

C O N T R A C T O F E M P L O Y M E N T
HEAD FOOTBALL COACH
DEPARTMENT OF INTERCOLLEGIATE ATHLETICS
UNIVERSITY OF NEBRASKA-LINCOLN

THIS CONTRACT is made by and between **THE BOARD OF REGENTS OF THE UNIVERSITY OF NEBRASKA**, a public body corporate (“University”), for and on behalf of the Department of Intercollegiate Athletics of the University of Nebraska-Lincoln (“Athletics”) and Mark “Bo” Pelini (“Coach”).

WITNESSETH: That the University hereby agrees to employ Coach and Coach hereby agrees to accept employment as Athletics’ Head Football Coach, subject to the following terms:

Section 1. Term of Contract. Unless earlier terminated pursuant to the provisions herein, the term of this Contract shall be for a period beginning on the 1st day of March, 2009, and expiring at midnight on the 28th day of February, 2014, or on such later extended expiration date, as provided for in Section 12 below (the “Term”). All prior employment contracts entered into between the parties are hereby terminated. Except as otherwise specifically and explicitly provided herein, upon expiration of the Term, all compensation, perquisites, benefits and other privileges provided to Coach under this Contract shall cease to the full extent permitted by law.

Section 2. Duties.

(a) The Coach shall perform duties as Head Football Coach and shall be responsible to the Director of Intercollegiate Athletics for the direct supervision and administration of Athletics’ Football Program (the “Program”).

(b) In addition to other requirements and conditions of this Contract, Coach agrees:

- (1) To faithfully and conscientiously perform the duties of Head Football Coach and to maintain the high moral and ethical standards commonly expected as a Head Coach at the University;
- (2) To devote full-time attention and energy to head coaching duties as required herein and to the promotion of the Program;
- (3) To avoid any business or professional activities or pursuits that may conflict with the performance of Coach’s Program duties under this Contract; and
- (4) To perform such other duties as shall from time-to-time be assigned to Coach by the Director of Intercollegiate Athletics or such other University authorized officials for the benefit of the University, Athletics, and their respective missions and programs, including but not limited to, appearances on radio programming produced by the radio rightsholder, sponsorship/development support, and appearances in Athletics’

HuskerVision produced coaches shows. (Athletics' Policy on HuskerVision Television Productions is attached to this Contract as Appendix "A" and is incorporated herein by this reference.)

(c) Coach agrees that academic progress and achievement of student-athletes is of the highest importance. Coach agrees to adhere to the University's standards and policies for the academic performance of its student-athletes in the recruitment, supervision and coaching of players. Coach agrees to follow conscientiously any directives from the Director of Intercollegiate Athletics or other duly authorized administrative officers of the University concerning such matters.

(d) Coach shall not have authority to engage in dealings with any athletic booster or booster organization of the University, except as may be expressly authorized by the Director of Intercollegiate Athletics.

Section 3. Annual Salary and Compensation. In consideration of an annual salary of \$1,851,000.00, and the further agreements and considerations hereinafter stated, Coach agrees to perform the duties set forth herein. The annual salary stated above may from time to time, at the discretion of the University, be adjusted upward without the necessity of a written amendment to this Contract. Such annual salary shall be paid in twelve equal monthly installments in accordance with the policies of the University governing payment of salary to members of the all-year professional staff.

Section 4. Exceptional Performance Bonuses. In addition to the annual salary to be paid to Coach as provided in this Contract, the University will pay to Coach an exceptional performance bonus should the Program reach certain levels of achievement. The amount of and circumstances, including date of payment, surrounding the exceptional performance bonuses are described in Appendix "B", attached hereto and incorporated herein by this reference.

Section 5. Professional Staff Appointment Status, Fringe Benefits, and Terms, Conditions, Rights and Responsibilities of Employment. The professional staff appointment status of Coach pursuant to this Contract shall be an all-year special appointment as a member of the academic-administrative staff of the University. Coach shall be entitled to receive all of the fringe benefits of employment received by other members of the academic-administrative staff, and such other fringe benefits of employment as may be provided upon approval by the Director of Intercollegiate Athletics. Except as may be inconsistent with this Contract, the employment of Coach pursuant to this Contract is subject to the terms and conditions of employment for members of the academic-administrative staff as provided in Chapter III of the *Bylaws of the Board of Regents of the University of Nebraska* (the "Bylaws"), and is subject to the rights and responsibilities of the professional staff as provided in Chapter IV of the *Bylaws*. Said provisions of the *Bylaws* are incorporated into this Contract by reference and may be accessed on the Internet at <http://www.nebraska.edu>.

Section 6. Supplemental Benefits and Compensation. In addition to the salary stated in Section 3 and the standard University fringe benefits of employment provided in Section 5 of this Contract, the Director of Intercollegiate Athletics has approved and Coach will annually receive the following supplemental benefits and compensation associated with Coach's University employment for so long as Coach is employed as Athletics' Head Football Coach:¹

- (a) Coach will be provided with two automobiles for the personal use of Coach and Coach's spouse; or (2) cash payments in amounts reasonably determined by the University to provide Coach with two automobiles; or (3) a combination of providing an automobile in-kind and a monthly cash stipend to apply toward the purchase or lease a second vehicle. Coach will be personally responsible for the requisite insurance and maintenance associated with these vehicles.
- (b) Coach will be provided with a membership in a country club of Coach's choosing in or around Lincoln, Nebraska. Initiation fees and dues for this country club membership will be paid from sources outside of the University that support the University's intercollegiate athletics program.

In the event Coach for any reason ceases to serve as Head Football Coach, any and all obligations of the University under this Section 6, shall cease as of the date that Coach ceases to serve as Head Football Coach.

Section 7. Employment of Assistant Coaches. Coach shall have authority, consistent with University personnel policies and procedures and National Collegiate Athletic Association (NCAA) regulations, and subject to approval by the Director of Intercollegiate Athletics, to hire and discharge assistant coaches and any other employees under Coach's direct supervision. It is understood that assistant coaches will be immediately responsible to Coach, and that Coach in turn is responsible for the activities of Coach's staff as they relate to the athletic interests of the University.

¹ The benefits and supplemental compensation provided in Section 6 and the exceptional performance bonuses provided in Section 4 are part of Coach's compensation package and will be reported to the Internal Revenue Service on Form W-2.

The value of personal use of any employer provided automobile will be taxable income to Coach. Coach will be required to keep records of Coach's personal and business use of any employer provided automobile for the purpose of determining the value of the personal use, which will be reported to the Internal Revenue Service as income on Form W-2.

With respect to club memberships, initiation fees are not taxed to Coach, since the "beneficial" ownership of the club membership belongs to the University, as that term is defined by the Internal Revenue Service. Annual or periodic club dues paid on behalf of the employee are, however, fully taxed as compensation.