

FOOTBALL COACH EMPLOYMENT CONTRACT

BY AND AMONG

UCF ATHLETICS ASSOCIATION, INC.,

JOSHUA K. HEUPEL

AND

JH FOOTBALL LLC, A MINNESOTA LIMITED LIABILITY COMPANY

INDEX

SECTION	PAGE
1. Employment	1
2. Term	1
3. Compensation	1
4. Coach's Duties	2
5. Radio and Television	4
6. Services, Speaking, Equipment and Apparel Endorsements	4
7. Football Camps	5
8. Additional Financial Matters	6
9. Termination	9
10. Support Staff and Facilities	17
11. Relationship Between the Parties	20
12. Limitation of Remedies	20
13. Assignment	20
14. Confidentiality	20
15. Governing Law	20
16. Severability	20
17. Modifications	20
18. Notice	21

HEAD FOOTBALL COACH EMPLOYMENT CONTRACT

This agreement ("Agreement") effective as of December 4, 2017 is made by and among UCF Athletics Association, Inc. (The "Association"), Joshua K. Heupel (the "Coach") and JH Football LLC, a Minnesota limited liability company ("Company").

WITNESSETH

NOW THEREFORE, in consideration of the promises made herein which inure to the mutual benefit of the parties and for other good and valuable consideration, the parties intending to be legally bound agree as follows:

1. **EMPLOYMENT:** Subject to the conditions stated in the provisions of this Agreement, the Association hereby employs Coach solely as Head Coach of the men's varsity football team at the University of Central Florida ("University") and Coach hereby agrees to and does accept the terms and conditions for said employment outlined herein. Coach shall perform such duties as are reasonable and customary for the Head Coach in the administration of the football program and such other duties and responsibilities usual and customary to a head football coaching position in a Division I intercollegiate program, as may be reasonably assigned by the Association. Coach shall work under the immediate supervision of, and report directly to, the Executive Vice President of the Association (the "Athletics Director"). The Association agrees that it may not assign Coach to any other position without his prior written approval, which approval may be withheld in Coach's sole and absolute discretion.

2. **TERM:** The term of this Agreement shall be effective as of December 4, 2017 (the "Effective Date") and shall terminate on January 15, 2023 (the "Term"). The Term may be extended for two (2) additional years at the mutual written option of both parties, in their sole and absolute discretion, and any such extensions shall be at the same terms and conditions of this Agreement. The extension option may be jointly exercised by the Association and Coach in a written instrument executed after December 1, 2019 but before August 1, 2022. This Agreement in no way grants Coach a claim to tenure in employment or any years of employment attributable to tenure within the University. This Agreement shall supersede any previous agreements of the parties as of the Effective Date. For purposes of this Agreement, each period during the Term from January 16 to the following January 15 shall be deemed a "Contract Year" except that the first Contract Year shall be the period from the Effective Date until January 15, 2019.

3. **COMPENSATION:** In consideration for the rights and services detailed herein, the Association promises to pay the Coach:

3.1 An annualized base salary of Four Hundred Thousand Dollars (\$400,000.00), effective December 4, 2017, payable in equal installments at the end of each regular Association pay period.

- 3.2 Coach is also eligible to receive an annual merit pay increase in an amount to be determined by the Athletics Director. Any such increase shall be in the sole and absolute discretion of the Athletics Director.
- 3.3 Coach shall be entitled to a personnel benefits package provided by the Association equivalent to the personnel benefits package offered by the University to executive service employees, except Coach shall not accrue annual leave time or sick time.
- 3.4 The foregoing compensation shall be subject to the same payroll deductions (for example, state and federal taxes, FICA withholding, and retirement plans) that apply to the Association employees.
- 3.5 If at any time during the Term UCF leaves The American Athletic Conference then at such time the parties agree to negotiate in good faith a new compensation, endorsement and bonus package for Coach, to be mutually agreed upon between the parties, and UCF shall consider as part of the good faith negotiations the median compensation package of the other head football coaches within the new conference; provided, however, that there shall be no decrease in Coach's compensation package as provided for in this Agreement. The parties further agree that in the event the parties are unable to agree upon a new compensation, endorsement and bonus package for Coach, then this Agreement and the compensation set forth herein shall remain in effect in accordance with the terms and conditions hereof.

4. COACH'S DUTIES: In consideration of the annual base salary, other benefits and guaranteed compensation which may become due and payable to Coach under provisions of this Agreement, Coach does promise and agree as follows:

- 4.1 Faithfully and conscientiously to perform the duties reasonably assigned by the Athletics Director, as specified in Section 1 above.
- 4.2 To devote such time and attention and energy to the duties of Head Football Coach as are required to faithfully discharge the duties as set forth herein, and as are required for promotion of the University's intercollegiate football program and to avoid any business or professional activities or pursuits that will conflict with his performance of his duties under this Agreement (in a non-de minimis manner) or will otherwise interfere with the Association's interests (in a non-de minimis manner).
- 4.3 To diligently seek to recognize and comply with the laws, policies, rules, and regulations of the Association, University, the National Collegiate Athletic Association (the "NCAA") and the Conference as now constituted or as may be amended during the term hereof.

- 4.4 To diligently seek to acquit himself at all times in a professional and sportsman-like manner. Coach recognizes he is a highly visible representative of the Association and the University, whose conduct, both on and off the field, affects the reputation of the institution, the viability of its athletic programs and contracts, and the well-being of its student-athletes.
- 4.5 Coach agrees that academic progress and achievement of the student-athletes under his supervision is of a high importance. Coach agrees to diligently seek to adhere to the University's standards and goals for the academic performance of its student-athletes in his recruitment, supervision, discipline and coaching of players. Coach agrees to follow diligently any reasonable directives from the Athletics Director or from the University President concerning such matters.
- 4.6 Coach agrees to be available for media or other public appearances at such times as the University, through the Association, may reasonably designate.
- 4.7 Coach agrees to diligently seek to observe all University, NCAA, and Conference rules pertaining to outside income. Coach shall request in writing and must receive the prior written annual approval of the Athletics Director which will not be unreasonably withheld or delayed before negotiating for or receiving any athletically related income or benefits from sources outside the Association or University so as to minimize conflict with any University, NCAA and/or Conference Rules. These sources include, but are not limited to:
- (A) Annuities;
 - (B) Sports Camps;
 - (C) Housing benefits (including preferential housing arrangements);
 - (D) Country-club memberships;
 - (E) Complimentary ticket sales;
 - (F) Television and radio programs;
 - (G) Endorsement or consultation contracts; and,
 - (H) Appearance fees or honorariums.

Coach's request to the Athletics Director shall disclose the amount of income from each contemplated outside source.

- 4.8 With regard to outside income, Coach, or his duly appointed assignees, reserves the sole right to control the use of his image in any advertising of products or services. To prevent conflicts, breaches, or violations of any University or Association agreement, Coach shall request approval from the Athletic Director before entering into any endorsement or personal services contract. Such request shall be in writing and approval will not be

unreasonably withheld or delayed. In connection therewith, Coach is authorized to represent himself as the Head Football Coach of the University during the Term of this Agreement and to appear in clothing containing the University's logos, and/or other insignia, both on and off University premises; provided, that such apparel is not in violation of the Association's apparel agreement.

- 4.9 Coach shall submit a written report to the Athletics Director describing any athletically related income and benefits from sources outside the Association/University by June 30th of each year. The form of this report shall be determined by the Athletics Director. The Athletics Director may require reasonable additional or verifying information. The Association agrees that it shall fully assist Coach in the preparation of such report and shall provide a written reminder to Coach with respect to the completion of such report on or about May 1 of each year of this Agreement.

5. RADIO AND TELEVISION:

- 5.1 The Association will exercise reasonable efforts to obtain radio and television appearances for Coach. Any revenue generated by such appearances shall be the sole and exclusive property of the Association. Coach hereby authorizes the Association and the Association hereby guarantees to pay Company an annual payment of Six Hundred Fifty Thousand Dollars (\$650,000.00) for the non-exclusive use of Coach's services for radio and television appearances. Payment for these services is guaranteed to be made to Company in four (4) equal quarterly installments on March 15, July 15, September 15 and December 15 of each Contract Year. The Association's obligation to make the payments set forth in this section is not conditioned upon the Association actually procuring any radio or television appearance for the Coach and is intended as guaranteed annual compensation to Company for the Association's right to utilize Coach's services, regardless of whether the Association actually utilizes the services or not.

- 5.2 With regard to any radio or television show obtained by the Association pursuant to Section 5.1, Coach agrees to make appearances during the football season or otherwise for such radio and television shows as are reasonably required at such times and places as are mutually convenient in consideration for the payments referenced in Section 5.1 above.

6. SERVICES, SPEAKING, EQUIPMENT AND APPAREL ENDORSEMENTS:

- 6.1 The Association reserves the right to contract with commercial firms regarding the sponsorship or endorsement of the Association and in the procurement of services, athletic equipment, or apparel that may be worn or

used by student-athletes or Association personnel in practices and public performances. Any revenue generated by such agreements shall be the sole and exclusive property of the Association. In any one calendar year during the Term, and provided such appearances are at times and places mutually convenient and compatible with Coach's responsibilities, Coach agrees to personally appear on behalf of the Association in connection with any such sponsorship or procurement of athletic equipment, services, or apparel agreement. Coach shall be reimbursed for all reasonable expenses, in accordance with Association reimbursement policies and procedures, incurred by him at the direction of the Association in the performance of his obligations under this paragraph. In exchange for granting the Association the non-exclusive, perpetual, royalty-free right to utilize the personal services, including the likeness of Coach during the Term only in connection with any sponsorship, service, speaking, equipment or apparel agreement, Coach hereby authorizes the Association and the Association hereby guarantees to pay Company an annual payment of Six Hundred Fifty Thousand Dollars (\$650,000.00). Payment for these services shall be made and guaranteed to Company on a quarterly basis in equal installments at the same time and in the same manner as the payment set forth in Section 5.1. above.

- 6.2 The Association's obligation to make the payments set forth in Section 6.1 above is not conditioned upon the Association actually procuring any sponsorships, services, speaking engagements or endorsement of equipment or apparel and is intended as guaranteed annual compensation to Company for granting the Association the non-exclusive right to utilize Coach's services, including his likeness, in procuring sponsorships, services, speaking engagements or endorsements of equipment or apparel regardless of whether the Association actually procures same or utilizes Coach's services. Without in any way limiting the foregoing, all rights of every kind in and to all photographs, film and recordings made of Coach (including, without limitation, all copyrights) shall be and remain vested in Association, including, without limitation, the right to use and reuse all such photographs, film and recordings in and in connection with subsequent related and unrelated productions of any kind, as well as in and in connection with advertisements, promotions, publicity, clips, and other materials.

7 FOOTBALL CAMPS:

- 7.1 The right to sponsor and operate a football summer camp or camps (the "Camp(s)") on University premises belongs to the Association. The right to sponsor and operate Camp(s) is automatically conveyed by the Association to the Coach on a yearly basis on January 1st. Upon conveyance pursuant to this Section 7.1, Coach hereby conveys his right to operate a Camp to JH Camps LLC, A Minnesota limited liability company ("Camp

Company”), for which Coach is the sole member, and the Association hereby approves said conveyance. In that regard, Coach has the right to sponsor and/or operate Camp(s) under his name on the Association or University premises, pursuant to applicable Association or University rules and on a space-available basis. Any direct costs for operating the Camp(s) will be borne solely by the Coach (on the best available terms offered by the University to any other person or entity) and any profits will accrue directly to the Camp Company. Coach is directly responsible to any other University department for services provided by them. Coach shall be freely permitted to transfer all revenue and expenses in connection with a Camp(s) to the Camp Company.

7.2 Operation of a Camp substantially benefits the Association and its football program by: (1) creating ties to the local community, (2) enhancing the program’s prestige and visibility, and (3) aiding in the program’s recruiting efforts. Coach shall operate the Camp with these goals in mind and shall at all times diligently seek to observe applicable Association rules in connection with such operation.

7.3 Coach shall not endorse or approve any other sports camps sponsored and operated by employees under his supervision without the specific written approval of the Athletics Director (not to be unreasonably withheld). Coach shall not enter into any agreement with apparel providers for apparel at any Camp which conflicts with the Association’s apparel agreement or wear apparel of any such competitor while attending official team activities.

8. ADDITIONAL FINANCIAL MATTERS:

8.1 Coach shall conduct such travel as is necessary to carry out his duties as Head Football Coach and shall be entitled to reimbursement for travel expenses pursuant to the Association’s rules and rates therefore.

8.2 The Association will provide Coach with a late-model luxury automobile for his personal use during the Term of this Agreement. The Association shall also pay for and provide Coach with a country club membership throughout the Term of this Agreement.

8.3 The Association shall provide to the football office for Coach’s exclusive use one football skybox at all home UCF football games during the Term, including food and beverages, at no charge, said skybox shall be used for the benefit and promotion of the Association and its programs in consultation with the Athletics Director. The Coach shall also receive twelve (12) football tickets for each game, at no charge, during the Term of this Agreement, as well as not less than twenty (20) tickets for any road game, neutral site game, and post-season playoff and/or bowl game in which the football team participates. The Association, upon request, shall provide

up to eight (8) basketball tickets for each game to the football office for Coach's use or other assistant coaches' and/or staff's use, at no charge, during the Term of this Agreement, as well as not less than eight (8) tickets for any post-season game in which the basketball team participates. The parties believe that the attendance at such events is related to Coach's employment function and an element implicit with the duties of the position. It is the goal of the parties that the items detailed in this Section 8.3. not be deemed income to Coach. The parties further recognize the Internal Revenue Code sets forth the requirements for what is and what is not deemed income to an employee, and the parties agree to comply and adhere to Internal Revenue Code guidance for the determination of income.

8.4 The Association shall pay Coach the following additional compensation:

(A) Championships: Twenty-Five Thousand Dollars (\$25,000) for each season in which the team participates in the conference championship game and Fifty Thousand Dollars (\$50,000) for each season in which the team wins the Conference Championship. Two Hundred Thousand Dollars (\$200,000) for each season in which the team wins a National Championship, as determined by one or more of the NCAA "National Champion Major Selectors". All amounts set forth in this Section 8.4 (A) shall be cumulative.

(B) Bowl appearances and Bowl Wins:

- (1) Twenty-Five Thousand Dollars (\$25,000) for each season the team is selected to participate in a non-New Year's Six bowl game; and
- (2) Twenty-Five Thousand Dollars (\$25,000) for each season the team wins a non - New Year's Six bowl game; or
- (3) One Hundred Thousand Dollars (\$100,000) for each season the team is selected to play in a New Year's Six Bowl or National Semi-Final game; and
- (4) One Hundred Thousand Dollars (\$100,000) for each season the team wins a New Year's Six Bowl or National Semi-Final game.

In order to be eligible, the incentive payments set forth in Section 8.4(B) above, the football team must win six (6) or more regular season games, excluding the conference championship game or bowl game. The Association's obligations under Sections 8.4 (A) and 8.4 (B) above shall be paid to Coach on the next regularly scheduled Association pay period after March 1st of each year during the Term of this Agreement but shall be deemed to have been earned on the day upon which any such incentives are achieved.

8.5 ACADEMIC PERFORMANCE

The Association shall pay Coach a bonus, as set forth below, based on the team's academic performance:

- (A) Academic Performance Rate: Coach shall receive a bonus in the amount of Five Thousand Dollars (\$5,000) for each academic year in which the team's Academic Performance Rating (APR) meets or exceeds single year APR of 940; and an additional Five Thousand Dollars (\$5,000) for each academic year in which the team's APR meets or exceeds single year APR of 950; and an additional Five Thousand Dollars (\$5,000) for each academic year in which the team's APR meets or exceeds single year APR of 960; and an additional Five Thousand Dollars (\$5,000) for each academic year in which the team's APR meets or exceeds single year APR of 970. For purposes of clarity the maximum bonus for team APR achievement is Twenty Thousand Dollars (\$20,000) per academic year.

- (B) Team Grade Point Average: Coach shall receive a bonus in the amount of Five Thousand Dollars (\$5,000) for each academic year in which the scholarship players' Grade Point Average (GPA) meets or exceeds a 2.6 GPA out of a 4.0 scale; and an additional Five Thousand Dollars (\$5,000) for each academic year in which the scholarship players' GPA meets or exceeds a 2.7 GPA out of a 4.0 scale; and an additional Five Thousand Dollars (\$5,000) for each academic year in which the scholarship players' GPA meets or exceeds a 2.8 GPA out of a 4.0 scale; and an additional Five Thousand Dollars (\$5,000) for each academic year in which the scholarship players' GPA meets or exceeds a 2.9 GPA out of a 4.0 scale. For purposes of clarity the maximum bonus for team GPA achievement is Twenty Thousand Dollars (\$20,000) per academic year.

Payment will be made on the next regularly scheduled Association pay period on or after thirty (30) days following the date the NCAA report is published (but shall be deemed to have been earned on the final day of the applicable academic year).

8.6 STUDENT ATHLETE AND STAFF CONDUCT

The Association shall pay Coach a bonus of Twenty-Five Thousand Dollars (\$25,000) in each year of the Term of this Agreement, provided that with regard to all football student-athletes, Coach or any other members of the football staff:

- (A) There are no violations of the University's *Code of Student Conduct* or its *Code of Academic Integrity*; and

- (B) There are no arrests, indictments, or convictions for any criminal or suspected criminal conduct; and
- (C) There has occurred no neglect or willful conduct which violates the NCAA constitution or the NCAA Operating Bylaws, especially those pertaining to ethical conduct (excluding Level IV violations).

Payment will be made on the next regularly scheduled Association pay period after March 1st of each year during the Term of this Agreement (but shall be deemed to have been earned on the final day of the applicable Contract Year).

- 8.7 BONUS PAYMENT: The bonuses set forth in Sections 8.4, 8.5, and 8.6 above, if earned, shall be payable on March 1st following the season in which they are earned. Once earned or achieved, each bonus detailed above shall not be forfeited by disability, death or termination of employment.
- 8.8 ADDITIONAL COMPENSATION CAP: The maximum additional compensation which may be earned pursuant to Sections 8.4, 8.5, and 8.6 above in any one season shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000) per Contract Year.
- 8.9 MOVING EXPENSES: The Association agrees to reimburse Coach for his household and vehicle moving expenses in connection with his relocation to the University area (including temporary housing expenses for up to 6 months).
- 8.10 SEASON TICKET SALES AND PER-SEAT DONATION INCENTIVE: On an annual basis throughout the Term, the Association shall pay Coach an amount ("Incremental Growth Amount") equal to twenty-five percent (25%) of the combined incremental growth in ticket sales revenue and per-seat donations revenue as calculated from a base line equal to the combined incremental growth in ticket sales revenue and per-seat donations revenue for the 2017 football season ("Base Line Amount"). The Incremental Growth amount shall be deemed to have been earned and shall be determined on the close of business on the day prior to the first home game of each season under this Agreement. The Incremental Growth Amount shall be paid to Coach on a quarterly basis on the same schedule as set forth for the payments provided in Paragraph 5.1. above. If season ticket revenue and per-seat donation revenue are equal to or less than the Base Line Amount in any season of this Agreement, the amount of additional compensation in this section shall be \$0 for that year. The parties understand and agree that this additional pay is not guaranteed and shall not be part of the calculation set forth in Section 9 below.

9. TERMINATION:

9.1 Notwithstanding the Term, this Agreement shall terminate upon the occurrence of any of the following contingencies and except for: (a) the payment of any salary and other compensation, and installments thereof, which have been earned for service performed as of the date of termination and (b) any bonuses which have been earned or achieved prior to the date of termination, the rights and obligations of the parties shall cease.

- (A) In the event of Coach's death or permanent disability. A disability shall be presumed permanent for the purposes of this paragraph if Coach is unable to perform his normal and customary duties for a period in excess of 180 consecutive days.
- (B) In the event of Coach's resignation from Association employment or upon his acceptance of other employment as a collegiate or professional football coach during the Term including any extensions, renewals or amendments.
- (C) Suspension or Termination for Cause. The Association may terminate this Agreement for "Cause," upon written notice to Coach, and such right of termination shall exist notwithstanding any rights available to the Association under other provisions of this Agreement. "Cause" for this purpose shall be defined to mean any one or more of the following enumerated items.
 - (1) Coach's failure to perform the material duties of head football coach or Coach's refusal or unwillingness to perform such duties in good faith and to the best of Coach's abilities after reasonable specific written notice of such failure, refusal or unwillingness has been given to Coach by Athletics Director, and Coach has continued such failure, refusal or unwillingness during a subsequent period of thirty (30) days from Coach's receipt of said written notice; or
 - (2) Material or unreasonably repetitive violations or breaches by Coach of this Agreement, of University or Association regulations, policies or rules which, if curable, are not cured by Coach within ten (10) business days of his receipt of written notice from the Association regarding the alleged breach; or
 - (3) Conviction of Coach of any felony or any misdemeanor of moral turpitude (including a plea of nolo contendere); or

- (4) Material fraud or material dishonesty of Coach in the performance of his duties or responsibilities hereunder; or
- (5) Material fraud or material dishonesty of Coach in the preparation, falsification or alteration of documents or records of University, NCAA or Conference documents or records required to be prepared or maintained by law, governing athletic rules or University regulations, or other documents or records pertaining to any recruit or student athlete, including without limitation expense reports, transcripts, eligibility forms or compliance reports, or permitting, encouraging or condoning such fraudulent or dishonest acts by any other person; or
- (6) Failure by Coach to respond accurately and within a reasonable time to any reasonable request or inquiry relating to the performance of his duties hereunder or his prior employment at any other institution of higher learning propounded by the University, NCAA, Conference, or other governing body having supervision over the athletic programs of University or such other institution of higher learning, or required by law, governing athletic rules or University regulations; or
- (7) Counseling or instructing by Coach of any coach, student or other person to not respond accurately and fully within a reasonable time to any reasonable request or inquiry concerning a matter relevant to the athletic programs of the University or other institution of higher learning which shall be propounded by the University, NCAA, Conference or other governing body having supervision over the athletic programs of the University or such other institution of higher learning, or which shall be required by law, governing athletic rules or University regulations; or
- (8) Soliciting, placing or accepting by Coach of a bet on any intercollegiate or professional athletic contest (including but not limited to, playing in daily fantasy sports leagues or contests), or Coach's permitting, encouraging or knowingly condoning any such acts of gambling by his football players or immediate coaching staff for whom he is the direct supervisor and is acting in a position of authority *vis-à-vis* said players and/or staff; or
- (9) Participating in any illegal gambling, bookmaking or illegal betting involving any intercollegiate or professional athletic

contest whether through a bookmaker, a parlay card, a pool or any other method of organized illegal gambling, or Coach's knowingly condoning or encouraging any of his football players or immediate staff (for whom he is their direct supervisor and is acting in a position of authority *vis-à-vis* said players and/or staff) to engage in any such illegal gambling acts; or

- (10) Furnishing by Coach of information or data relating in any manner to the football team to any individual known by Coach to be involved with gambling, a gambler, an odds maker, paid fantasy sports leagues, bettor or bookmaker; or
- (11) Excessive and consistent use or consumption by Coach of alcoholic beverages or prescription narcotics, drugs, controlled substances, steroids or other chemicals in such degree and for such appreciable, sustained period as to impair significantly and materially his ability to perform his duties hereunder; or
 - (a) Sale, use or possession by Coach of any illegal narcotics, drugs, controlled substances, steroids or other chemicals, the sale, use or possession of which by Coach is prohibited by law; or
 - (b) Knowingly permitting the sale, use or possession by a football student athlete of any narcotics, drugs, controlled substances, steroids or other chemicals, the sale, use or possession of which by such football student athlete is prohibited by law or by governing athletic rules; or
 - (c) Failure by Coach to, upon the reasonable request from the Athletics Director, cooperate in the enforcement and implementation of any legally permitted drug testing program established by the University or otherwise required by NCAA or conference rules for student athletes;
- (12) A determination by the NCAA of one or more Level I violation(s) or repetitive Level II, III or IV violations by Coach or of any such Level I violations or repetitive Level II, III or IV violations by members of the football team or football staff which were permitted by Coach, or about which violations Coach knew or should have known about and failed to act reasonably to prevent, limit or mitigate (it

is recognized that this sub-paragraph encompasses findings or determinations of Level I, II, III, and IV violations during employment of Coach by Association or any other institution of higher learning); or

- (13) Failure by Coach to report promptly to Athletics Director any violations known to Coach of governing athletic rules or University regulations by assistant coaches, students or other persons under the direct control or direct supervision of Coach; or
- (14) Repeated failure by Coach to obtain prior approval for outside activities as required by this Agreement or intentionally withholding or refusing to report accurately all sources and amounts of all income and benefits as required by this Agreement; or
- (15) Commission of any misconduct which both brings Coach into significant, long term public disrepute, contempt or scandal and which results in material long term damage to the Association or University's reputation as determined solely by the Athletics Director in the Athletics Director's reasonable business judgment; or
- (16) Publicly making any disparaging remarks of any sort (in the media, in social media, or otherwise) or communicating any disparaging comments about Association or University. Notwithstanding the above, nothing in this provision shall prevent, prohibit or limit Coach from testifying in any legal proceeding, including at deposition, hearing or trial, from cooperating in good faith in any governmental investigation or action, or from making any report required by law.

Although it is understood that from time to time the Coach may have social contact with the Association's Board of Directors, University officers (including the President, Provost and Vice Presidents) and members of the University's Board of Trustees at fund-raisers, media events, receptions or other social functions, Coach reports directly to the Athletics Director and Coach shall refrain from engaging in any direct appeals to any Association Board member, University officer or trustee about items relating to the administration of the University's athletics program. All discussion of items of concern or problems with the football program and other athletics programs shall be directed to the Athletics Director and in accordance with Association's protocol or policies. Coach agrees to follow the organizational structure and employment reporting within the Association and University. In the event that in a social setting Coach is approached by any members of the Association's Board of Directors, University officers, or members of the University's Board of Trustees to discuss issues related to the administration of the athletics program, Coach shall not be in breach of this paragraph and agrees to use best efforts to decline to comment.

- (17) Coach and/or any individual or entity acting on Coach's behalf shall not have any communication, whether directly or indirectly, with any prospective employer, search firms or other representatives of any prospective employer, who has a bona fide interest in engaging Coach in any Professional or NCAA Division I football coaching position without written notice to the Athletics Director prior to any and all communication. In the final year of the contract, Coach and/or representatives acting on his behalf are granted permission to discuss such employment with any person or entity at any time after the final day of the regular football season. It is particularly understood that on-going rumors or media reports of such negotiation are damaging to team morale and recruiting; therefore, the parties expressly agree that time is of the essence as to the provisions of this subparagraph, and that the same shall be strictly construed.

In lieu of termination for Cause, the Association may suspend Coach for a period not to exceed thirty (30) consecutive days for any acts or omissions representing grounds for termination for Cause under this sub-section 11(c). During a period of suspension under this sub-section 11(c), Coach shall be entitled to receive the salary, benefits provided by this Agreement and the guaranteed payments payable to Coach pursuant to Sections 5.1 and 6.1 of this Agreement shall be made.

(D) Suspension for Criminal or Other Charges. As an alternative or supplement to any other remedies available under this Agreement, the Association may suspend Coach on the following grounds:

- (1) In the event of an indictment being filed against Coach charging a felony, or
- (2) In the event of a notice of inquiry or a preliminary finding by the NCAA, finding one or more Level I violation(s) or repetitive Level II, Level III or IV violations by Coach personally of governing athletic rules, or such violations by other persons which were permitted, encouraged or condoned by Coach, or of which he had actual or constructive knowledge and failed to act reasonably to prevent, limit or mitigate.

Such suspension may continue until final resolution of such matter or proceeding or sixty (60) consecutive days, whichever is shorter. During such suspension, Coach shall receive the salary and benefits specified in this Agreement pursuant to Sections 5.1 and 6.1 shall be made.

9.2 TERMINATION WITHOUT CAUSE: In addition to the reasons for termination set forth in Section 9.1, the performance of work under this Agreement may be terminated by the Association whenever the Association determines that termination is in its best interests. Any such termination shall be effective by delivery to the Coach of a written Notice of Termination specifying the date upon which such termination becomes effective. The Parties understand and agree that if this Agreement is terminated pursuant to the provisions of this Section 9.2, the Association's liability through the end of the Term of this Agreement shall be limited as follows:

(A) The Association's liability shall be as follows:

- (i) payment to Coach of fifty percent (50%) of the remaining base salary payments due and owing to Coach pursuant to Paragraph 3 above for the remaining Term of this Agreement; and

(ii) payment to Company of fifty percent (50%) of the remaining radio and television appearance compensation guaranteed to Company pursuant to Paragraph 5 above for the remaining Term of this Agreement; and

(iii) payment to Company of fifty percent (50%) of the remaining sponsorship and endorsement revenue guaranteed to Company pursuant to Paragraph 6 above for the remaining Term of this Agreement.

(B) All of the amounts described in this Section 9.2 shall be paid pursuant to the express terms of this Agreement and the Association's customary pay practices, on or before the dates of payment set forth in this Agreement or if the Parties agree, reduced to present value at the time of termination and paid in a lump sum.

(C) Upon a termination by Association without cause, Association shall reimburse Coach on a monthly basis an amount equal to the difference between COBRA coverage cost for Coach, his wife and his dependents at the rate that would be paid for the employee share of such coverage by similarly situated active employees until the earliest of (i) eighteen (18) months following the termination of employment, (ii) Coach commencing other employment offering comparable coverage for which Coach is eligible or (iii) Coach, his wife and his dependents ceasing to be eligible for COBRA continuation coverage.

(D). Notwithstanding anything to the contrary contained in this Section 9.2, to the extent applicable, the parties acknowledge that Code section 457(f) will likely require some or all of the monthly payments described above to be taxable to Coach before their scheduled payment dates. Therefore, unless in the reasonable opinion of Association's counsel that Code section 457(f) does not apply, Coach will pay the Applicable Portion (as defined below) of amounts due as set forth above before the scheduled payment dates (a "Tax Distribution"); each subsequent payment shall be reduced by a pro-rated portion of any Tax Distribution. The "Applicable Portion" means the amount that Association determines is necessary to satisfy all applicable state and federal income and employment tax withholding on amounts described above that are taxable before the scheduled payment dates pursuant to Code section 457(f).

Any sums payable pursuant to this Paragraph 9.2 shall be reduced by any amounts earned by Coach during the remaining Term of this Agreement in connection with Coach's employment as a coach of any college or professional football team.

9.3 BUYOUT: If Coach terminates this Agreement prior to the end of the Term (unless due to a material breach of this Agreement by the Association that remains uncured for a period of fifteen (15) days after written notice thereof to the Association) and Coach subsequently accepts a position as an NCAA Division I football coach or a professional football coach during the Term of this Agreement including any extensions, renewals or amendments, Coach shall cause his new employer to pay to the Association, within sixty (60) days of the effective date of termination, either: (1) Ten Million (\$10,000,000) dollars if notice of termination by Coach is received on or before the final football game, including the bowl game, of the 2020 season ("Final Date"); or (2) fifty percent (50%) of the guaranteed contract value remaining during the Term of this Agreement if notice of termination by Coach is received after the Final Date (said amount shall be referred to herein as the "Buy-Out Amount"). Notwithstanding anything to the contrary contained above, in the event that the notice of termination by Coach is given to the Association at a time when Dr Daniel J. White is no longer the Vice President and Director of Athletics of University, then, in such event, the Buy-Out Amount shall equal fifty percent (50%) of the guaranteed contract value remaining under the Term of this Agreement as of the date said notice of termination by Coach is given the Association.

Coach and Association understand and agrees that said new employer may elect to pay the amounts associated with this Buyout. Such payment, by the prospective employer or other third party, to the Association shall be made within sixty (60) days of the effective date of such termination and shall be considered for all purposes, consideration paid by the prospective employer or other third party to the Association for the right to hire Coach or otherwise engage Coach for services to be rendered. Such payment is expressly not a payment made to satisfy an obligation owed personally by Coach for payment of such fee. If the prospective employer or other third party timely pays the applicable fee to the Association, neither Coach nor such prospective employer or other third party shall have any further obligation to Association under this Section 9.3. In the event said third-party does not timely pay the Association the applicable fee described in this Section 9.3 and cross referenced to Section 9.2, then Coach shall be deemed in breach of this Agreement and obligated to make such payment to Association, and the Association shall retain all remedies against Coach available under applicable law, including the right to recover damages from Coach for such breach. In such case the parties agree that the Association's recoverable monetary damages shall be no less than the

applicable fee that the Association was entitled to receive from Coach's prospective employer or other third party under this Section 9.3 and cross referenced to Section 9.2. Coach's timing to make such payment(s) shall be reciprocal with the schedule set forth in Section 9.2(B) (i.e., payment installments would be due at the end of each regular Association pay period). The parties have bargained for and agreed to the foregoing buyout/liquidated damages provision, giving consideration to the fact that termination of this Agreement, by either party, without cause prior to its expiration may cause the other party to lose compensation, certain benefits, incentives, goodwill, services, fan and alumni support that are associated with Coach's employment with Association, and such damages are extremely difficult to determine with certainty or fairly or adequately. The parties further agree that the payment of such buyout/liquidated damages by a party or Coach's new employer and acceptance by the other party shall constitute adequate and reasonable compensation to the party for damages and injuries suffered by said party because of such early termination without Cause by the other party. The parties agree that the foregoing is not a penalty and it should not be construed or interpreted to be a penalty. Alternatively, Association and Coach may elect to work with a new employer to assign this Agreement to the new employer for an assignment fee. Any such assignment shall be in writing and memorialized by a separate assignment and assumption agreement between Coach, Association and new employer. Any such assignment fee shall be paid to Association within five (5) business days of the execution of the assignment and assumption agreement.

9.4 BUYOUT EXCEPTIONS AND LIMITATIONS: The Parties agree that the buyout/liquidated damages provision shall not apply and neither party shall be entitled to payment of any amount in the event this Agreement is terminated by virtue of Coach's death, disability or retirement. "Disability" means: (i) Coach is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months or (ii) Coach is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Association. If Coach retires and then subsequently returns to the workforce within thirteen (13) months of retirement and during the remaining Term of this Agreement, as either a professional football coach or a collegiate football coach, then Coach shall pay Association the buyout that would be due under this Agreement beginning as of the date that Coach retired from Association. If Coach retires and then subsequently returns to the workforce after thirteen (13) months of retirement and during the remaining Term of this Agreement, as either a professional football coach or a collegiate football coach, then Coach shall pay Association the buyout that would be due under this Agreement beginning as of the date that Coach returned to the workforce.

10. ASSISTANT COACHES, SUPPORT STAFF AND INCENTIVES: Coach shall have the right to select and retain assistant coaches and shall have the responsibility for supervision of same with the approval of the Athletics Director, which approval shall not be unreasonably withheld. Coach's annual budget for the salaries of ten (10) assistant coaches shall be as follows:

Contract Year 1 of Term - 2,800,000.
Contract Year 2 of Term - \$3,100,000
Contract Years 3, 4 and 5 of Term - \$3,500,000

Coach shall annually set the salaries of the assistant coaches with the approval of the Athletics Director, which approval shall not be unreasonably withheld.

- (A) Support Staff: With respect to the strength and conditioning, football operations, player development, quality control, recruiting assistant(s), and equipment manager ("Support Staff"), Coach shall have the right to select and retain such individuals and shall have the responsibility for supervision of same with the approval of the Athletics Director, which approval shall not be unreasonably withheld.
- (B) Incentive Pool Support Staff for Bowls and Academic Performance:

- (1) Forty Thousand Dollars (\$40,000) shall be an incentive pool for Support Staff, which includes the director of sports medicine, for each season the team is selected to participate in a non-New Year's Six bowl game; or Seventy-Five Thousand Dollars (\$75,000) shall be an incentive pool for Support Staff, which includes the director of sports medicine, for each season the team is selected to play in a New Year's Six Bowl or National Semi-Final game.
- (2) The Association shall make available an incentive pool for academic support staff and Support Staff based on the team's academic performance: an incentive pool in the amount of Two Thousand Five Hundred Dollars (\$2,500) for each academic year in which the team's Academic Performance Rating (APR) meets or exceeds single year APR of 940; and an additional Two Thousand Five Hundred Dollars (\$2,500) for each academic year in which the team's APR meets or exceeds single year APR of 950; and an additional Two Thousand Five Hundred Dollars (\$2,500) for each academic year in which the team's APR meets or exceeds single year APR of 960; and an additional Two Thousand Five Hundred Dollars (\$2,500) for each academic year in which the team's APR meets or exceeds single year APR of 970. For purposes of clarity the maximum incentive pool for team APR achievement is Ten Thousand Dollars (\$10,000) per academic year.
- (3) The Association shall make available an incentive pool for academic support staff and Support Staff based on the team's grade point average: an incentive pool in the amount of Two Thousand Five Hundred Dollars (\$2,500) for each academic year in which the scholarship players' Grade Point Average (GPA) meets or exceeds a 2.6 GPA out of a 4.0 scale; and an additional Two Thousand Five Hundred Dollars (\$2,500) for each academic year in which the scholarship players' GPA meets or exceeds a 2.7 GPA out of a 4.0 scale; and an additional Two Thousand Five Hundred Dollars (\$2,500) for each academic year in which the scholarship players' GPA meets or exceeds a 2.8 GPA out of a 4.0 scale; and an additional Two Thousand Five Hundred Dollars (\$2,500) for each academic year in which the scholarship players' GPA meets or exceeds a 2.9 GPA out of a 4.0 scale. For purposes of clarity the maximum bonus for team GPA achievement is Ten Thousand Dollars (\$10,000) per academic year.

- (C) Incentive Pool Assistant Coaches for Championships: Fifty Thousand Dollars (\$50,000) shall be an incentive pool for assistant coaches for each season in which the team participates in the Conference Championship Game and an additional Twenty-Five Thousand Dollars (\$25,000) shall be an incentive pool for assistant coaches for each season in which the team wins the Conference Championship. Three Hundred Thousand Dollars (\$300,000) shall be an incentive pool for assistant coaches for each season in which the team wins a National Championship, as determined by one or more of the NCAA "National Champion Major Selectors".
- (D) Incentive Pool Assistant Coaches for Bowl Appearances and Bowl Wins:
- (1) An incentive pool for assistant coaches for each season the team participates in a non-New Year's Six bowl game, "New Year's Six" or National Semi-Final game shall be equal to the lesser of one month's collective salary of the assistant coaches, the director of operations and the head football strength and conditioning coach; and
 - (2) Seventy-Five Thousand Dollars (\$75,000) shall be an incentive pool for assistant coaches, the director of operations and the head football strength and conditioning coach for each season the team wins a New Year's Six Bowl or CFP National Semi-Final game.

The football team must win six (6) regular season games, excluding the conference championship game or bowl game, for the incentive amounts set forth in this Section 10 to be earned. Coach shall determine the individual incentive awards amounts from the incentive pool for assistant coaches, academic support staff, and Support Staff after consultation and approval of the Athletics Director, which approval shall not be unreasonably withheld. The Association's obligations under Section 10 shall be paid on the next regularly scheduled Association pay period after March 1st of each year (but shall be deemed to have been earned on the day upon which any such items are achieved).

11. RELATIONSHIP BETWEEN THE PARTIES: The relationship between Coach the Association shall be determined solely by the terms and conditions of this Agreement. Company hereby represents and warrants to the Association that Company possesses complete and unrestricted rights and full authority to bind Coach to the personal obligations and duties set forth in this Agreement, particularly the obligations and services contained in Paragraphs 5 and 6 above.
12. LIMITATION OF REMEDIES: The parties agree that neither party shall be liable for any collateral, punitive, special, exemplary, or consequential damages of any kind, including damages for lost collateral business opportunities or compensation arrangement set forth herein or for costs and attorneys' fees in the event of a breach hereunder.

13. ASSIGNMENT: Neither party may assign, transfer, alienate, or encumber any of its rights or obligations hereunder without the express written consent of the other party except as otherwise specifically set forth in this Agreement.
14. CONFIDENTIALITY: Coach hereby consents to release a copy of this Agreement in connection with any public records requests or media inquiries for same. During the term of employment, Coach hereby by irrevocably appoints Association as his/her agent for the limited purpose of distributing this Agreement to media and others that may request a copy of the Agreement. For the Term of the Agreement Coach authorizes Association, on Employee's behalf, to release a copy of this Agreement and any amendments, exhibits, schedules or attachments thereto.
15. GOVERNING LAW: This Agreement shall be governed by and construed under the laws of the State of Florida.
16. SEVERABILITY: If any provision of this Agreement shall be determined to be void, invalid, unenforceable, or illegal for any reason, it shall be ineffective only to the extent of such prohibition and the validity and enforceability of all the remaining provisions shall not be affected thereby.
17. MODIFICATIONS: This Agreement constitutes the entire understanding between the Association and the Coach and may not be altered except by a written amendment duly executed by both parties.
18. Section 409A
 - (A) The Intent of the parties is that payments and benefits under this Agreement comply with or be exempt from Section 409A of the Internal Revenue Code and the regulations and guidance promulgated thereunder (collectively, "Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. If Coach notifies Association (with specificity as to the reason therefore) that Coach believes that any provision of this Agreement (or any award of compensation, including benefits) would cause Coach to incur and additional tax or interest under Section 409A or Association independently makes such determination, Association shall, with consent of Coach, reform such provision to attempt to comply with or be exempt from Section 409A. To the extent that any provision hereof is modified in order to comply with Section 409A through good faith modifications to the minimum extent reasonably appropriate to conform with Section 409A. To the extent that any provision hereof is modified in order to comply with Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to Coach and Association of the applicable provision without violating the provisions of Section 409A. Coach acknowledges that the Internal Revenue Code assesses additional tax and penalties on Coach for noncompliance with Section 409A and that Coach's advisors have reviewed

this Agreement for compliance therewith and are not relying on any review of such compliance by Association.

- (B) Solely to the extent necessary to comply with Section 409A, a termination of employment shall not be deemed to have occurred for purposes of the applicable provisions of this Agreement providing for the payment of amounts or benefits subject to Section 409A upon or following a termination of employment unless such termination is also a “separation from service” within the meaning of Section 409A and, for purposes of any such provision of this Agreement, references to a “termination,” “termination of employment” or like terms shall mean “separation from service.”
 - (C) All expenses or other reimbursements paid under this Agreement or otherwise hereunder that are taxable income to Coach shall be paid promptly upon submission of appropriate documentation, but in no event later than the end of the calendar year next following the calendar year in which Coach incurs such expense or pays such related tax. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable, in any other taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, *provided* that the foregoing clause (ii) shall not be violated without regard to expenses reimbursed under any arrangement covered by Internal Revenue Code Section 105(b) solely because such expenses are subject to a limit related to the period the arrangement is in effect and (iii) such payments shall be made on or before the last day of Coach’s taxable year following the taxable year in which the expense occurred.
 - (D) For purposes of Section 409A, Coach’s right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments.
19. NOTICE: Any notice required or permitted to be given hereunder shall be sent in writing and delivered personally or by recognized overnight mail to the person named herein.

If to the Coach:
Joshua Heupel
Football Office
P.O. Box 163555
Orlando, FL 32816-3555

If to the Association:
John C. Hitt
Chairman
UCF Athletics Association, Inc.
P.O. Box 163555
Orlando, FL 32816-3555

and

Rick E Smith
Priority Sports
325 N. LaSalle Dr, Suite 650
Chicago, IL 60654

and

Dr. Daniel J. White
UCF Athletics Association, Inc.
P.O. Box 163555
Orlando, FL 32816-3555

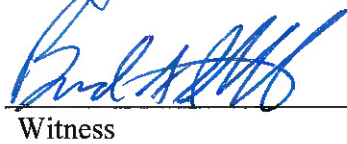
IN WITNESS WHEREOF, each of the parties to this Agreement has executed this Agreement in a manner and form sufficient to bind them and such Agreement shall be effective as of December 4, 2017.




Witness



Witness

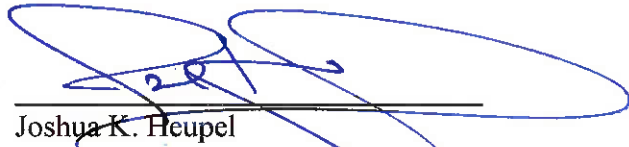


Witness




Witness

COACH



Joshua K. Heupel

JH FOOTBALL LLC, A MINNESOTA
LIMITED LIABILITY COMPANY

By: 

Its Manager

UCF ATHLETICS ASSOCIATION, INC.



By: Dr. Daniel J. White, Vice President and
Director of Athletics



By: John C. Hitt, Chairman