

# UConn<sup>®</sup>

## ATHLETICS

March 22, 2018

Dear Daniel Hurley,

It is with great pleasure that I offer you the position of Head Men's Basketball Coach for the University of Connecticut ("UConn"), effective March 23, 2018. This letter presents the material terms of UConn's employment offer and will be incorporated into a formal employment contract with UConn for execution at the earliest possible date.

Your acceptance of this offer will constitute a binding agreement between you and UConn and, in advance of the execution of a formal employment contract, this letter and the terms set forth herein will exist as the enforceable agreement between you and UConn. The formal employment contract will include the terms set forth herein and contain other customary terms.

### Term

The initial term of your employment will be for six (6) years. You will have the right to extend the term of your employment for up to five (5) additional years if you achieve certain Athletic and Academic goals as detailed in Attachment A. You must exercise your right to extend the term by giving UConn written notice within thirty (30) days following the end of the season in which you become eligible for such extension.

In addition, you will have the right to extend the term of your employment by up to one (1) additional year in the event the UConn Men's Basketball program receives from the NCAA a penalty resulting in a reduction of scholarships or a material limitation on recruiting or player visits that is based on activities or conduct that occurred prior to the effective date of your employment at UConn. You must exercise your right to extend the term by giving UConn written notice within thirty (30) days following UConn's written notice to you of the final adjudication of the NCAA matter resulting in such penalties.

### Duties

You will be responsible for coaching, supervising and promoting UConn's Men's Basketball program and performing other duties relevant to a head coaching position at an NCAA Division I men's college basketball program. UConn agrees that you will not be re-assigned or demoted from your position as Head Men's Basketball Coach. You will report directly to UConn's Athletic Director.



2095 Hillside Road, Unit 1173  
Storrs, CT 06269-1173

An Equal Opportunity Employer

PHONE 860-486-2725  
FAX 860-486-3300

### Base Salary

Your Base Salary will be a guaranteed annual salary of \$400,000 paid biweekly.

### Supplemental Compensation

- You will receive Supplemental Compensation in an annual amount of \$2,350,000 paid quarterly. This compensation is for services you perform on behalf of UConn for radio, television, and other media events, apparel and shoe sponsorships, fundraising and development activities, public outreach and other similar responsibilities (such appearances subject at all times to your primary coaching obligations).
- Your Supplemental Compensation may increase annually by an amount not to exceed \$150,000 per year, subject to, and based on the extent of, your achievement of certain Athletic and Academic goals as detailed in Attachment A.

### Reimbursement of Buyout Expense

- UConn will be responsible for the payment of your buyout obligation to your current employer, to the extent such buyout is required from your acceptance of this offer, in an amount not to exceed \$1,000,000 if paid in a lump sum within ninety (90) days of your acceptance of this offer. UConn has authorized this payment to be made to you or your current employer as a reimbursable employee business expense in accordance with Treas. Reg. Sec. 1.62-2. UConn does not consider this payment to be compensation to you. UConn acknowledges that the payment of this expense is necessary to obtain your services and therefore substantially benefits UConn.
- You acknowledge that you have not and will not be reimbursed for this expense from any other source. Additionally, you acknowledge and agree that you will not take a deduction for this expense on your personal income tax return. If this expense is determined to not qualify as a reimbursable employee business expense or if it is taxed as your income, UConn will neutralize the actual tax impact to you resulting from UConn's payment of this expense such that you will be compensated for your tax obligations in the applicable tax year that arise from such expense being taxed as your income. In such case, you must claim all deductions allowable under applicable tax law, including this expense. The parties will review your pertinent tax information, including signed income tax returns (and any amended returns) for 2018 (or other applicable tax year), to substantiate such amount as is necessary to effectuate this desired outcome.
- You represent and warrant to UConn that your acceptance of this offer and your performance of the duties of the position will not violate any contract or obligation you have or owe to any other party.

### Incentive Compensation

- You will be eligible to receive up to \$1,000,000 per year in Incentive Compensation for achieving Athletic and Academic goals as detailed in Attachment A. You will not be eligible to receive Incentive Compensation for certain Academic goals until your third year of employment.
- The Athletic Director will determine your achievement of the Athletic and Academic goals. The Incentive Compensation shall be owed to you when earned and payable to you within thirty (30) days of the achievement of such goals (except for Athletic goals, which will be paid within thirty (30) days of end of the season).

### APR Condition

Your eligibility to receive any extension to the term of your employment, to have your Supplemental Compensation increased and to receive any Incentive Compensation based on your achievement of the Athletic and Academic goals detailed in Attachment A in any year is subject, in each case, to the UConn Men's Basketball team having a multi-year APR of 950 or greater. You will not be entitled to any such rights or benefits, as detailed in Attachment A, if the APR in such year is below 950. If the APR criteria changes during the employment term, the parties will reevaluate in good faith the criteria set forth above based on such changes.

### Benefits and Other Compensation

You will also be entitled to receive the following benefits:

- Full personnel benefits on the same terms as provided by UConn to similarly-situated non-tenured employees, subject to standard payroll deductions.
- Reimbursement for all actual reasonable and necessary travel expenses incurred in relation to performing the responsibilities of the Head Men's Basketball Coach position as per UConn policy including, with prior approval from the Athletic Director, the travel expenses of your spouse but not children. Up to two guests may travel on chartered planes for away games if such seats are available on such flight.
- Reimbursement for your household moving expenses up to \$30,000 in accordance with UConn policy and state law, as approved by the Athletic Director.
- Reimbursement for temporary housing up to \$3,000 per month for a maximum of six (6) months in accordance with UConn policy and state law.
- Twelve (12) tickets to all home men's basketball games, and eight (8) tickets to away from home contests.
- Payment of an automobile allowance in an annual amount of \$15,000 paid biweekly.
- Payment of the fee categories for an annual family country club membership in Connecticut as approved by the Athletic Director. Alternatively, you may receive a budget of \$35,000 per year

for expenses you incur in connection with fundraising and development activities and similar professional responsibilities in lieu of such country club membership. The reimbursement of these expenses will be made in accordance with UConn policy and state law.

#### Compliance Terms

- You will comply with the terms of UConn's contracts with media partners, apparel and shoe sponsors, and other business partners of UConn and its Men's Basketball program, including any reasonable requirements in such contracts applicable to your position as Head Men's Basketball Coach, subject at all times to your primary coaching obligations.
- You shall be prohibited from receiving benefits or compensation other than the compensation described in this offer letter from any other source without prior written agreement by UConn, not to be unreasonably withheld or delayed. Any such benefits or compensation must be in accordance with UConn policy and not violate the terms of UConn's contracts with media partners, apparel and shoe sponsors, and other business partners. You will be required to report such outside compensation and benefits annually.
- It is a condition of your employment that you and your staff will comply with state statutes, including ethics statutes, and with policies, rules and regulations established by UConn, UConn's athletic conference and the NCAA applicable to you and your staff's employment at UConn. If UConn determines that, while employed by UConn, you or your staff have committed a material violation of any of these statutes, policies, rules and regulations, failed to report such a violation you knew about or failed to prevent or stop such a violation, then you may be subject to disciplinary action. Discipline will be in proportion to the violation and may include suspension without pay or termination for just cause.
- If UConn determines that, prior to employment by UConn, you committed a Level I or Level II NCAA violation, failed to report a Level I or Level II violation you knew about, or failed to prevent or stop a Level I or Level II violation, you may be subject to disciplinary action as in the prior paragraph.

#### Separation Terms

- If you terminate your employment prior to the end of the term for any reason, or if UConn terminates your employment for just cause, UConn will not be liable for any payments or benefits after the date of termination. The employment contract will set forth the circumstances that constitute "just cause", but include typical circumstances that sustain the termination of any regular staff employee of UConn.
- In the event UConn terminates your employment for any reason other than just cause, UConn will not be liable for any payments or benefits after the date of termination, except that you will be entitled to receive all post-termination benefits (*e.g.*, COBRA) given to full-time non-tenured employees at UConn and liquidated damages in the amount specified below based on the effective date of termination:



Termination Date	Payment
Prior to 4/1/2019	\$17,250,000
4/1/2019 – 3/31/2020	\$14,500,000
4/1/2020 – 3/31/2021	\$11,700,000
4/1/2021 – 3/31/2022	\$6,500,000
4/1/2022 – 3/31/2023	\$4,500,000
On or after 4/1/2023	\$3,000,000

This payment shall serve as full satisfaction of all of UConn's obligations to you. This payment will be made in equal monthly installments from the date of termination through the remainder of the employment term. This payment will be reduced by any subsequent total salary, compensation and other remuneration you receive as an NCAA Division I men's basketball coach through the remainder of the employment term, and you agree to use good faith in negotiating the total salary, compensation and remuneration.

- In the event you terminate your employment prior to the end of the term for any reason other than your death or disability, you will be required to pay UConn liquidated damages in the amount specified below based on the effective date of termination:

Termination Date	Payment
Prior to 4/1/2019	\$8,000,000
4/1/2019 – 3/31/2020	\$5,000,000
4/1/2020 – 3/31/2021	\$3,500,000
4/1/2021 – 3/31/2022	\$3,000,000
4/1/2022 – 3/31/2023	\$2,000,000
On or after 4/1/2023	\$0

This payment will be made in equal monthly installments from the date of termination through the remainder of the employment term.

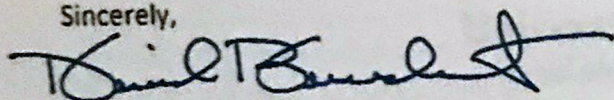
#### Formal Contract

While these terms are subject to our executing a formal employment contract, I trust that every reasonable effort will be made to mutually conclude that process within sixty (60) calendar days of your start date. However, and as previously stated, this letter and the terms set forth herein will continue to exist as the binding agreement between the parties until the execution of a formal employment contract.

Please indicate your acceptance of UConn's employment offer on the terms set forth herein by signing below.

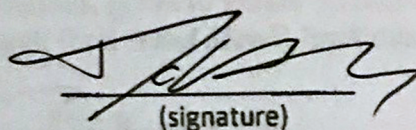
I have every confidence that you will lead our men's basketball program to compete for Conference and National Championships with integrity and pride, and I look forward to welcoming you as a member of the Huskies family.

Sincerely,



David Benedict  
Director of Athletics  
University of Connecticut

Accepted:

  
(signature)

3/22/18  
(date)

Printed Name:

Dan Hurley

**UConn Men's Basketball - Head Coach  
Attachment A - Athletic & Academic Goals**

**Extension to Employment Term at Coach's Option (earn highest annually)\***

NCAA Tournament Appearance in 2019, 2020, 2021	1 year
NCAA Sweet 16 in 2021, 2022 and beyond	1 year
NCAA Final Four in any year	2 years

*Note: Coach can only earn a total of 5 additional years*

**Automatic Increases to Supplemental Compensation (earn highest annually)\***

Annual Increase	\$ 50,000
NCAA Tournament Appearance	\$ 75,000
NCAA Sweet 16 or beyond	\$ 150,000
AAC Championship (regular season (co-champion or outright) or tournament)	\$ 125,000

**INCENTIVE COMPENSATION \***

**Academic (earn highest in each category)**

**Graduation Success Rate (starting in Year 3)**

Four Year GSR of 70% - 79%	\$ 25,000
Four Year GSR of 80% - 89%	\$ 50,000
Four Year GSR of 90% - 99%	\$ 75,000
Four Year GSR of 100%	\$ 100,000

**Academic Progress Rate (starting Year 1)**

Single Year APR 970-979	\$ 25,000
Single Year APR 980-989	\$ 50,000
Single Year APR of 990-999	\$ 75,000
Single Year APR of 1000	\$ 100,000

**Maximum Academic Bonus \$ 200,000**

**Athletic (earn highest in each category) \*\***

**AAC Regular Season**

Regular Season Champions	\$ 100,000
Co-Regular Season Champions	\$ 50,000

**AAC Tournament**

Champions	\$ 100,000
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**NCAA Tournament**

First Four	\$ 25,000
Round of 64 Appearance	\$ 35,000
Round of 32 Appearance	\$ 50,000
Sweet 16 Appearance	\$ 100,000
Elite 8 Appearance	\$ 150,000
Final 4 Appearance	\$ 200,000
National Championship Appearance	\$ 250,000
National Champions	\$ 400,000

**Final Ranking (AP or USA Today)**

Top 25	\$ 50,000
Top 10	\$ 100,000

<b>Coach of the Year (AAC)</b>	<b>\$ 25,000</b>
<b>Maximum Athletic Bonus</b>	<b>\$ 700,000</b>
<b><u>AD Discretionary Bonus</u></b>	
Performance goals established annually by the Athletic Director	\$ 100,000
<b>Maximum Incentive Compensation Possible</b>	<b>\$ 1,000,000</b>

*\* All automatic term extensions, increases to supplemental compensation, and incentive compensation, are subject to UConn's Men's Basketball team continuing to meet a multi-year APR rate of 950, subject to the reevaluation clause set forth in the agreement.*

*\*\* The Maximum Athletic Bonus shall not exceed \$ 700,000 in any year even if all applicable Athletic goals are achieved in such year.*