



UNIVERSITY OF ARKANSAS

Office of the Chancellor

December 4, 2017

Mr. Hunter Yurachek
[REDACTED]

Dear Mr. Yurachek:

It is with great pleasure that I offer you the position of Vice Chancellor and Director of Athletics at the University of Arkansas, effective upon your written acceptance below, and reporting directly to me. The term of the Employment Agreement offered will be for a period beginning December 4, 2017 through December 31, 2022.

As we discussed, our expectation for this position is that the University's athletics programs will be competitive athletically and academically, not only within the Southeastern Conference, but also nationally. To this end, we expect our athletes to be successful in the classroom, as well as on the athletic fields, courts, tracks, and courses, and to conduct themselves with dignity and integrity on and off-campus. In other words, comprehensive excellence is an apt description of our expectation of the program you will lead.

You are expected to further the Department's long-standing status as a self-sustaining unit, build upon our traditions and contribute to the pride, passion and enthusiasm shared by the State, our University, our students, faculty, staff, alumni and the local community. As you know, Arkansans take enormous pride in the accomplishments of the Razorbacks, and the effect of our athletic success on the citizens of this state is palpable. However, we will not accept sacrificing integrity, core values, or NCAA rules compliance in order to win athletically. We expect our program to be a model of integrity.

As is customary, this offer and your employment are subject to the policies of the University of Arkansas and its Board of Trustees. 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 athletic employment contracts.

Your compensation as Vice Chancellor and Director of Athletics will include the following:

- **Base Salary.** Total annual base salary as Vice Chancellor and Director of Athletics shall be Five Hundred Twenty Five Thousand and No/100 Dollars (\$525,000.00) annually, subject to all applicable state and federal tax reporting and withholding requirements. Your base salary

Page 1 of 6

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 base 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.

- **Other Compensation.** In addition to your base salary, you will receive additional compensation for performance of speaking engagements, television and radio appearances, and sponsorship obligations in the amount of Three Hundred Twenty Five Thousand and No/100 Dollars (\$325,000.00) annually, subject to all applicable state and federal tax reporting and withholding requirements. This amount 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 this amount shall be a combination of non-taxpayer, self-generated Athletic Department funds generated by contracts with vendors of athletic apparel, shoes, and multimedia rights agreements. All amounts of compensation in excess of line-item maximum for your position shall be subject to the approval of the Board and consistent with applicable law.

- **Signing Bonus.** In addition to your base salary and other compensation listed above, you will receive a one-time, hiring bonus in the amount of Two Hundred Thousand and No/100 Dollars (\$200,000.00), subject to all applicable state and federal tax reporting and withholding requirements. Such one-time payment, paid with private funds, is not considered a part of your base salary or other payments, and will be made consistent with the University's practice and policy for such payments. In consideration for accepting the hiring bonus, you covenant and agree to employment with the University for the term and to sign a release and waiver agreement fully discharging any and all claims against the University, the Razorback Foundation, the University of Arkansas Foundation, and their respective trustees, directors, officers, representatives and employees arising from or relating to the University's termination of your employment or any aspect of your employment, in the event your employment with the University is terminated for any reason. The University, the Razorback Foundation and the University of Arkansas Foundation shall also have the right to include its standard language in the release and waiver. If desired, the University shall provide you with an example of such release language upon your request. In the event you voluntarily terminate your employment with the University within one (1) year from the date of your written acceptance of this offer, or you fail or refuse to sign the above-referenced release and waiver agreement after the termination of your employment for any reason, at any time during the term, the University shall be entitled to full reimbursement from you in the amount of the hiring bonus, offset against any payments or amounts due to you at the time of termination, and/or to pursue any other available remedies at law.

- **Employment Review.** You will be eligible for merit-based increases to the annual base salary upon annual review of your performance, the Athletic Department and its programs, with increases dependent on the overall merit-based average salary increase available to all faculty and staff. Independent of your annual review, I will conduct a good faith review of all athletic programs no later than thirty (30) days following the end of the fourth year of the Employment Agreement to consider a variety of matters, including, without limitation, any possible extensions of the term.

- Duties. Your duties and authority shall be set forth in your Employment Agreement, including, without limitation, supervising all of the University's athletic programs and assisting in fundraising activities for the benefit of the University and the Athletic Department. You will also be responsible to assist in raising private gift support for the Athletic Department and the University, and will be responsible to perform all duties assigned by the Chancellor to help maximize revenues and maintain the financially self-supporting status of the Athletic Department. The scope of your duties and responsibilities will be enumerated in the Employment Agreement and consistent with the duties and responsibilities of a Vice Chancellor and Director of Athletics at similarly situated institutions. Your position is not tenured, and you will not acquire any tenure rights.
- Benefits. Full participation in the University's benefits program, including but not necessarily limited to, major medical and employer furnished and optional life insurance; employer furnished and optional long-term disability insurance; University contribution to approved retirement program; annual and 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.
- Vehicle. Use of one (1) loaned vehicle acceptable to your reasonable request and which is 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 for paying expenses of maintenance, operation and insurance of the loaned vehicle. In the event the loaner program ends, the University shall no longer be responsible to provide this vehicle. Upon termination for any reason, you shall be responsible to return the vehicle within a reasonable time as determined by the University.
- Tickets. Six (6) complimentary tickets for your personal use to each home athletic competition. The University shall withhold applicable federal and state taxes as required by the IRS and applicable law.
- Club Memberships. Memberships at The Blessings, Fayetteville Country Club, and Pinnacle Country Club, provided 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 clubs, 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. The University shall withhold applicable federal and state taxes as required by the IRS and applicable law.
- Moving Expenses. Moving expense reimbursement for your household in accordance with University policy and state law, not to exceed Twenty Thousand and No/100 Dollars (\$20,000.00). In addition, the University will provide up to three (3) months of temporary housing.
- Payment to Former Employer. The University will pay (using legally permissible funds) your former employer a sum not to exceed a total of Three Hundred Fifty Thousand and No/100 Dollars (\$350,000.00) if required under the terms of your employment contract with your 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 you as a result of making any such payment. You agree to be solely responsible for all tax liability, consequences and payments, if any, which are determined to be owed (including any penalties and interest related thereto) to any taxing authority as a result of any payment made by the University, and agree that neither the University nor its officials has made any representations regarding the tax treatment of these sums. You represent and warrant to the University that your acceptance of the position of Vice Chancellor and Director of Athletics and your performance of the duties of this position will not violate any other contract or obligation to any other party.

Among other terms, your Employment Agreement will include the following:

- A term permitting outside employment and outside compensation, contingent upon written approval of the Chancellor or his designee and 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 and Board policies.
- The Employment Agreement shall include the University's standard termination for cause provision, which includes without limitation, the right to terminate for cause based on the following: (1) significant and/or repetitive violations of NCAA and/or SEC rules and regulations; (2) 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; (3) violation of any state or federal laws or University or Board policies; (4) failure to cooperate fully and completely with any investigation of any alleged violation of federal or state laws, University or Board policies, or NCAA or SEC rules or regulations; (5) conviction of a crime under federal or state law (excluding minor traffic offenses not involving the alleged use of drugs or alcohol); (6) prolonged absence from duty without the consent of the Chancellor or his designee; (7) engaging in unreasonable conduct in willful disregard or deliberate indifference for the welfare and safety of University's student-athletes, including failure to adhere to the NCAA principle of student-athlete well-being; (8) violation of the University's policies prohibiting discrimination or harassment; (9) failure to promptly report any known violations of the University's sexual assault, harassment and/or misconduct policies to the University's Title IX Coordinator that involve any student, faculty, or staff, or that is in connection with a University sponsored event; (10) failure to report reasonable suspicion of child maltreatment pursuant to A.C.A. § 12-18-402 (b)(23); (11) any negligence or willful misconduct in connection with duties and responsibilities assigned; (12) any material breach or non-observance of any of the material conditions or material obligations of the Employment Agreement; (13) any refusal to carry out duties and responsibilities as assigned, insubordination, unprofessional, unethical, or insulting behavior of a material nature towards the University, its officials, employees, students, alumni or affiliates; (14) intentionally providing false, misleading, or incomplete information to University officials or related to the University's business; (15) failure to disclose conflicts of interest or seek approval for outside income; or (16) 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

Vice Chancellor or Director of Athletics or which negatively or adversely affects the reputation of the University or its athletics programs in any way. The University shall also have the right to take any disciplinary or corrective action, up to and including termination, in the event of the occurrence of any act or event which could be grounds for dismissal for cause.

- 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 also have the right to terminate for cause in the event of a final determination (including the exhaustion of any appeals) that you or anyone acting on your behalf, whether directly or indirectly, sought, solicited or discussed the possibility of obtaining other employment as an Athletic Director without first notifying and seeking the approval of the Chancellor or his designee.
- Both parties shall have the right to terminate for convenience for any reason, at any time, subject to the terms in the Employment Agreement and applicable University and Board policies.
- In the event your employment is terminated by either you or the University, for any reason, neither party shall be entitled to any post-termination salary, compensation or benefits that might otherwise be due under the Employment Agreement, guaranty payments, or any other sums, amounts or payments of any nature whatsoever, except those earned but not yet received by you prior to the date of termination and the University's right to reimbursement and/or offset as specified herein and in the Employment Agreement.
- Additionally, the Employment Agreement shall include the recognition of the University's suit immunity and a release of any and all claims against the University, the Razorback Foundation or other third-party guarantor, 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 Employment Agreement shall specify that you shall not be entitled to any other sums and/or payments of any nature whatsoever other than the specified amounts herein. The University 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.
- The University shall have an exclusive license to use your name, voice, likeness and image to support and to promote its athletic programs, the Athletic Department, and the University in perpetuity. The University owns and controls the right to designate all shoes, apparel and equipment for its athletic programs.
- 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.

- Your Employment Agreement will contain the standard terms and conditions customarily utilized in University athletic contracts and, as previously noted, your employment will be subject to the policies of the University and the Board.
- For practical purposes and administrative convenience, you also agree that the University may release a copy of this letter and a final copy of your Employment Agreement, any amendments or changes thereto, to the public without additional notice, consent or a Freedom of Information Act request.

As stated, the foregoing shall be incorporated into your formal Employment Agreement. I trust that every reasonable effort will be made to mutually conclude that process within ninety (90) calendar days of the beginning of your employment. The University 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, but is not a legally binding commitment between the parties until a final, formal agreement has been executed and all contingencies stated herein have been satisfied. The place of execution for this offer letter and your subsequent long-form Employment Agreement shall be the State of Arkansas, and shall be subject to its jurisdiction and governed by the laws of the State of Arkansas without regard to its choice of law principles. As required by policy for all athletic-related employment agreements, the position of Vice Chancellor and Director of Athletics is subject to and contingent upon the approval of the President of the University of Arkansas System and the satisfactory completion of a background check.

It is with great anticipation and enthusiasm that I offer you the position of Vice Chancellor and Director of Athletics at the University of Arkansas. I have every confidence that you will lead our athletics program with integrity and pride, and will provide the leadership necessary to position the University's athletic programs among the nation's most successful and respected in the country.

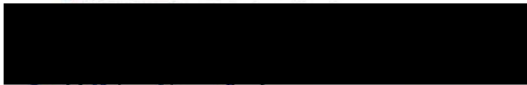
Again, welcome to the Razorback Family. Go Hogs!

Sincerely,



Joseph A. Steinmetz
Chancellor

AGREED TO AND ACCEPTED:



Hunter Yurachek

12.4.2017.

Date

Cc: Dr. Donald R. Bobbitt, President
Matt McCoy, Associate General Counsel