Resolution: Authorization to Execute Certain Employment Agreement (Mario Cristobal)

Whereas, the Department of Intercollegiate Athletics (Athletics) has selected Mario Cristobal (Cristobal) as head coach of the University of Oregon’s (University) intercollegiate football team;

Whereas, Cristobal has had a strong career as an intercollegiate coach prior to joining the University in January 2017 and has, though his time at the University and recent interview process, shown a commitment to fulfilling the overall mission of the University’s athletic department and serving student-athletes;

Whereas, Athletics and Cristobal have entered into a memorandum of understanding regarding terms for his employment, effective December 8, 2017, as head coach of the football program;

Whereas, ORS 352.107(c) grants the University of Oregon the authority to make any and all contracts and agreements that are appropriate;

Whereas, the Policy on the Retention and Delegation of Authority requires Board of Trustees’ approval for instruments exceeding $5,000,000, but further authorizes the president to act prior to such approval when time makes prior authorization impractical; and,

Whereas the Policy on Committees authorizes the Executive and Audit Committee to act on behalf of the Board of Trustees;

Now, therefore, the Executive and Audit Committee (EAC) of the Board of Trustees of the University of Oregon hereby ratifies the actions of the University President and Director of Intercollegiate Athletics in negotiating with Mario Cristobal for employment as the head coach of the intercollegiate football team and authorizes the University to execute a contract including the key terms articulated in the signed Memorandum of Understanding attached hereto as exhibit A. A final version of the executed contract shall be provided to trustees.

VOTE: Voice Vote Recorded – Ayes carried (no dissention)

DATE: December 15, 2017

Recorded by the University Secretary: [Signature]
Memorandum of Understanding

This Memorandum of Understanding (MOU) is entered into by Mario Cristobal (Coach) and the University of Oregon (University), effective as of December 8, 2017.

By entering into this MOU, Coach and University each make a binding commitment to the other regarding the employment of Coach at University in the role of head football coach. The material financial terms of this employment agreement are set forth below. The parties agree to work immediately and in good faith to complete a long form employment agreement which will replace this MOU as the employment agreement for Coach. The parties agree that such long form employment agreement shall be substantially similar to the template agreement attached hereto as Exhibit 1 to this MOU. The long form employment agreement to be entered into shall not be materially different with respect to the University’s financial obligations to Coach or with respect to the terms of sections 6 and 7 of Exhibit 1.

TERM

1. The term (Term) of this Agreement shall begin on December 8, 2017, and end at 11:59 pm Pacific Time on January 31, 2023, at which time this Agreement shall expire without penalty to either party. Each contract year (Contract Year) shall be any twelve (12) month period during the Term from 12:00 am February 1 to 11:59 pm on January 31.

   - Contract Year 1:  December 8, 2017 – January 31, 2019
   - Contract Year 2:  February 1, 2019 – January 31, 2020
   - Contract Year 3:  February 1, 2020 – January 31, 2021
   - Contract Year 4:  February 1, 2021 – January 31, 2022
   - Contract Year 5:  February 1, 2022 – January 31, 2023

COMPENSATION

2. Compensation: University shall pay Coach a Guaranteed Base Salary as follows:

   - Contract Year 1:  $2,500,000 (per 12 month period, pro rata for partial year)
   - Contract Year 2:  $2,500,000
   - Contract Year 3:  $2,500,000
   - Contract Year 4:  $2,500,000
   - Contract Year 5:  $2,500,000

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3. Fringe Benefits:

   a. Coach shall be entitled to participate in most of the University fringe benefits offered to other employees that share his status as an Officer of Administration.
   b. Two courtesy cars (or $500/car/month in lieu of courtesy cars)
   c. Membership in the Eugene Country Club if such a membership is available (and if not available then an available membership in a country club of Coach’s choice in the Eugene area).
   d. Family membership at the Downtown Athletic Club if such membership is available.
   e. Twelve tickets to each of the University’s football team’s home games and four tickets to each home competition of each of the University’s other varsity intercollegiate athletic teams. Coach will be provided with use of a premium-level skybox stadium suite on the 5th FL of the South Side of Autzen Stadium during each home football game.
   f. Cost for Coach’s spouse and dependent children living at home to travel to all regular season away football games. In the event the football team participates in post-season play, University agrees to pay the costs for Coach’s spouse and any dependent children living at home to travel to away post-season games.
   g. Coach shall receive a Nike Elite allowance so long as such allowance is made available to University by Nike.

4. Performance Incentives

   a. Annual performance incentives:

      Bowl Participation:
      
      CFP National Championship Game:                $250,000
      CFP Semi-Final:                                   $200,000
      CFP Bowl (Other than CFP Semi-Final):            $175,000
      Any Other Bowl (must have at least 7 regular season wins): $100,000

      Note: Bowl Participation incentives above are not-cumulative (only one can be earned per season).

      Other Performance and Academic Incentives:
      Win CFP National Championship Game:            $500,000
      Win PAC 12 Championship:                      $150,000
      Win PAC 12 North Division:                     $100,000
      9 Regular Season Wins:                        $100,000
      10 Regular Season Wins:                       $100,000
      11 Regular Season Wins:                       $200,000
      12 Regular Season Wins:                       $250,000

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APR 985 or greater (single-year) $100,000
PAC 12 Conference Coach of the Year $25,000
AP or Walter Camp National Coach of the Year $50,000

Maximum Other Performance Incentives: $1,575,000

Note: Other Performance and Academic Incentives above are cumulative.

LIQUIDATED DAMAGES IF TERMINATION BY UNIVERSITY WITHOUT CAUSE

Fifty percent (50%) of the remaining Guaranteed Base Salary owed for the remainder of the Term. University’s liquidated damages obligations are limited by Coach’s duty to actively seek and obtain employment post-termination according to terms set forth in Section 6 of Exhibit 1.

LIQUIDATED DAMAGES IF TERMINATION BY COACH

Payment amount determined by date of termination:

On or before the end of 1st Contract Year (January 31, 2019): $10,000,000
After the first Contract Year but on or before the end of the second (January 31, 2020): $8,000,000
After the second Contract Year but on or before the end of the third (January 31, 2021): $6,000,000
After the third Contract Year but on or before the end of the fourth (January 31, 2022): $4,000,000
After the fourth Contract Year but on or before the end of the fifth (January 31, 2023): $2,000,000

The University of Oregon

Rob Mullens
Director of Athletics
Date: 12/7/17

Mario Cristobal
Date: 12/7/17

Head Coach Binding MOU

Initials: [Signature]

Coach

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