

ARKANSAS



December 4, 2012

Mr. Bret Bielema
Madison, WI 53706

Dear Coach Bielema:

With the support of Chancellor G. David Gearhart and President Donald R. Bobbitt, I am pleased to offer you the position of Head Football Coach at the University of Arkansas, Fayetteville. This Offer Letter sets forth the material terms of the University's offer to you that will be incorporated into a formal employment agreement. By copy of this letter, we are requesting the Office of General Counsel to prepare an employment agreement consistent with the terms of this offer and with the University's standard coaching contracts. The employment agreement will supersede this Offer Letter. Additionally, the Razorback Foundation, Inc., an independent and private 501(c)(3) corporation dedicated to helping provide financial support for Razorback Athletics, will undertake certain obligations set forth in this letter and will act as a third-party guarantor to secure the value of certain compensation as outlined in this letter in a guaranty agreement with you.

The mission of the Athletic Department is to help all of our student-athletes realize their full human potential academically and athletically and to help them develop as productive young adults who make positive and lifelong contributions to their local communities and to society. As you know, the Head Football Coach is a prominent leader and a valued educator who is expected to be a team player in achieving the overarching objectives of the University, the Athletic Department and the Razorback football program.

The Razorback football program enjoys extraordinary support among the University's alumni and fans from every corner of the State of Arkansas and throughout the nation and the world. In light of this support, the Razorback football program possesses the resources, infrastructure and facilities to achieve the institution's objectives and expectations to be competitive in recruiting, academics and athletics at the highest levels in the Southeastern Conference and nationally on an annual basis. As the Head Football Coach, the University expects the leader of the Razorback football program to maintain a standard of conduct that serves as a

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positive role model for our football student-athletes in all facets of life and that is beyond reproach.

The University is very proud that our Athletic Department is one of only a handful of departments nationally that is self-supporting and does not rely upon appropriated tax dollars or student fees to operate. Significantly, I believe it is important to recognize that the University will not use any taxpayer dollars to meet its obligations under the employment agreement and will rely upon self-generated revenues and private funds donated in support of the Athletic Department.

The material terms of this Offer Letter are summarized as follows.

- TERM: The initial term of the employment agreement will be for a period of six (6) years beginning on the date you sign this Offer Letter (“Effective Date”) through December 31, 2018 (the “Term”).
- COMPENSATION: Your total Annual Compensation as Head Football Coach of the University of Arkansas, Fayetteville shall be Three Million Two Hundred Thousand and No/100 Dollars (\$3,200,000.00) annually. The University will establish some portion of your Annual Compensation to be paid as your “University Salary” by the University of Arkansas. Your University Salary shall be paid in equal monthly installments on the last working day of each month (with any partial month being prorated) and consistent with the University’s routine payroll cycle. The funding for your University Salary shall be a combination of non-taxpayer, self-generated Athletic Department funds and private funds donated to the University for all amounts in excess of your line-item maximum salary.

In addition to your University Salary, The Razorback Foundation, Inc. (“Razorback Foundation” or “Foundation”) will pay you in various forms, including, but not limited to, compensation for personal speaking engagements and private funds donated to the University in support of all payments required by your University employment agreement. To provide these forms of compensation, the Foundation will prepare and enter into a separate agreement with you. Your earnings from the Foundation combined with your University Salary shall equal your Annual Compensation for each year during the

Term. At our request, the Razorback Foundation has approved this arrangement.

We anticipate structuring your compensation package in this manner, and the University reserves the right, working with the Foundation, you and your financial advisers, to develop mutually acceptable structures and allocations for the payment of your total Annual Compensation subject to the policies of the Board of Trustees and the laws of the State of Arkansas.

In addition to your Annual Compensation, you will have the opportunity to earn additional Incentive Compensation as herein detailed.

- DUTIES AND RESPONSIBILITIES: Your duties and authority as Head Football Coach shall be set forth in your employment agreement, including, without limitation, supervising and coaching the University's football team and assisting in fundraising activities for the benefit of the University and the Razorback football program. The position of Head Football Coach is not tenured, and you will not acquire any tenure rights.
- DIGITAL AND PROGRAMMING RIGHTS AND DUTIES: The University possesses the right to produce programming in all forms of media (whether digital or otherwise), whether now existing or hereafter created, relating to the Razorback football program, including, but not limited, the football coach's show. Among your other University job responsibilities and duties, you agree that, in partial consideration for your Annual Salary, you will be responsible: (a) to serve as a host of the University's weekly coach's show during football season (including serving as a host for any pre-season, post-season and other special shows as determined by the University); (b) to conduct all radio interviews as requested by the University, including, without limitation, pre-game, post-game, and weekly radio interviews; (c) to serve as the host of an hour-long weekly radio show during football season; and (d) to participate in all other forms of programming assigned by the University in all forms of media now existing or hereafter created, including, without limitation, Internet programming, podcasts, pre-game public service announcements, and other special programming. Alternatively, the University shall have the right, in its

discretion, to assign the production of all such programming to a third-party.

- THIRD-PARTY GUARANTOR: In the event the University terminates your employment for convenience and, subject to your affirmative duty of mitigation, the terms of your employment agreement with the University will include a provision that the Razorback Foundation or other third-party guarantor will be responsible to pay you consistent with the following schedule:

<u>YEAR</u>	<u>AMOUNT</u>
Effective Date – Dec. 31, 2013	\$12,800,000.00
Jan. 1, 2014 – Dec. 31, 2014	\$12,800,000.00
Jan. 1, 2015 – Dec. 31, 2015	\$12,800,000.00
Jan. 1, 2016 – Dec. 31, 2016	\$ 9,600,000.00
Jan. 1, 2017 – Dec. 31, 2017	\$ 6,400,000.00
Jan. 1, 2018 – Dec. 31, 2018	\$ 3,200,000.00

These amounts are non-cumulative and any partial years shall be prorated. For clarity and by way of example, if the University terminated the employment agreement for convenience on January 1, 2014, the total amount of the guaranty payment would be \$12,800,000.00 subject to the other provisions outlined in this letter.

The Razorback Foundation's guaranty shall be subject to the following conditions: (a) the guaranty payments shall be made in equal monthly installments (except for any prorated amount owed during the month of the termination for convenience) during the remaining period of the Term as if the employment agreement had not been terminated; (b) you shall have an affirmative duty to mitigate your damages by actively seeking re-employment; (c) the Razorback Foundation shall be entitled to off-set any earnings received by you, whether from athletic-related or non-athletic-related sources, from the guaranty payments; and (d) you shall have the obligation to pay liquidated damages to the University (as outlined below) in the event you terminate the employment agreement for your convenience. If you fail to make any such required payments, then the Razorback Foundation shall be entitled to a judgment against you for any such unpaid amounts plus interest at the highest rate allowed by Arkansas law.

Additionally, the guaranty agreement shall include a release of any and all claims against the University and/or the Razorback Foundation and their respective trustees, directors, officers, representatives and employees arising from or relating to the University's termination of your employment for convenience or any aspect of your employment. Moreover, the guaranty agreement shall specify that you shall not be entitled to any other sums and/or payments of any nature whatsoever other than the specified and guaranteed payment amounts. The University and the Razorback Foundation shall also have the right to include its standard release language in the employment agreement. If desired, the University shall provide you with an example of such release language upon your request.

In the event your termination arises as a result of your inducement, then you will not be entitled to receive any amounts under the guaranty agreement. "Inducement" of termination shall mean and refer to: (i) your voluntary resignation as Head Football Coach; or (ii) your willful failure to perform your duties as Head Football Coach; or (iii) your termination for cause as provided in the University's employment agreement and any amendments thereto. The University will request that the Razorback Foundation prepare and enter the guaranty agreement with you. Consistent with standard practice, the Razorback Foundation will prepare a Personal Services and Guaranty Agreement in one document.

- INCENTIVE COMPENSATION: As Head Football Coach, the University will establish performance incentives that, if achieved, will total a maximum of Seven Hundred Thousand and No/100 Dollars (\$700,000.00) that you may earn during each year of the Term. Exhibit A, which is attached hereto and incorporated herein by reference, outlines such incentive compensation.
- BENEFITS: During the Term of the employment agreement and consistent with benefits then currently provided to other similarly situated non-classified, non-academic employees, and subject to the same terms and conditions, you will be entitled to the following benefits: major medical and employer furnished and optional life insurance; employer furnished and optional long-term disability insurance; University contribution to

TIAA/CREF or other approved retirement program; sick leave; tuition reduction for you and your legal dependents; and such other benefits currently provided for non-classified, non-academic employees of the University as may be approved from time to time by the Board of Trustees of the University.

- FOOTBALL SKYBOX AND TICKETS: The University will make the following tickets, at no cost, available to you: (a) a skybox suite with twelve (12) seats to all home football games; and (b) twenty (20) complimentary tickets for each home game with seat locations to be determined by the University. You will be responsible for all taxes relating to the skyboxes and any complimentary tickets provided by the University.
- AUTOMOBILES: You will be furnished with the use of two (2) loaned vehicles which are similar in terms of make and model to the types of vehicles loaned to other head coaches, and if possible, are acceptable to your reasonable requests and which are provided to the University by supporters of the institution's athletics programs. The University shall withhold applicable federal and state taxes as required by the IRS and applicable law. You will be responsible for following the departmental policy for loaned vehicles, including providing periodic reports of vehicle information. You will be responsible to pay expenses of maintenance, operation and insurance of the loaned vehicles. In the event the loaner program ends, the University shall no longer be responsible to provide these vehicles.
- MOVING EXPENSES: The University will pay or reimburse moving expenses for your household in accordance with University policy and state law.
- COUNTRY CLUB MEMBERSHIPS: You shall be entitled to club memberships at The Blessings and the Fayetteville Country Club provided that such memberships are made available to the University for the benefit of its coaches. In the event such memberships are not made available to the University for the benefit of its coaches, you shall be entitled to one comparable club membership of your choosing; provided, however, that the club is located in Washington County, Arkansas or Benton County, Arkansas and provided further that sufficient private funds

are available to the University to cover the cost of any initial and monthly membership fees. The memberships shall be subject to any terms and conditions imposed by The Blessings or the Fayetteville Country Club, including, but not limited to, the right of each entity to revoke its membership. The University shall not be responsible for any monthly food minimums or purchases of goods and services at the clubs. If required by the law, the University shall withhold all applicable federal and state taxes on the cost of any such memberships.

- ANNUAL REVIEW: Following the conclusion of each football season, as Vice Chancellor and Director of Athletics, I will conduct a written, annual review of your job performance as Head Football Coach. I will establish the schedule for this review. Independent of your annual evaluation, I will conduct a good faith review of the football program no later than 30 days following the end of the second year of the employment agreement to consider a variety of matters, including, without limitation, any possible extensions of the Term.
- FOIA: The University is subject to the Arkansas Freedom of Information Act. You agree, therefore, that the University may release, without prior notice to you, a copy of this Offer Letter as well as a copy of your Employment Agreement (upon its completion) to any individual requesting a copy under the Arkansas Freedom of Information Act. The University will provide you with a copy of any such requests. For practical purposes and administrative convenience, you also agree that the University may release a copy of this letter and the final copy of your employment agreement to the public without a FOIA request.

Among other terms and conditions, the employment agreement will include the following provisions:

- A term permitting outside employment and outside compensation consistent with University policy (including the institution's conflict of interest policy). You will be required to complete on an annual basis (or more frequently as needed) a report on all outside income earned and a report on potential conflicts of interest consistent with applicable NCAA Bylaws and University policies.

- If you terminate the employment agreement, or if the employment agreement is terminated for cause, neither the University nor its third-party guarantor shall be liable for any payments or benefits after the date of the termination.
- The employment agreement shall include the University's standard termination for cause provision which includes the right to terminate for cause based on significant and/or repetitive violations of NCAA and/or Southeastern Conference rules and regulations; committing or assisting in the commission of a major violation or a series of secondary violations which, taken together, constitute a major violation by any person of the NCAA or SEC constitution, by-laws, rules, regulations or interpretations thereof by the NCAA or SEC, or failing to report the same within a reasonable amount of time of your learning of any such violations; conviction of a crime under federal or state law (excluding minor traffic offenses not involving the alleged use of drugs or alcohol); prolonged absence from duty without the consent of the Athletic Director or his designee; engaging in unreasonable conduct in willful disregard or deliberate indifference for the welfare and safety of University's football student-athletes, including failure to adhere to the NCAA principle of student-athlete well being; or otherwise engaging in conduct, as solely determined by the University, which is clearly contrary to the character and responsibilities of a person occupying the position of Head Football Coach or which negatively or adversely affects the reputation of the University or UAF's Athletics Program in any way.
- The University shall also have the right to terminate for cause in the event of a final determination (including the exhaustion of any appeals) that you violated NCAA or conference rules and regulations or state or federal law at any of your prior places of employment.
- The University shall have the right to terminate the coach for convenience for any reason at any time subject to the guaranty of the employment agreement by the institution's third-party guarantor.
- The University shall have the right to take disciplinary or corrective action short of dismissal for cause in the event of the occurrence of any act or event that would be grounds for dismissal for cause.

- The University shall have an exclusive license to use your name, likeness and image to support and to promote the football program, the Athletic Department, and the University. The University owns and controls the right to designate all shoes, apparel and equipment (including, without limitation, footballs) for its athletic programs, including, but not limited to, the football program.
- You will also be responsible to assist the Athletic Director in raising private gift support for the Athletic Department and the University.
- In the event that you choose to terminate your employment agreement for convenience at any time during its Term or any extensions thereto, you will be responsible to pay liquidated damages to the University consistent with the following schedule:

<u>YEAR</u>	<u>AMOUNT</u>
Effective Date – Dec. 31, 2013	\$3,000,000.00
Jan. 1, 2014 – Dec. 31, 2014	\$2,500,000.00
Jan. 1, 2015 – Dec. 31, 2015	\$2,000,000.00
Jan. 1, 2016 – Dec. 31, 2016	\$1,500,000.00
Jan. 1, 2017 – Dec. 31, 2017	\$1,000,000.00
Jan. 1, 2018 – Dec. 31, 2018	\$ 500,000.00

These amounts are non-cumulative and any partial years shall be prorated. For clarity and by way of example, if you terminated the employment agreement on January 1, 2014, the total amount of liquidated damages would be \$2,500,000.00.

Moreover, during the Term of your employment agreement and any extensions of the Term, you agree that neither you nor anyone acting on your behalf, whether directly or indirectly, will seek, solicit or discuss the possibility of obtaining other employment as a head football coach without first notifying and obtaining the written approval of the Vice Chancellor and Director of Athletics or his designee 24 hours in advance.

- The employment agreement shall include a covenant not to compete that shall cover all SEC institutions. You covenant and agree not to accept employment in any

coaching capacity with any other SEC institution, including any Eastern or Western Division institution, prior to the expiration date of the Term and any mutually agreed upon extensions of the Term. This non-compete provision shall also apply to any new institutions in the event the SEC expands its membership during the course of the Term of the employment agreement. In the event the University terminates your employment for its convenience, the covenant not to compete shall not apply.

- Your employment agreement will contain an indemnification and hold harmless provision for the benefit of the University and its trustees, officials and employees. This provision will include any and all claims which your current or former employers have, might have or might assert against the University and its trustees, officials and employees, and shall be limited to the amount of any judgment. You and the University will participate and cooperate in the defense of any such action. You will be responsible for your defense costs, and the University will be responsible for its defense costs. Nothing contained in this provision shall be deemed or construed as an admission of liability by you or the University, and any such alleged liability is denied.
- The University will pay (using legally permissible funds) Coach's former employer a sum not to exceed a total of One Million and No/100 Dollars (\$1,000,000.00) if required under the terms of Coach's employment contract with his previous employer. The University considers this payment to be taxable wages for tax withholding and reporting purposes. Consistent with that determination, the University will make timely deposits with appropriate taxing authorities of all amounts required to be withheld as taxes with respect to Coach as a result of making any such payment. The University will neutralize to zero (0) dollars the actual tax impact of such payment to enable you to avoid any undue burdens or distractions in connection with the performance of your duties as Head Football Coach at the University. With regard to the University's commitment to undertake this obligation, we expressly agree and intend that the University or you will not benefit financially to the extent there is a difference between (a) the amount of withheld taxes and (b) the amount of tax liability incurred by you. With respect to this liability, which is attributable to the University making any such

payment, you agree to claim all deductions allowable under applicable tax laws, including any applicable deductions relating to the amount paid by the University to satisfy any portion of your employment agreement with your previous employer. Depending on the timing of any such payment by the University, you and/or your advisors agree to review your pertinent tax information, including any signed federal and state income tax returns necessary, and either the University or you will pay the other party, as the case may be, such amount as is necessary to effectuate this mutually desired benefit. Coach represents and warrants to the University that his acceptance of the position of Head Football Coach and his performance of the duties of this position will not violate any other contract or obligation to any other party.

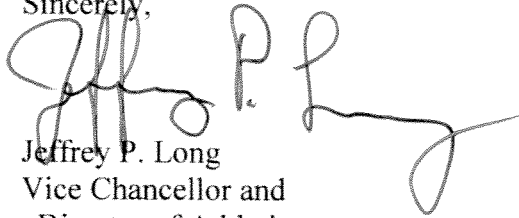
- Your employment agreement will contain the standard terms and conditions customarily utilized in the University's coaching contracts and your employment will be subject to the policies of the University and the Board of Trustees of the University of Arkansas.

As stated, the foregoing terms and conditions shall be incorporated into your formal employment agreement. The University and the Razorback Foundation shall not be responsible for any other compensation except as expressly identified in this Offer Letter. This Offer Letter reflects the essential terms of your employment agreement. The University will use its best efforts to draft and execute the employment agreement with you within 90 calendar days of your start date. This Offer Letter and your subsequent long-form employment agreement shall be governed by the laws of the State of Arkansas without regard to its choice of law principles. As required by policy for all jobs in the Athletic Department, the position of Head Football Coach is subject to a background check. This offer, therefore, is contingent upon the satisfactory completion of a background check.

We are excited to present this offer for you to serve as the Head Football Coach of the Arkansas Razorbacks at the University of Arkansas. We believe that you will build and develop a nationally competitive football program. To that end, we expect that you will lead the football program, both athletically and academically, to a level of excellence and sustained national success at the highest levels with integrity, pride and consistent with the winning tradition of the Arkansas Razorbacks.

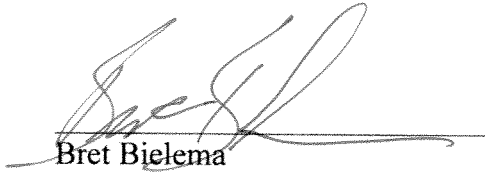
Please indicate your acceptance of the position as Head Football Coach by signing your name in the space provided below.

Sincerely,



Jeffrey P. Long
Vice Chancellor and
Director of Athletics

AGREED TO AND ACCEPTED:



Bret Bielema
Date: December 4, 2012

cc: President Donald R. Bobbitt
Chancellor G. David Gearhart

EXHIBIT A

ATHLETIC ACHIEVEMENT INCENTIVES

Coach shall be entitled to receive performance incentives for each of the following athletic achievements:

<u>ATHLETIC ACHIEVEMENT</u>	<u>INCENTIVE PAYMENT</u>
Win SEC Championship Game	\$100,000.00
Win National Championship Game	\$350,000.00++
Appear in National Championship Game	\$300,000.00++
Appear in Semifinal Playoff Game (beginning in 2014 Season)	\$200,000.00++
Appear in Non-Title BCS Bowl Game (or Sugar Bowl beginning in 2014 Season)	\$150,000.00
Appear in any of the following Bowl Games (Capital One Bowl, Cotton Bowl)	\$100,000.00
Appear in any other Bowl Game	\$50,000.00
Coach of the Year in the SEC	\$25,000.00
Coach of the Year Nationally	\$25,000.00##

++These incentive payments are non-cumulative. In the event that you and the football team appear in a Semifinal Playoff Game (beginning in the 2014 Season), you shall receive an incentive payment of \$200,000.00. In the event that you and the football team appear in a Semifinal Playoff Game and advance to appear in the National Championship Game, you shall receive an incentive payment of \$300,000.00. In the event that you and the football team appear in a Semifinal Playoff Game, advance to appear in the National Championship Game and win the National Championship Game, you shall receive an incentive payment of \$350,000.00. Accordingly, you will receive the highest applicable incentive for the corresponding athletic achievement.

##As awarded by an organization determined by the University.

As applicable, certain incentive payments will be paid cumulatively. For example, if Coach and the football team win the SEC Championship Game, advance to and win the National Championship Game, and Coach is named both the SEC Coach of the Year and

the National Coach of the Year, then coach will receive incentive payments for a cumulative total of \$500,000.00. This is the maximum amount that may be earned in a year for athletic achievements.

Any incentive payment due to you shall be paid within 30 days following the conclusion of the football season consistent with Athletic Department and University payment policies.

ACADEMIC ACHIEVEMENT INCENTIVES

Coach shall be entitled to receive the following performance incentives for each of the following academic achievements:

<u>ACADEMIC ACHIEVEMENT</u>	<u>INCENTIVE PAYMENT</u>
<u>Academic Performance Rate (APR)</u>	
940	\$ 25,000.00
960	\$ 25,000.00
980	\$ 25,000.00
<u>990</u>	<u>\$ 25,000.00</u>
CUMULATIVE TOTAL	<u>\$100,000.00</u>
 <u>Graduation Success Rate (GSR)</u>	
60%	\$ 25,000.00
65%	\$ 25,000.00
70%	\$ 25,000.00
<u>75%</u>	<u>\$ 25,000.00</u>
CUMULATIVE TOTAL	<u>\$100,000.00</u>

Each of the foregoing amounts for each academic achievement shall be cumulative and shall be paid within 30 days following any such achievement(s) or consistent with the payment policies of the Department of Athletics and the University. The maximum amount that may be earned in a year for academic achievements is \$200,000.00.