



December 11, 2007

Mr. Bobby Petrino
3333 Bagley Passage
Duluth, GA 30097

Dear Coach Petrino:

On behalf of the University of Arkansas, Fayetteville, I am pleased to offer you the position of Head Football Coach. This letter sets forth the material terms of the University's offer to you that will later be incorporated into a formal employment agreement. By copy of this letter, I am requesting that the Office of the General Counsel prepare an Employment Agreement consistent with the terms of this offer and with the University's standard coaching contracts.

- **TERM:** The initial term of the employment agreement will be for a period of five (5) years.
- **COMPENSATION:** The overall economic value of your annual compensation as Head Football Coach of the University of Arkansas will be Two Million Eight Hundred Fifty Thousand and No/100 Dollars (\$2,850,000.00) as detailed herein. Of this amount, the annual total compensation from public and private funds to be paid by the University of Arkansas to you shall be Seven Hundred Fifty Thousand and No/100 Dollars (\$750,000) ("Salary") which shall be paid in twelve equal installments on the last calendar day of each month and consistent with the University's routine payroll cycle.

The Razorback Foundation, Inc. ("Foundation") will provide an additional One Million Nine Hundred Fifty Thousand and No/100 Dollars (\$1,950,000.00) in annual compensation in various forms, including, but not limited to, compensation for personal speaking engagements, serving as the host of radio and television sports shows, 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 separate agreements with you. These funds are subject to the prior approval of the Foundation, and the University expects to receive such approval upon request.

In recognition of your previous coaching accomplishments and as an incentive for you to remain as the Head Coach at the University of Arkansas by declining other collegiate and professional coaching opportunities that may arise, the University will request that the Foundation enter into an agreement with you whereby One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00) will be set aside each year during the initial five (5) year term of your employment agreement for a total of Seven Hundred Fifty Thousand and No/100 Dollars (\$750,000.00). In the event the University exercises the right to terminate your employment for convenience or in the event of your death, you will receive the sum of the annual contributions required under the agreement as of the effective date of your termination for convenience; provided, however, that if you bring any litigation or claims over your termination for convenience, then all amounts required under the agreement with the Foundation will be waived by you and you will not be entitled to any such sums. If you have already received a portion of or all of the amounts required under the agreement with the Foundation, then you shall immediately repay those amounts. If repayment is not made, then the Foundation shall be entitled to a judgment for the amounts paid to you plus interest at the highest rate allowed by Arkansas law.

In the event your termination arises as a result of your inducement, then you will not be entitled to receive any amounts. "Inducement" of termination shall mean and refer to: (a) your voluntary resignation as Head Football Coach; or (b) your willful failure to perform your duties as Head Football Coach; or (c) your termination for cause as provided in the University's employment agreement and any amendments thereto. The University will request that the Foundation prepare and enter this agreement with you.

- THIRD-PARTY GUARANTEE OF YOUR UNIVERSITY SALARY: The terms of your employment agreement with the University will include a provision that your annual University Salary of Seven Hundred Fifty Thousand and No/100 (\$750,000.00) will be guaranteed, subject to mitigation, by a third-party guarantor in the event the University terminates your employment for convenience.
- INCENTIVE COMPENSATION: You will receive incentive compensation for athletic achievements as provided in Exhibit A (which is incorporated herein by reference) and incentive compensation for

academic achievements as provided in Exhibit B (which is incorporated herein by reference).

- BENEFITS: Consistent with benefits 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 life insurance; long-term disability insurance; University contribution to TIAA/CREF or other approved retirement program; sick leave; tuition reduction for you and your legal dependents; travel allowances; 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 provide you with a 12 seat skybox with tickets in the Donald W. Reynolds Razorback Stadium in Fayetteville and a 12 seat box with tickets at War Memorial Stadium in Little Rock. You will receive 20 complimentary tickets for each home game in Fayetteville and Little Rock.
- AUTOMOBILE: You will be furnished with the personal use of two loaned automobiles of a quality – in terms of make and model – which are similar to the types of vehicles loaned to other head coaches and, if possible, are acceptable to your reasonable requests.
- MOVING EXPENSES: The University will pay or reimburse moving expenses for your household in accordance with University policy and state law.
- COUNTRY CLUB MEMBERSHIP: The University will pay for your membership at the Fayetteville Country Club, including any initial membership fee and annual dues.

Among other terms, 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).
- 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); prolonged absence from duty without the consent of the Athletic Director or his/her designee; 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 negotiate this provision in good faith with you.

- 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 which could 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 Athletics Department, and the University.
- In the event that you choose to terminate this employment agreement to accept a college or professional coaching position during the first four years of the initial term of your employment agreement or any extensions thereto, you will be responsible to pay liquidated damages to the University in the amount of Two Million Eight Hundred Fifty Thousand and No/100 Dollars (\$2,850,000.00). The liquidated damages provision shall not apply during the fifth year of the initial term of your employment agreement.
- In the event that you terminate the employment agreement due to any alleged material breach of contract by the University, the University acknowledges that you may pursue all remedies legally available to you;

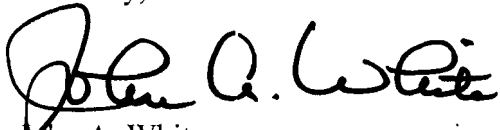
provided, however, that the University does not waive its sovereign immunity or any immunities available to its officials and employees.

- Your employment agreement will contain a covenant not to compete against the University of Arkansas. Accordingly, this provision will include your promise and covenant not to accept employment in any coaching capacity with another SEC Western Division school prior to the expiration date of the initial term and any extensions of the term of your employment agreement with the University. In the event the University terminates you 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 wrongdoing or liability by you or the University, and any such alleged wrongdoing or liability is denied.
- Your employment will be subject to the policies of the University and the Board of Trustees of the University of Arkansas.

The foregoing terms and conditions are contingent upon our executing an employment agreement. The University will use its best efforts to draft and execute the employment agreement with you within 60 calendar days of your start date. As stated, your annual University Salary as set forth in the employment agreement will be guaranteed by a third-party guarantor in the event the University exercises its right to terminate for convenience. This letter shall be governed by the laws of the State of Arkansas without regard to its choice of law principles.

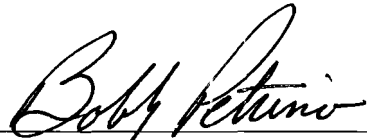
It is with great enthusiasm and excitement that I offer you the position of Head Football Coach at the University of Arkansas. We expect that you will lead the football program, both athletically and academically, to a level of excellence and sustained national success at the highest levels with integrity and pride. I am delighted to welcome you to the family, and request that you indicate your acceptance of this offer by signing your name in the space provided below.

Sincerely,

A handwritten signature in black ink that reads "John A. White". The signature is written in a cursive style with a large initial "J".

John A. White
Chancellor

AGREED TO AND ACCEPTED:

A handwritten signature in black ink that reads "Bobby Petrino". The signature is written in a cursive style with a large initial "B".

Bobby Petrino

Date: December 11, 2007

EXHIBIT A

ATHLETIC ACHIEVEMENT INCENTIVES

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

<u>ATHLETIC ACHIEVEMENT</u>	<u>INCENTIVE PAYMENT</u>
Win or Tie for the SEC Western Division Championship	\$50,000.00**
Win SEC Championship Game	\$75,000.00**
Appear in BCS National Championship Game	\$100,000.00++
Win BCS National Championship Game	\$200,000.00++
Appear in Non-Title BCS Bowl Game	\$75,000.00
Appear in First-Tier Non-BCS Bowl Game (Capital One Bowl (Orlando); Cotton Bowl; Outback Bowl; Peach Bowl)	\$50,000.00
Appear in Second-Tier Bowl Game	\$25,000.00

**These incentive payments are non-cumulative. In the event Coach and the football team win the SEC Western Division Championship and win the SEC Championship Game, Coach shall receive an incentive payment of \$100,000.00.

++These incentive payments are non-cumulative. In the event Coach and the football team appear in the BCS National Championship Game and win the BCS National Championship Game, Coach shall receive an incentive payment of \$250,000.00.

As applicable, certain incentive payments will be paid cumulatively. For example and without limitation, if the Coach and football team win or tie for the SEC Western Division Championship and appear in a First-Tier Non-BCS Bowl Game, Coach would receive both incentive payments for a cumulative total of \$100,000.00 (\$50,000.00 for winning or tying for a SEC Western Division Championship + \$50,000.00 for the first-tier bowl game). The Vice Chancellor and Director of Athletics or his designee shall be solely responsible for determining whether any incentive payments shall be paid on a cumulative basis.

Any incentive payments due under your employment agreement shall be paid within 30 days following the conclusion of the football season in which such

achievements occur or consistent with the Athletics Department and University payment policies.

EXHIBIT B

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>	
930	\$25,000.00
950	\$25,000.00
970	\$25,000.00
<u>990</u>	<u>\$25,000.00</u>
CUMULATIVE TOTAL	\$100,000.00
<u>Graduation Success Rates (GSR)</u>	
60%	\$25,000.00
65%	\$25,000.00
70%	\$25,000.00
<u>75%</u>	<u>\$25,000.00</u>
CUMULATIVE TOTAL	\$100,000.00

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 Athletics Department and the University.