Assignee to Assignor; and

WHEREAS, Assignor has agreed to assign the Transferred Interest to Assignee on the terms and conditions provided herein; and

WHEREAS, the Employment Contract requires mutual agreement for an assignment by Assignor; and

WHEREAS, Employee has agreed to the assignment of the Transferred Interest to Assignee, on the terms and conditions provided herein; and

WHEREAS, the parties to this Agreement fully intend that, upon execution and delivery of this Agreement, all rights and obligations that Assignor has under the Employment Contract are fully extinguished, except as otherwise provided in this Agreement; and

WHEREAS, the parties to this Agreement fully intend that upon execution and delivery of this Agreement, all obligations that Assignor may have to Employee under the Employment Contract are fully and forever extinguished.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Subject to the terms and conditions hereof, as of the Effective Date herein referenced, Assignor hereby assigns, conveys and transfers the Transferred Interest to Assignee, and Assignee hereby accepts such assignment of, and assumes the obligations arising under, the Transferred Interest.

2. Employee acknowledges and agrees that Assignor has no further obligation, monetary or otherwise, to Employee pursuant to the Employment Contract.

3. Employee represents that he has returned to Assignor all property of Assignor that Employee had in his possession.

4. General Release.

(a) As a material inducement to Assignor to enter into this Agreement, Employee on his own behalf and on behalf of his heirs, executors, agents, and assigns unconditionally releases, acquits, and forever discharges Assignor and each of Assignor's past and present administrators, directors, trustees, officers, predecessors, successors, assigns, agents, employees, representatives, insurers, attorneys, associated persons and entities, divisions, branches, subsidiaries, affiliates (and agents, directors, officers, employees, representatives, and attorneys of such divisions subsidiaries and affiliates), and all persons acting by, through, under, or in concert with any of them (collectively for purposes of this Paragraph 4, the "**Assignor Parties**"), or any of them, from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses (including attorneys' fees and costs actually incurred) and demands of any nature whatsoever, whether known or unknown, including but not limited to, those arising under federal, state and local laws, rules and ordinances regulating, without limitation, hostile environment, harassment, discrimination, unfair treatment, or retaliation in employment, tortious or wrongful discharge, breach of contract, defamation, negligent or intentional infliction of emotional distress; including claims arising under the Equal Pay Act, 29 U.S.C. 206(b) et seq.; Title VII of the Civil Rights Act, 42 U.S.C. Section 2000e, et seq.; the Civil Rights Act of 1991, 42 U.S.C. 1981, et seq.; the Age Discrimination in Employment Act, 29 U.S.C. Section 621 et seq.; the Rehabilitation Act, 29 U.S.C. Section 701 et seq.; the Older Workers Benefit Protection Act, 29 U.S.C. Section 626; the Americans with Disabilities Act, 42 U.S.C. Section 12101 et seq.; the Employee Retirement Income Security Act, 29 U.S.C. Section 1001 et seq.; the Fair Labor Standards Act, 42 U.S.C. Section 12101, et seq.; the Family and Medical Leave Act, 29 U.S.C. Section 2601 et seq.; the Consolidated Omnibus Budget Reconciliation Act, 29 U.S.C. Section 1161 et seq.; the Internal Revenue Code, Title 26, United States Code; the Texas Commission on Human Rights Act, Chapter 21, Texas Labor Code; the Texas Workers' Compensation Act, Texas Labor Code, Section 401 et seq.; the Texas Whistleblower Act, Chapter 554, Texas Government Code; the Constitutions of the United States and the State of Texas; as well as any and all claims in tort or contract, all claims for emotional or mental injuries, wages, benefits, back pay, front pay, and benefit contributions, which Employee may have had in the past, now have, or might have, in any way arising from or related to Employee's employment with or separation from Assignor. Employee understands that this Agreement and his release of claims extends to all the aforementioned types of claims and potential claims, whether known or unknown, and that this full release of claims constitutes an essential term of this Agreement. The parties intend for this Agreement to be, and expressly affirm that it is, a general release of all claims.

(b) For the purpose of implementing a full and complete release and discharge of the Assignor Parties, Employee expressly acknowledges that this Agreement is intended to include in its effect, without limitations, all claims which Employee does not know or suspect to exist in his favor at the time of execution hereof, and that this Agreement contemplates the extinguishment of any such claim or claims, including, but not limited to, any and all matters related to or arising out of his employment with Assignor through the date of his execution of this Agreement.

(c) This release of claims includes all complaints, causes of action, and claims based on or seeking to challenge any conduct, event, action, or decision that took place prior to Employee's signing of this Agreement. Employee agrees and understands that the effect of this Agreement is that all such complaints, causes of action, and claims are forever waived, released, and discharged as against the Assignor Parties.

(d) As a material inducement to Employee to enter into this Agreement, Assignor on its own behalf and on behalf of the Assignor Parties unconditionally releases, acquits, and forever discharges Employee and each of his heirs, executors, agents, and assigns, or any of them, from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses (including attorneys' fees and costs actually incurred) and demands of any nature whatsoever, (except any potential claims against Employee or Assignor Parties arising from any actions by Employee during the Employment Contract that are unknown to Assignor at the time of execution of this Agreement), including but not limited to, those arising under federal, state and local laws, rules and ordinances regulating, without limitation, hostile environment, harassment, discrimination, unfair treatment, or retaliation in employment, tortious or wrongful discharge, breach of contract, defamation, negligent or intentional infliction of emotional distress, including claims arising under the Equal Pay Act, 29 U.S.C. 206(b) et seq.; Title VII of the Civil Rights Act, 42 U.S.C. Section 2000e, et seq.; the Civil Rights Act of 1991, 42 U.S.C. 1981, et seq.; the Age Discrimination in Employment Act, 29 U.S.C. Section 621 et seq.; the Rehabilitation Act, 29 U.S.C. Section 701 et seq.; the Older Workers Benefit Protection Act, 29 U.S.C. Section 626; the Americans with Disabilities Act, 42 U.S.C. Section 12101 et seq.; the Employee Retirement Income Security Act, 29 U.S.C. Section 1001 et seq.; the Fair Labor Standards Act, 42 U.S.C. Section 12101, et seq.; the Family and Medical Leave Act, 29 U.S.C. Section 2601 et seq.; the Consolidated Omnibus Budget Reconciliation Act, 29 U.S.C. Section 1161 et seq.; the Internal Revenue Code, Title 26, United States Code; the Texas Commission on Human Rights Act, Chapter 21, Texas Labor Code; the Texas Workers' Compensation Act, Texas Labor Code, Section 401 et seq.; the Texas Whistleblower Act, Chapter 554, Texas Government Code; the Constitutions of the United States and the State of Texas; as well as any and all claims in tort or contract, all claims for emotional or mental injuries, wages, benefits, back pay, front pay, and benefit contributions, which Assignor may have had in the past, now have, or might have, in any way arising from or related to Employee's employment with or separation from Assignor. Assignor understands that this Agreement and its release of claims extends to all the aforementioned types of claims and potential claims, (except any potential claims against Employee or Assignor Parties arising from any actions by Employee during the Employment Contract that are unknown to Assignor at the time of execution of this Agreement), and that this full release of claims constitutes an essential term of this Agreement.

The parties intend for this Agreement to be, and expressly affirm that it is, subject to the exception provided in this Section 4(d), a general release of all claims.

(e) The parties intend and agree that the release of claims set forth in this paragraph shall be broadly construed to the fullest extent permitted by law.

5. Employee represents that at the time of his execution of this Agreement, he has not filed any pending complaints or charges against the Assignor Parties with the NCAA, the Texas Commission on Human Rights, the Equal Employment Opportunity Commission or with any other government agency or court. Consistent with the general release set forth above, and to the fullest extent permitted by law, Employee also agrees that he will not in the future file or initiate any claims with respect to the matters encompassed within said release and if another individual or agency pursues such claims on his behalf, he will not accept money damages or individual relief arising therefrom.

6. Employee understands and certifies that:

(a) He has carefully read and fully understands all the provisions and effects of this Agreement;

(b) He has been advised in writing to consult with an attorney of his choosing regarding this Agreement and he has done so;

(c) He has been advised that he has up to 21 days to consider this Agreement before signing it, provided, however, that he may choose to sign the Agreement before the 21-day period expires, but not earlier than twenty-four hours after it was presented to him;

(d) He is aware that within seven (7) calendar days after signing this Agreement, he may revoke this Agreement; and

(e) He is voluntarily entering into this Agreement, and that none of the Assignor Parties has made any representations concerning the terms, conditions or effects of this Agreement other than those contained herein.

7. Employee understands that, within seven (7) calendar days after signing this Agreement, he has the right to revoke this Agreement. To be effective, such revocation must be in writing and delivered to counsel for Assignor, Dona Cornell, General Counsel, The University of Houston, 311 Ezekiel Cullen Building, Houston, Texas 77204, on or before the end of the seventh (7th) day.

8. Subject to the terms and conditions hereof, as of the Effective Date, Employee hereby approves the assignment and transfer by Assignor to Assignee of the Transferred Interest, and agrees to execute a new employment agreement dated as of the Effective Date between Employee and Assignee (the "New Agreement").

9. Assignee will pay Assignor Two Million Five Hundred Thousand Dollars and Zero Cents (\$2,500,000.00) (the "**Financial Consideration**") as a condition to Assignor's assigning and transferring the Transferred Interest to Assignee. The Financial Consideration will be paid by wire transfer to Assignor on the business day next following the Effective Date pursuant to wire instructions provided in writing by Assignor to Assignee.

10. This Agreement constitutes the sole and entire understanding between the parties and fully supersedes any and all prior agreements or understandings between the parties with respect to the matters set forth herein.

11. This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective heirs, representatives, executors, administrators, successors, and assigns.

13. This Agreement shall be construed, enforced, and governed by and in accordance with the laws of the State of Texas, excluding any such laws that might direct the application of the laws of another jurisdiction. The federal or state courts of Travis County, Texas shall have exclusive jurisdiction to hear any dispute under this Agreement.

14. If any provision of this Agreement is found by a court of competent jurisdiction to be unenforceable or in violation of law, the remaining provisions shall remain in full force and effect, provided however, that if the general release set forth herein is determined to be unenforceable, the Assignor Parties shall be relieved of all obligations set forth herein and shall be entitled to any such other relief as may be authorized by law.

15. The parties agree to perform any additional acts and submit and/or sign any additional documents reasonably necessary to effectuate the terms of this Agreement.

16. This Agreement may be executed in counterparts, each of which shall, for all purposes, be deemed an original, and all of such counterparts, taken together, shall constitute one and the same Agreement, even though all of the parties may not have executed the same counterpart. It is further agreed by the parties that a signature transmitted electronically or by facsimile shall be acceptable and binding and shall be treated for all purposes in the same manner as an original signature.

IN WITNESS WHEREOF, and intending to be legally bound, the parties duly execute this Agreement to be effective as of the Effective Date.

ASSIGNOR:

The University of Houston

By: Renukhat

Name: Renu Khator

Title: President, University of Houston

ASSIGNEE:

The University of Texas at Austin

By: _____

Name: _____

Title: _____

EMPLOYEE:

By: Thomas J. Herman
Thomas J. Herman

APPROVED AS TO FORM BY:

M. Y. Zayn
OFFICE OF THE GENERAL COUNSEL
UNIVERSITY OF HOUSTON SYSTEM

IN WITNESS WHEREOF, and intending to be legally bound, the parties duly execute this Agreement to be effective as of the Effective Date.

ASSIGNOR:

The University of Houston

By: _____

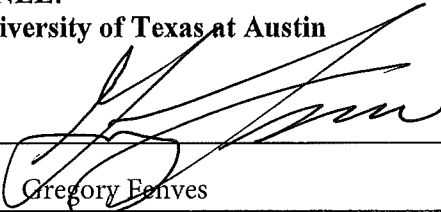
Name: _____

Title: _____

ASSIGNEE:

The University of Texas at Austin

By: _____

Name:  Gregory Enves

Title: President

EMPLOYEE:

By: _____


Thomas J. Herman

HEAD COACH EMPLOYMENT CONTRACT

**BETWEEN
THOMAS J. HERMAN
AND
UNIVERSITY OF HOUSTON
DEPARTMENT OF INTERCOLLEGIATE ATHLETICS**

THIS AGREEMENT (hereinafter referred to as “this Agreement” or “the Agreement”) is made between the University of Houston (“UH” or the “University”) and Thomas J. Herman (“Coach”) in order to employ the named individual to serve as Head Coach of UH’s Intercollegiate Football Team (the “Team”). UH and Coach will be hereinafter referred to collectively in the Agreement as the “Parties” to the Agreement. The Parties agree to be bound by what is stated in the Agreement.

AGREEMENT

UH and Coach agree as follows:

1.0 General Agreement of UH and Coach

1.1 Employment of Coach. UH employs Coach as Head Coach of the Team, and Coach accepts employment as outlined in the Agreement. Coach understands and agrees that the Agreement contains all the terms, conditions, and understandings of the Parties regarding Coach’s employment by UH;

1.2 Criminal History Record Investigation. Coach shall be required to submit to a criminal history record investigation (CHRI) upon initial employment as required by University policy. Coach’s offer of employment is contingent upon successful completion of the CHRI process in accordance with University policy. If the Human Resources Department determines Coach has a positive criminal history and designates Coach as not being recommended for employment, this Agreement shall become null and void;

1.3 Reporting to Director of Athletics. Coach shall work under the immediate supervision of and report to the UH Director of Athletics (“AD” or “Director”) and shall be employed at the discretion of the AD and the President of the University of Houston;

1.4 Performance of Duties. Coach shall perform the duties set forth in this Agreement, as well as in the job description attached to this Agreement (Appendix A), to the best of his abilities.

2.0 Term of Agreement

2.1 Length of Term. The term of the Agreement shall begin on December 15, 2014 and shall end on February 29, 2020 (“Term”) subject to the termination provisions stated in the Agreement. After the initial twenty four (24) months of this Agreement, the AD will review

Coach's performance, and if the AD determines based solely on the AD's discretion that Coach should receive a two year extension to this Agreement, a two year extension of this Agreement may be offered in writing by the AD to Coach;

2.2 Renewal of Agreement. This Agreement is renewable only if (a) the AD, on behalf of UH, extends a renewal contract to Coach, and (b) Coach accepts the offer by executing the renewal contract after Coach is provided with a reasonable opportunity to review (but no longer than fifteen (15) business days) and negotiate the terms and conditions of such offer. UH, however, does not grant Coach any claim to tenure in employment, continued employment, or any other rights not specifically provided in the Agreement.

3.0 Compensation

3.1 Compensation for Services. Subject to the provisions of the Agreement, UH shall provide the following to Coach:

3.1.1 Base Salary. The total amount of Thirty-Nine Thousand Five Hundred Eighty-Three Dollars and Thirty-Three Cents (\$39,583.33) (\$475,000 when annualized), will be paid each month through the UH payroll system, as salary for services rendered during the Term of the Agreement ("Base Salary");

3.1.2 Non-Salary Compensation. The total annual amount of Eight Hundred Seventy-Five Thousand Dollars and Zero Cents (\$875,000.00). The first payment of One Hundred Thousand Dollars (\$100,000.00) will be paid on February 1, 2015 followed by subsequent installments of Seventy-Seven Thousand Five Hundred Dollars and Zero Cents (\$77,500.00) payable on the first of each month beginning on March 1, 2015 through December 1, 2015. Beginning on January 1, 2016, monthly payments of Seventy-Two Thousand Nine Hundred Sixteen Dollars and Sixty-Six Cents (\$72,916.66) will be paid to Coach for the Term of the Agreement;

3.1.3 Deferred Compensation. Coach will accrue deferred compensation in the amount of One Hundred Thousand Dollars and Zero Cents (\$100,000.00) on December 31 of each year during the Term of the Agreement beginning with December 31, 2015. If Coach successfully completes the Term of the Agreement, Coach will receive a payout of the Five Hundred Thousand Dollars and Zero Cents (\$500,000.00) that has accrued for each year of the Term of the Contract. If Coach is terminated without cause after February 28, 2018, Coach will receive in deferred compensation, the amount that has accrued at the time of Coach's termination within ten (10) days from the date of termination. If Coach is terminated for cause at any time during the Term of the Agreement, either by default, or by conduct, or if Coach is terminated without cause on or before February 28, 2018, Coach is not entitled to any deferred compensation as provided in Sections 5.2, 5.3, and 5.4.2. If Coach terminates without cause any time during the Term of the Agreement, Coach is not entitled to any deferred compensation as provided in Section 5.4.1. Coach will be responsible for all taxes on any deferred compensation received under this Section 3.1.3;

3.1.4 Special Conference Championship Incentive. If at any time during the Term of this Agreement, the Team wins a conference championship with Coach serving as the Head Coach of the Team, Coach will receive a special one-time incentive of \$50,000 Base Salary increase and a \$50,000 non-salary compensation increase which shall be

reflected in Coach's Base Salary and non-salary compensation each year for the remainder of the Term, or paid to Coach in a lump sum within thirty (30) days if such conference championship is earned following the final regular season of the Term. The Special Conference Championship Incentive is limited to two occurrences during the Term of this Agreement;

3.1.5 Special One-Time New Year's Six Bowl Game Incentive. If at any time during the Term of this Agreement, the Team participates in a "New Year's Six" Bowl Game (i.e., Cotton Bowl, Fiesta Bowl, Orange Bowl, Peach Bowl, Rose Bowl and Sugar Bowl) with Coach serving as the Head Coach of the Team, Coach will receive a special one-time incentive of \$100,000 non-salary compensation increase which shall be reflected in Coach's non-salary compensation for the remainder of the Term or paid to Coach in a lump sum within thirty (30) days if such participation occurs following the final regular season of the Term;

3.1.6 Standard Benefits. Standard benefits will be provided, as extended to UH staff, including vacation and sick leave time and contributions to and/or eligibility for health and group life insurance, and a retirement account. However, Coach shall not be entitled to a payout of any accrued vacation leave time upon separation from employment with UH for any reason;

3.1.7 Additional Benefits. In addition to standard employee benefits, Coach will be provided with the following special fringe benefits associated with his position as Head Coach of the Team:

3.1.7.1 Courtesy Car. Coach shall be entitled to two (2) courtesy cars (or one (1) courtesy car and a monthly stipend of eight hundred dollars (\$800.00) for business use). Assignment of a courtesy car(s) shall not afford Coach any ownership rights whatsoever in the courtesy car(s). UH shall pay for the cost of gas, oil, and insurance associated with Coach's, and any registered driver's use of car(s); provided, however, that UH shall not pay for any use of the car(s) which is related solely to personal use by Coach or any registered drivers. No unauthorized individuals will be permitted to drive the assigned courtesy car(s). Authorized individuals are Coach, Coach's spouse, and other UH Athletics Staff members who maintain a valid Texas Driver's License and motorist insurance, as required by law. A UH issued national gasoline company credit card is available to Coach for university related business. Upon termination or expiration of the Agreement, Coach shall immediately surrender the courtesy car(s) and gas credit card to UH. With the exception of normal wear and tear, Coach shall be liable for any amounts needed to be expended to repair the courtesy car(s) arising from Coach's use or operation of the courtesy car(s). Additionally, Coach may be liable for any damage to the courtesy car(s) and/or to any other vehicle caused by the use or operation of the courtesy car(s), if such damage is caused by an unauthorized driver's use or operation of the courtesy car(s);

3.1.7.2 Mileage Reimbursement. If Coach is provided a courtesy car or a car allowance, mileage will only be reimbursed for approved recruiting expenditures at a set rate determined by the UH Department of Intercollegiate Athletics;

3.1.7.3 Responsibility for Excess Mileage. Unless agreed upon beforehand,

Coach will be monetarily responsible for any excess mileage on the courtesy car; the cost per mile will be \$.15 per mile after exceeding the annual mileage limitation. The Coach's courtesy car mileage limitation is 20,000 miles per year. It is the Coach's responsibility to keep track of these miles by submitting the monthly courtesy car mileage update form;

3.1.8 Travel Expenses. Reimbursement will be made, in accordance with UH policy and procedure, for reasonable travel expenses incurred by coach that are directly related to performance of responsibilities set forth in the Agreement;

3.1.9 Incentive Income. The following merit incentives will be awarded to Coach 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 if the applicable event listed in Sections

3.1.9.1 through 3.1.9.20 occurs during Coach's employment as Coach of the Team. The Associate Athletics Director for Student-Athlete Development will verify the Team multi-year APR score with the NCAA.

3.1.9.1	At academic years end (after Spring Semester), Team overall GPA of 2.5 or above for scholarship student-athletes	\$10,000.00
3.1.9.2	At academic years end (after Spring Semester), Multi-Year Team APR Rate of 940 or above	\$10,000.00
3.1.9.3	At academic years end (after Spring Semester), Team Graduation Success Rate of 60% or above	\$10,000.00
3.1.9.4	Win eight (8) regular season games	\$10,000.00
3.1.9.5	Win nine (9) regular season games	\$10,000.00 ¹
3.1.9.6	Win ten (10) regular season games	\$17,500.00 ²
3.1.9.7	Win eleven (11) regular season games	\$17,500.00 ³
3.1.9.8	Win twelve (12) regular season games	\$20,000.00 ⁴
3.1.9.9	Coach the Team in Conference Championship Game	\$10,000.00
3.1.9.10	Coach the Team and Win Conference Championship game or be designated as the overall Conference Champions or Co-Champions	\$25,000.00
3.1.9.11	Coach the Team during a non-CFP "New Year's Six" Bowl Game	\$10,000.00
3.1.9.12	Coach the Team and Win a non-CFP "New Year's Six" Bowl Game	\$25,000.00 ⁵
3.1.9.13	Coach the Team during a CFP "New Year's Six" Bowl Game	\$75,000.00 ⁶
3.1.9.14	Coach the Team and Win a CFP "New Year's Six" Bowl Game	\$75,000.00 ⁷

¹ This incentive payment is in addition to the compensation paid to Coach pursuant to Section 3.1.9.4.

² This incentive payment is in addition to the compensation paid to Coach pursuant to Sections 3.1.9.4 and 3.1.9.5.

³ This incentive payment is in addition to the compensation paid to Coach pursuant to Sections 3.1.9.4-3.1.9.6. ⁴

This incentive payment is in addition to the compensation paid to Coach pursuant to Sections 3.1.9.4-3.1.9.7. ⁵

This incentive payment is in addition to the compensation paid to Coach pursuant to Section 3.1.9.11.

⁶ This incentive only applies to the Team's second "New Year's Six" appearance and beyond due to the Special One-Time New Year's Six Bowl Game Incentive Section 3.1.5.

⁷ This incentive payment is in addition to the compensation paid to Coach pursuant to Section 3.1.9.13.

3.1.9.15	NCAA Championship	\$100,000.00
3.1.9.16	Top 25 National Ranking at any time during the Season – CFP/USA Today/Coaches, and/or AP	\$7,500.00 ⁸
3.1.9.17	Top 25 Final National Ranking (at the end of the Season – Regular and Post- Season) – CFP/USA Today/Coaches, and/or AP	\$20,000.00
3.1.9.18	Conference Coach of the Year	\$10,000.00
3.1.9.19	National Coach of the Year designation by Nationally Recognized Poll or Association	\$20,000.00
3.1.9.20	Regular Season Tickets Sold above 17,500	\$10,000.00

For purposes of this Section 3.1.9, the term "regular season" shall not include conference championship games, bowl games, or any playoff game of any type.

3.1.10 Camp Proceeds. Coach shall be entitled to 100% of camp proceeds, less customary expenses, generated as a result of the camp of the University of Houston. Monies can be used at Coach's discretion and as additional supplemental income to Coach or for assistant coaches' compensation;

3.1.11 Spousal Travel (if applicable). Coach's spouse shall be permitted to accompany the Team (on charter flights to away football games at the reasonable discretion of the AD on a game by game basis) for the purpose of supporting Coach's official duties;

3.1.12 Complimentary Tickets. The following complimentary premium tickets (e.g., premium chair back with club access or better) shall be provided to Coach for UH sporting events: football regular season – twelve (12) lower bowl tickets and Head Coach Suite (Press Level) (20 tickets); men's basketball season – six (6) lower bowl tickets. Tickets for post-season events to be provided as mutually agreed upon by both parties;

3.1.13 Moving Expenses. Reimbursement for actual relocation expenses such as temporary housing, moving expenses, and family flights for house hunting as allowed by University policy, not to exceed ten (10) percent of base salary (i.e., \$47,500).

4.0 Responsibilities of Coach

4.1 Obligations of Coach. Coach promises to fulfill the following obligations:

4.1.1 Devote Efforts. Devotion of Coach's best, ongoing, and exclusive efforts to performance of all duties and responsibilities contemplated by the Agreement;

4.1.2 Support and Supervise and Properly Treat Student-Athletes. Encourage and support student athletes on the Team in regard to personal, physical, and intellectual development, activities, and achievements, including an emphasis on each student athlete's completion of an undergraduate degree program. Engaging in (and assuring every coach under Coach's supervision is engaging in) fair, safe, and responsible treatment of student-athletes on the Team and avoiding behavior that

⁸ This incentive payment is limited to one earned incentive per season.

could, in any way jeopardize a student-athlete's health, safety, welfare, or that could otherwise cause harm or risk causing harm to a student-athlete. Being knowledgeable of, and orienting student-athletes on the Team regarding applicable NCAA legislation, Conference rules, University policy, and Texas and federal law including criminal law. Engaging in reasonable and appropriate supervision of student-athletes on the Team to promote behavior that is consistent with such NCAA legislation, Conference rules, University policy and Texas and federal law;

4.1.3 Adhere to Budget. Execution of these duties within the Coach's allocated budget;;

4.1.4 Dedicate Effort. Dedication of focused, ongoing attention, enthusiasm and efforts to coaching duties, Team members, and the success and furtherance of UH's football program;

4.1.5 Comply with Policies. Compliance with all applicable policies and procedures set forth by the AD, and with all applicable policies and procedures of UH;

4.1.6 Comply with NCAA, Conference Rules. Compliance with rules, regulations, and advisory opinions of the National Collegiate Athletic Association (NCAA) and of Conference, as presently in effect or as amended during any Term of the Agreement;

4.1.7 Promote Academic Excellence. Dedication to the academic excellence of the student-athletes by encouraging student-athletes on the Team to be in maximum pursuit of degree programs and in compliance with NCAA academic standards, including, but not limited to, the NCAA Division I Academic Reform Initiatives;

4.1.8 Supervise Personnel. Supervision of job performance and all other incidents of employment, including assessing job performance and reporting suspected rules violations of assistant coaches and other personnel, if Coach is administratively responsible for the supervision of such individuals at any time during the Term of this Agreement;

4.1.9 Develop Programs. Development of programs and procedures with respect to the evaluation, recruitment, training and coaching of student-athletes that both foster successful competition and promote the welfare and academic achievement, including degree completion, of student-athletes;

4.1.10 Fulfill Responsibilities. Fulfillment of all job responsibilities in a timely, thorough, constructive, cooperative, positive, and professional manner, including responsibility for appraisals, administrative processes, and attendance at all meetings specified by the AD;

4.1.11 File Annual Report. For activities approved in accordance with Section 4.2.4 of the Agreement, Coach shall file an annual report, in a form acceptable to the AD and within NCAA required guidelines, to identify and quantify all athletically-related income derived from sources other than the compensation provided under the terms of the Agreement;

4.1.12 Receive Approval from AD for the Team's Schedule. The AD shall have the sole authority to arrange and/or approve the Team's schedule for each season as well as the rescheduling of any contests; however, the details of the total schedule will be arranged through close coordination and collaboration with Coach and the AD to ensure that the Team meets and maintains the University's overall objectives in intercollegiate athletics.

4.2 Prohibitions. Coach shall not:

4.2.1 Engage in Business. Engage in any business, personal, or professional activities that would or does compromise Coach's fulfillment, on a full-time basis and in a constructive and professional manner, of the responsibilities specified in and contemplated by the Agreement;

4.2.2 Commit a Violation. Engage in any conduct, whether related to performance of duties under the Agreement or not, that constitutes (as defined by the NCAA) a Level I or Level II violation or repetitive Level III or Level IV violations of NCAA rules, bylaws, or regulations; or a significant and/or repetitive violation(s) of UH policies or procedures; Conference rules, legislation, regulations, or advisory opinions; of federal or state laws, regulations, or agency advisory opinions; of municipal ordinances; or of ethical principles applicable to higher education coaching positions;

4.2.3 Condone a Violation of NCAA Legislation, Conference Rules, University Policy, Texas or Federal Law Including Criminal Law. Condone a violation of NCAA legislation, conference rules, university policy, Texas or federal law including criminal law (any of which shall be referred to in this Section 4.2.3 as a "Violation") by a member of the Team's coaching staff or any person under Coach's supervision and direction, including a student-athlete. For purposes of this Section 4.2.3, "condone" shall mean: (a) Coach's actual knowledge of and complicity in a Violation by a member of the Team's coaching staff or any person under Coach's supervision and direction, including a student-athlete; or (b) Coach's failure to report a known Violation by a member of the Team's coaching staff or any person under Coach's supervision and direction, including a student-athlete, to the AD within a reasonable amount of time. For purposes of this Section 4.2.3, a "known Violation" shall mean a Violation the Coach becomes aware of, or has reasonable cause to believe, is taking place or may have taken place;

4.2.4 Receive Other Benefits. Receive, either directly or indirectly, compensation, remuneration, or any other benefit from any source other than UH, for activities related to Coach's professional standing or employment with UH, including but not limited to (i) income from annuities related to the Coach's position with UH, (ii) sports camps or private lessons, (iii) television or radio programs, (iv) endorsement or consultation contracts, or (v) income from speeches, appearances, or written materials, without obtaining, on an annual basis, prior, written consent of the AD, which consent will not be unreasonably withheld. Coach also agrees to and shall provide the AD with an annual written report, as specified in Section 4.1.11, of any such arrangements, in a form acceptable to the AD;

4.2.5 Discredit 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;

4.2.6 Enter Into Agreements. Enter into any oral or written agreement, letter of understanding, contract or any other arrangement that seeks to bind, obligate, or involve UH, the Athletics Department, or any other component of the University of Houston in any transaction whatsoever. All such agreements will be disclaimed by UH, unless Coach submits any contemplated arrangement to the AD for development, processing, and approvals, if warranted;

4.2.7 Fail to Provide Notification of Other Coaching Opportunity. Should another college coaching opportunity or an NFL coaching opportunity be presented to Coach or should Coach be interested in another college coaching position or an NFL coaching position during the Term of this Agreement, Coach must notify the AD of such opportunity or interest before any discussions can be held by Coach with the anticipating coaching position principals, which oral or written permission shall not be unreasonably withheld;

4.2.8 Fail to Fulfill Duties. Negligently or intentionally fail to fulfill duties or conditions described in Section 4.1 to the reasonable satisfaction of the AD.

If Coach is reasonably determined to be involved in any of the activities or arrangements contemplated by this Section 4.2, without Coach having obtained prior, written consent of the AD, UH may at its sole discretion, (a) suspend the Coach, with or without pay, pending a final decision about the matter, which shall be decided expeditiously and without delay, and/or (b) terminate the Coach's employment relationship pursuant to Section 5.0 of the Agreement. This section is intended to give UH the widest discretion permitted by applicable law (including constitutional and statutory provisions) to prohibit the conduct described in Sections 4.2.1 through 4.2.8 of this Agreement.

5.0 Termination

The Parties understand and agree that the obligations set forth in the Agreement shall, at all times and for purposes of any term or renewal of the Agreement, be subject to the termination provision in this Section 5.0.

5.1 Mutual Agreement of Parties. If UH and Coach mutually agree in writing, the Agreement may be terminated on the terms and date stipulated in the writing;

5.2 Termination for Cause – By Default. If Coach has substantially defaulted in the performance of any obligation under the Agreement, and Coach does not correct the default to the reasonable satisfaction of UH within 14 calendar days following the Coach's receipt of written notice from UH of such default, then UH may immediately terminate the Agreement after the 14-day-correction-period has elapsed. If UH terminates the Agreement in accordance with this Section 5.2, it shall not be liable for the payment of any salary or other additional compensation or benefit following the end of the month in which the termination is effective;

5.3 Termination for Cause – By Conduct. UH may, upon notice from the AD to Coach and an opportunity for Coach to meet with the AD and respond, terminate the Agreement immediately if Coach violates any of the proscriptions against conduct specified in Section 4.2 of the Agreement. If UH terminates the Agreement in accordance with this Section 5.3, it shall not be liable for the payment of any salary or other additional compensation or benefit following the end of the month in which the termination is effective;

5.4 Termination without Cause. If either Party shall at any time desire to terminate this agreement without cause, such party shall give to the other party advance written notice of the intent to terminate this Agreement without cause, and the Agreement shall terminate on the future date specified in such notice.

5.4.1 If Coach Terminates without Cause. In the event Coach terminates this Agreement without cause, and unless otherwise agreed to by the Parties, Coach shall pay UH liquidated damages according to the following schedule:

- If Coach terminates this Agreement without cause on or before February 28, 2018, Coach shall pay UH Two Million Two Hundred Fifty Thousand Dollars and Zero Cents (\$2,250,000.00);
- If Coach terminates this Agreement without cause on or subsequent to March 1, 2018 but on or before February 28, 2019, Coach shall pay UH One Million Dollars and Zero Cents (\$1,000,000.00);
- If Coach terminates this Agreement without cause on or subsequent to March 1, 2019 but on or before February 29, 2020 Coach shall pay UH Five Hundred Thousand Dollars and Zero Cents (\$500,000);

Coach shall pay such liquidated damages in a lump sum within sixty (60) days after the effective date of termination. Coach shall be entitled to continue health insurance, at Coach's sole expense, as provided by law, but shall not be entitled to any benefits, salary, or further compensation of any kind provided under the terms of this Agreement. UH shall not be liable to Coach for any liquidated damages. UH shall not be liable for the loss of any collateral business opportunities or any other benefits, perquisites, or income from any sources that might ensue as a result of Coach's termination of this Agreement without cause. For the purposes of this Section 5.4.1, "cause" shall mean UH's knowing and deliberate failure to perform its obligations under this Agreement, and such a failure is not corrected by UH within fourteen (14) calendar days following receipt of written notice of such failure;

5.4.2 If UH Terminates without Cause. If UH terminates the Agreement without cause, then Coach agrees to accept liquidated damages, as specified in this Section 5.4.2, in complete satisfaction of and as payment in full for all obligations, if any, due and owing by UH to Coach pursuant to the Agreement. As liquidated damages, UH shall pay Coach a sum equal to the Base Salary remaining due under the Agreement (Section 3.1.1), but for termination of the Agreement, payable in equal monthly installments, per usual payroll procedure, until the date on which the Agreement would have expired. If Coach is terminated without cause after February 28, 2018, UH shall pay Coach in a lump sum within ten (10) days from the date of termination

without cause, the amount of deferred compensation accrued as of the date of termination of the Agreement (Section 3.1.3). Coach will also receive a pro-rated sum of deferred compensation for the partial year of his termination. If Coach is terminated without cause on or before February 28, 2018, Coach is not entitled to any deferred compensation as provided in Section 3.1.3. Any sum required to be paid under this Section 5.4.2 does not include, and Coach would not be entitled to, any other benefits or compensation that would have been afforded to Coach under the terms of the Agreement but does include any Base Salary increase under Section 3.1.4 that was earned prior to termination under this Section 5.4.2. The payment of liquidated damages as specified in this Section 5.4.2 is subject to the duty to mitigate in Section 5.4.4 below. Coach shall be entitled to maintain health insurance coverage at Coach's sole expense, as provided by law;

5.4.3 Liquidated Damages. The Parties have bargained for and agreed to, and consequently are bound by, the liquidated damages provisions in Section 5.4.1 and 5.4.2 above. The Parties agree and acknowledge the unique, specialized and exclusive nature of collegiate coaching and the difficulty in calculating damages in the event of a breach. The Parties acknowledge the competitive environment of collegiate football coaching. The Parties recognize and acknowledge the valuable coaching and recruiting knowledge and relationships that Coach will develop with players, recruits, high schools, junior colleges, staff, coaches, alumni and donors while employed by the University of Houston and the difficulty the University of Houston will have in replacing that knowledge and those relationships. Coach understands and acknowledges that upon his departure, he will have unique and specialized knowledge of the University of Houston's schemes and tendencies. The Parties understand and acknowledge the special need for continuity in the University of Houston's football program. The Parties agree that Coach is highly compensated and that the University of Houston is making a substantial monetary investment in Coach. The Parties further understand and recognize the cost, difficulty and uncertainty with replacing Coach. The Parties agree and understand that ticket sales and television contracts are in part tied to the success of the Coach and the program. The Parties agree that payment of such liquidated damages shall constitute adequate and reasonable compensation for damages suffered because of termination without cause by UH, or because of termination without cause by Coach. The liquidated damages shall not be construed as a penalty. The liquidated damages provisions shall apply only to termination pursuant to Section 5.4.2 of this Agreement for termination without cause by UH, and termination pursuant to Section 5.4.1 of this Agreement for termination without cause by Coach;

5.4.4 Duty to Mitigate. Coach shall use reasonable efforts to obtain other employment as a head coach or coordinator/assistant coach in either the NFL or at an NCAA Division I institution if Coach is terminated by UH without cause. If Coach obtains other employment before the date on which the Agreement would have expired, but for the termination, the Coach shall provide the AD with written notice, within 10 calendar days, of such employment, including the (i) name and address of the new employer, (ii) position title, (iii) monthly salary, and (iv) start date. Upon receipt of this notice, UH will continue to pay Coach the difference, if any, between amounts that would have been earned by Coach under the Agreement and amounts earned by Coach in the new position. If, however, Coach does not notify UH about the

new position within the 10-day period, UH shall not be liable for any further payments under Section 5.4.2 of the Agreement. For the purposes of this Section 5.4.4, "employment" shall mean working as an employee for another employer, as a consultant, as a self-employed person, or as an independent contractor. For the purposes of this Section 5.4.4, "amounts earned by Coach in the new position" shall mean any and all compensation received through Coach's employment, including, but not limited to, base salary, non- salary compensation, consulting fees, bonuses, and any other compensation.

5.5 Termination upon Inability of Coach to Perform Essential Job Functions. In the event the AD reasonably determines Coach is unable, because of mental or physical infirmity, to perform essential functions of the job as contemplated by the Agreement, even with reasonable accommodation, for a period of at least ninety (90) consecutive days, then UH may, at its option, terminate the Agreement upon 14-calendar days notice to Coach;

5.6 Termination upon Death of Coach. If Coach dies during any Term of the Agreement, then the Agreement shall immediately terminate by operation of law;

5.7 Notices regarding Termination. All notices required under the termination provisions of this Section 5.0 shall be given in accordance with the notice provisions of the Agreement;

5.8 Effects of Termination. Unless otherwise provided in this Agreement, upon termination of the Agreement, as provided above, neither Party shall have any further obligation to the other, except for mutually agreed upon (in writing) obligations incurred prior to the date of termination or mutually agreed upon (in writing) obligations made specifically to extend beyond termination of the Agreement;

5.9 Liability after Termination. In no case shall UH be liable to Coach for any loss of collateral business opportunities or any other benefits, perquisites, or income from any other sources.

6.0 Miscellaneous

6.1 Hold Harmless. Coach agrees to and shall hold harmless and indemnify UH, its regents, officers, employees, and agents, from any and all suits, claims, demands, damages, liability, costs, and expenses, including reasonable attorneys' fees, incurred by UH because of Coach's intentional or negligent acts or omissions arising out of matters related to the Agreement, except for such suits, claims, or demands in which Coach seeks to compel UH to comply with its obligations under the Agreement or in which Coach seeks to enforce any remedies under the Agreement. These indemnification obligations shall continue after termination of the Agreement;

6.2 State Agency. UH is an agency of the State of Texas and, as such, no provision of the Agreement is intended to operate as a waiver or relinquishment of any right, privilege, or defense, including the defense of sovereign immunity, afforded UH under constitutional provision or law or any other state or federal law;

6.3 Child Support Obligations. As required by state law, a child support obligor who is more than thirty (30) days delinquent in paying child support, and a business entity in which

the obligor is a sole proprietor, partner, shareholder, or owner with an ownership interest of at least twenty-five percent (25%) is not eligible to receive payments from state funds under a contract to provide property, materials, or services until all arrearages have been paid, or the obligor is in compliance with a written repayment agreement;

6.4 Approvals. This Agreement is subject to any approvals that must be obtained in accordance with law or UH policy;

6.5 Amendment. Except as otherwise expressly provided in the Agreement, no amendment or variation of the terms of the Agreement shall be valid unless in writing and signed by the authorized representative(s) of UH and by the Coach;

6.6 Choice of Law/Venue. The Parties agree that any matter related to or arising out of the Agreement shall be resolved in accordance with laws of the State of Texas, without giving effect to its conflict of laws provisions, and venue for any proceedings shall be in Harris County, Texas;

6.7 Non-delegable Duties. Coach acknowledges that Coach's skills, expertise, and experience related to coaching duties contemplated by the Agreement are unique, specialized, and non-delegable;

6.8 Assignment. Neither Party may assign any obligations, rights, or duties set forth in the Agreement without the mutual, written consent of both Parties;

6.9 Notices. In order to be effective, any notice sent for purposes of the Agreement must be sent to the address stated in the Agreement, by certified mail, return receipt requested, or must be delivered in person to Coach or to the President of UH, as applicable, as follows:

UH:

President
University of Houston
4800 Calhoun
Houston, TX 77204

with a copy to

Director of Athletics
University of Houston
4800 Calhoun
Houston, TX 77204

COACH:

Thomas J. Herman
4800 Calhoun
Houston, TX 77204

With a copy to
Trace Armstrong
CAA
422 S.W. 88 Terrace
Gainesville, FL 32607

6.10 Severability. If any provision of the Agreement is found to be illegal or unenforceable, then that provision shall be amended or deleted, without affecting the enforceability of the remainder of the Agreement;

6.11 Force Majeure. If either Party is unable to perform any obligation under the Agreement because of acts of nature not within the control of that Party, then the performance of both Parties is excused until such matters are resolved to the extent that performance may resume;

6.12 Entire Agreement. This Agreement contains the entire understanding of the Parties

and supersedes any prior oral or written understandings, agreements, contracts, obligations or representations of the Parties;

6.13 Employment Matters. This Agreement sets forth all the terms of the Coach's employment and rights to such employment. This Agreement is intended as the sole source of Coach's employment rights, irrespective of any statement contained in any UH employment manual, UH staff manual, or any other similar document pertaining to UH staff or faculty;

IN WITNESS WHEREOF, the authorized representatives of UH have and the Coach has executed the Agreement as indicated below.

UNIVERSITY OF HOUSTON:

BY: Renu Khator
Renu Khator
Chancellor/President
3/9/15
Date

BY: Mack B. Rhoades, IV
Mack B. Rhoades, IV
VP of Intercollegiate Athletics
3-2-15
Date

Thomas J. Herman:

BY: Thomas J. Herman
Thomas J. Herman
Head Football Coach
3/2/15
Date

Approved as to form:

BY: Dona Cornell
Dona Cornell
General Counsel
3/3/15
Date

**AMENDMENT TO THE
HEAD COACH EMPLOYMENT CONTRACT
BY AND BETWEEN
THE UNIVERSITY OF HOUSTON
AND
THOMAS J. HERMAN**

WHEREAS THE UNIVERSITY OF HOUSTON ("UH") and Thomas Herman ("Herman") entered into an Employment Contract effective December 15, 2014 ("Agreement"); and

WHEREAS, Herman is presently serving in the position of Head Coach of the Football Team at UH; and

WHEREAS, UH and Herman desire to amend the Agreement as allowed pursuant to Section 6.5 of the Agreement;

NOW THEREFORE, for and in consideration of the mutual benefits and considerations received and to be received by the respective parties, UH and Herman amend the Agreement as follows:

1. The first sentence of Section 2.1 ("Length of Term") shall be replaced in its entirety with the following:

"The term of the Agreement shall begin on December 15, 2014 and shall end on February 28, 2021 ("Term") subject to the termination provisions stated in the Agreement."

2. Section 3.1.1 ("Base Salary") shall be replaced in its entirety with the following:

"3.1.1 Base Salary. The total amount of Sixty Six Thousand Six Hundred Sixty Six Dollars and Sixty Seven Cents (\$66,666.67) (\$800,000 when annualized), will be paid each month through the UH payroll system, as salary for services rendered during the Term of this Agreement ("Base Salary");"

3. Section 3.1.2 ("Non-Salary Compensation") shall be replaced in its entirety with the following:

"3.1.2 Non-Salary Compensation. The total annual amount of Two Million Dollars and Zero Cents (\$2,000,000) will be paid to Coach in equal monthly payments of One Hundred Sixty Six Thousand Six Hundred Sixty Six Dollars and Sixty Seven Cents (\$166,666.67).

4. For Section 3.1.3 ("Deferred Compensation"), the phrase "Five Hundred Thousand Dollars and Zero Cents (\$500,000)" shall be replaced with "Six Hundred Thousand Dollars and Zero Cents (\$600,000)."

5. For Section 5.4.1, the three bullets points will be replaced with the following bullet points in their entirety:

- If Coach terminates this Agreement without cause on or before February 28, 2017, Coach shall pay UH Two Million Five Hundred Thousand Dollars (\$2,500,000). In the event that the planned Twenty Million Dollar indoor practice facility is not approved by the University of Houston System Board of Regents by September 1, 2016, the above-mentioned payment will be reduced by 25% to One Million Eight Hundred Seventy Five Thousand Dollars and Zero Cents (\$1,875,000).
- If Coach terminates this Agreement without cause on or subsequent to March 1, 2017 but before February 28, 2019, Coach shall pay UH Two Million Two Hundred Twenty Five Thousand Dollars and Zero Cents (\$2,225,000). In the event that the planned Twenty Million Dollar indoor football practice facility is not at or near completion by December

1, 2017, the above mentioned payment will be reduced by 50% to One Million One Hundred and Twenty Five Thousand Dollars and Zero Cents (\$1,125,000). In the event that the planned Twenty Million Dollar indoor football practice facility is not at or near completion by December 1, 2018, the above mentioned payment will be reduced by 75% to Five Hundred and Sixty Two Thousand Five Hundred Dollars (\$562,500).

- If Coach terminates this Agreement without cause on or subsequent to March 1, 2019, but before February 28, 2021, Coach shall pay UH One Million Dollars and Zero Cents (\$1,000,000). In the event that the planned Twenty Million Dollar indoor football practice facility is not at or near completion by December 1, 2019, the above mentioned payment will be reduced to zero.

6. For Section 5.4.2, the second sentence will be replaced in its entirety with the following sentence:

"As liquidated damages, UH shall pay Coach a sum equal to ½ of the Base Salary and Non-Salary Compensation remaining due under the Agreement (Sections 3.1.1 and 3.1.2), but for termination of the Agreement, payable in equal monthly installments, per usual payroll procedure, until the date on which the Agreement would have expired."

The Agreement in all other respects is ratified and confirmed.

SIGNED AND EXECUTED, in as indicated below, but effective as provided herein.

THE UNIVERSITY OF HOUSTON

THOMAS HERMAN

By: Renu Khator / 12/4/15
Renu Khator Date
Chancellor/President, UHS/UH

By: Thomas Herman / 12/4/15
Thomas Herman Date
Head Football Coach, UH

By: Hunter Yracheck / 12/4/2015
Hunter Yracheck Date
VP of Intercollegiate Athletics, UH

APPROVED AS TO FORM BY:

By: Dona H. Cornell / 12/4/15
Dona H. Cornell Date
General Counsel, UHS/UH