

December 13, 2011

Dear Coach Malzahn:

This letter will confirm that you have accepted the position as Head Football Coach for Arkansas State University. A formal contract will be prepared for your signature with the University which will set out all conditions of employment; however, we have agreed to the following basic terms:

1. Your contract will be for five years beginning January 1, 2012, and ending January 31, 2017, with a guaranteed base salary equal to the line item maximum authorized by the State of Arkansas.
2. You will be provided housing which is owned and maintained by the University.
3. You will be reimbursed for reasonable moving expenses.
4. You will be provided a telephone for business use pursuant to the Arkansas State University System Policy
5. You will be authorized to conduct football camps, receiving all revenue and paying all expenses.
6. You will be authorized to conduct Radio and Television shows, receiving all revenue and paying all expenses. The University will provide appropriate support staff to assist with promotion of both shows and will engage in reasonable, good faith efforts to assist You in maximizing the revenues associated with the performance of the radio and television shows contemplated within this section.
7. You will be authorized to conduct clinics, receiving all revenue and paying all expenses.
8. Your spouse and dependents shall have scholarship opportunities and tuition discounts as authorized by Arkansas State University System policy.
9. You will be authorized to hire assistant coaches, including the Director of Strength and Conditioning and the Director of Football Operations, with the approval of the Director of Intercollegiate Athletics, and may recommend the hiring of other members of

- the athletic staff.
10. You will be provided with 30 tickets to ASU home football games.
 11. You will receive 6 tickets to the Athletic Director's end zone suite.
 12. You will have access to 4 spaces on all ASU football plane trips.
 13. Should you resign during the first year of your contract (January 1, 2012 to January 31, 2013), you will pay as liquidated damages the amount of \$700,000; should you resign during the second year of your contract (February 1, 2013 to January 31, 2014), you will pay as liquidated damages the amount of \$350,000; should you resign during the third year of your contract (February 1, 2014 to January 31, 2015), you will pay as liquidated damages the amount of \$200,000; should you resign during the fourth year of your contract (February 1, 2015 to January 31, 2016), you will pay as liquidated damages the amount of \$100,000; should you resign during the fifth year of your contract (February 1, 2016 to January 31, 2017), you will pay as liquidated damages the amount of \$50,000, provided that if your resignation in your fifth year of this contract is after the completion of the final game of the 2016 season, no liquidated damages will be owed. All liquidated damages shall be paid to the Red Wolf Club, Inc.
 14. Should the University elect to terminate your contract without cause during the first year of your contract, the University will pay as liquidated damages the amount of \$2,450,000; should the University elect to terminate your contract without cause during the second year of your contract, the University will pay as liquidated damages the amount of \$1,960,000; should the University elect to terminate your contract without cause during the third year of your contract, the University will pay as liquidated damages the amount of \$1,470,000; should the University elect to terminate your contract without cause during the fourth year of your contract, the University will pay as liquidated damages the amount of \$980,000; should the University elect to terminate your contract without cause during the fifth year of your contract, the University will pay as liquidated damages the amount of \$490,000.

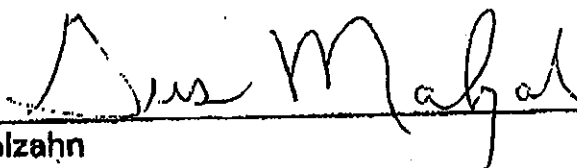
- 15. You will receive a bonus of \$50,000 for a conference championship and participation in a NCAA sanctioned bowl game
- 16. You will receive a bonus of \$25,000 for participation in a NCAA sanctioned bowl game absent a conference championship.
- 17. You will receive a bonus of \$75,000 for participation in a BCS bowl game.
- 18. You will receive a bonus of \$100,000 for participation in the BCS championship game.
- 19. You will receive a bonus of \$125,000 for winning the BCS championship game.
- 20. You will receive a bonus of \$10,000 for being named Conference Coach of the Year.
- 21. You will receive a bonus of \$25,000 for being named National Coach of the Year.
- 22. The bonuses described in paragraphs 15 through 19 will be paid based on the highest achievement. The bonuses are not cumulative and will be paid only if you are still employed by the University at the time the event occurs.
- 23. You will receive a one year contract extension if the team wins 7 games in a season provided 6 wins are against Division IA opponents.

I hereby confirm the above terms which will be incorporated into a final contract.



Dean Lee
 Director of Intercollegiate Athletics

I hereby accept the above terms which will be incorporated into a final contract.



Gus Malzahn