

PROMISSORY NOTE

\$ _____

August __, 2025

FOR VALUE RECEIVED the University of Houston Department of Athletics ("Borrower"), promises to pay to the order of the University of Houston ("Lender"), a Texas state agency and institution of higher education who has an address at 4302 University Drive, Houston, Texas 77204, or such other place as the holder of this Note may from time to time designate in writing, the principal sum of _____ DOLLARS (\$ _____), in strict accordance with the terms and provisions hereof:

- 1) Interest. The principal amount of this Note shall bear interest at 70% of the prime rate (____% per annum) as of [*date to be inserted*]. Interest shall be computed on the basis of a three hundred and sixty-five (365) day year. Interest shall accrue on the original principal balance only and there shall be no accrual of interest upon interest with the exception of interest unpaid at the end of a fiscal year.
- 2) Payments of Principal and Interest. The principal and interest of this Note shall be payable as follows:
 - a) Borrower will pay installments of principal and interest in amounts of _____. Borrower shall re-pay the principal and interest of this Note by the Maturity Date.
 - b) Installment payments to Lender shall be made on August 31 of each fiscal year.
- 3) Maturity. This Note shall mature (*i.e.*, all outstanding principal and interest which has not been paid, shall be due and payable in full) on the 31st day of August, 2034 (the "Maturity Date").
- 4) Partial Payment. If Lender at any time receives or accepts payment from or for the account of Borrower of less than the full amount when due on this Note, such receipt or acceptance shall, unless Lender expressly agrees otherwise in writing, be deemed a payment on account only, and shall not cure any default existing by reason of failure to pay the full amount when due, nor preclude the exercise of any remedy of Lender including, but not limited to, acceleration of any unmatured portion hereof.
- 5) Events of Default and Remedies. At the option of the holder of this Note, the entire unpaid principal balance and interest of this Note shall immediately become due and payable upon the occurrence at any time of any one or more of the following (herein referred to as an "Event of Default"):
 - a) Borrower shall fail to pay the principal of this Note as and when the same becomes due and payable in accordance with the terms hereof;

- b) Borrower files as a debtor a petition, case, proceeding or other action pursuant to, or voluntarily seeks the benefit or benefits of, Title 11 of the United States Code, as now or hereafter in effect, or any other applicable law, domestic or foreign, as now or hereafter in effect, relating to bankruptcy, insolvency, liquidation, receivership, reorganization, arrangement or composition, extension or adjustment of debts, or similar laws affecting the rights of creditors; or
- c) Borrower shall fail to perform any other covenant, condition, obligation or agreement set forth in this Note.

If an Event of Default shall occur, Lender may (a) declare the entire balance of this Note immediately due and payable; and (b) exercise any other remedy provided by law or equity. No remedy referred to herein is intended to be exclusive, but each shall be cumulative, and the exercise or beginning of exercise by Lender of any one or more of such remedies should not preclude the simultaneous or later exercise of any or all of such remedies. Any failure of Lender to exercise any rights or remedies available to Lender if an Event of Default should occur shall not constitute a waiver of Lender's right to exercise such rights or remedies in the event of any subsequent Event of Default.

- 6) WAIVER. EXCEPT AS EXPRESSLY OTHERWISE PROVIDED FOR HEREIN, BORROWER AND ALL OTHER PARTIES NOW OR HEREAFTER LIABLE OR RESPONSIBLE FOR THE PAYMENT OF THIS NOTE, WHETHER AS ENDORSER, GUARANTOR, SURETY OR OTHERWISE, SEVERALLY WAIVE DEMAND, PRESENTMENT, PRESENTMENT FOR PAYMENT, NOTICE OF INTENT TO DEMAND, NOTICE OF NONPAYMENT, NOTICE OF DISHONOR, DILIGENCE IN COLLECTING, GRACE, NOTICE (INCLUDING NOTICE OF INTENT TO ACCELERATE AND NOTICE OF ACCELERATION) AND PROTEST AND CONSENT TO ALL RENEWALS AND EXTENSIONS THAT FROM TIME TO TIME MAY BE GRANTED BY THE HOLDER OF THIS NOTE AND TO ALL PARTIAL PAYMENTS HEREIN, WHETHER BEFORE OR AFTER MATURITY.
- 7) Cumulative Rights. No delay on the part of Lender in the exercise of any power or right under this Note, or any other agreement, shall operate as a waiver thereof, nor shall a single or partial exercise of any power or right preclude other or further exercise thereof or exercise of any other power or right.
- 8) Notices. Any notice or demand required or to be given hereunder shall be in writing, and shall be deemed to have been given and received when deposited in a post office or official depository of the United States Postal Service, sent by certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Borrower: University of Houston
 Department of Athletics
 4302 University Drive
 Houston, Texas 77402

If to Lender: University of Houston
 4302 University Drive
 Houston, Texas 77204

The address or addresses set forth in this Note may be changed by any party by giving notice of such change to the other party in the manner provided herein for giving notice.

- 9) Severability. In case any of the provisions of this Note shall for any reason be held to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Note shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
- 10) Construction. This Note shall be construed and interpreted without regard to the identity of the person who drafted its various provisions; consequently, the Note is not to be construed or interpreted against any of the parties on the grounds of sole or primary authorship. Each provision shall be construed and interpreted as though both parties participated equally in drafting. Any rule of construction that a document be construed against the drafting party shall not apply to this Note.
- 11) GOVERNING LAW. THE PARTIES AGREE THAT THE LAWS OF THE STATE OF TEXAS, EXCLUDING ITS CONFLICTS OF LAW RULES, SHALL GOVERN THE CONSTRUCTION, INTERPRETATION, AND ENFORCEABILITY OF THIS NOTE.
- 12) JURISDICTION AND VENUE. ALL ACTS CONTEMPLATED BY THIS NOTE SHALL BE PERFORMABLE IN HARRIS COUNTY, TEXAS, AND ALL SUMS PAYABLE UNDER THIS NOTE SHALL BE PAYABLE IN HARRIS COUNTY, TEXAS. BORROWER HEREBY CONFIRMS AND AGREES THAT ALL LEGAL ACTIONS INVOLVING THE VALIDITY OR ENFORCEMENT OF THIS NOTE SHALL HAVE JURISDICTION AND VENUE IN HARRIS COUNTY, TEXAS.
- 13) Savings Clause. Notwithstanding any provision contained in this Note, the Lender shall not be entitled to receive, collect or apply as interest on this Note any amount in excess of the highest lawful rate permissible under any law which a court of competent jurisdiction may deem applicable hereto. If the Lender ever receives, collects or applies as interest any such excess, the amount that would be excessive interest shall be deemed to be a partial payment of principal and treated hereunder as such, and, if the principal balance of this Note is paid in full, any remaining excess shall promptly be paid to the Maker.

- 14 Headings. The titles and/or headings used in this Note are for the purposes of clarification only and should not be used in interpreting or construing this Note.
- 15) Successors and Assigns. This Note and all of the covenants, promises and agreements contained herein shall be binding upon and shall inure to the benefit of Borrower and Lender and their respective heirs, executors, legal representatives, administrators, successors and assigns, whether by voluntary action of the parties, by operation of law or otherwise, and all other persons claiming by, through or under them.
- 16) Final Agreement. This Note is the entire agreement of the parties and supersedes any prior communication, understanding, or agreement relating to the subject matter of this Note, including repayment of funds. Borrower and Lender both expressly warrant and represent that no other promise or agreement, either oral or written, has been made in connection with this Note, including the principal of the Note, and that neither is relying on any past representation made by the other. This Agreement shall not be altered, amended, modified or changed except in writing signed by both parties.

IN WITNESS WHEREOF, Borrower, intending to be legally bound hereby, has duly executed this Note as of the day and year first written above.


Borrower:
University of Houston Department of Athletics

By: _____
Vice President for Intercollegiate Athletics

Lender:
University of Houston

By: _____
Senior Vice Chancellor/Vice President for
Administration and Finance

APPROVED AS TO FORM BY:



OFFICE OF THE GENERAL COUNSEL
UNIVERSITY OF HOUSTON SYSTEM