

EMPLOYMENT AGREEMENT

This employment agreement ("Agreement") is made effective as of December 20, 2008 (the "Effective Date") by and between Iowa State University, ("University"), and Paul Rhoads, ("Rhoads"). The University is desirous of employing Rhoads as the University's head men's football coach and Rhoads is desirous of being so employed.

In consideration of the mutual covenants and promises of the parties hereto, the sufficiency of which the parties hereby acknowledge, the Parties agree as follows:

I. TERM OF EMPLOYMENT

1. Rhoads' contract of employment shall begin on the Effective Date and will continue through December 31, 2013, subject to the terms provided herein. Throughout the term of this Agreement, Rhoads shall use his best efforts to carry out the duties set forth herein as the head coach of the University's men's football team for the exclusive benefit of the University.

II. COMPENSATION

1. The base compensation ("Base Compensation") to be paid by the University to Rhoads for services performed as head men's football coach shall be the sum of \$250,000 per year payable by the University to Rhoads in monthly installments during the term of this Agreement. Rhoads acknowledges his Base Compensation will remain at \$250,000 throughout the term of this Agreement unless specifically amended.

2. Rhoads will also receive additional guaranteed compensation ("Additional Compensation") in the amount of \$700,000 per year for the secondary services outlined in Paragraphs II(2)(a) and 2(b). The total annual Additional Compensation shall be increased \$100,000 each year beginning January 1, 2010.

Payments for Additional Compensation shall be made on a pro-rata basis at the end of each month. Rhoads specifically understands that the Additional Compensation is separate from Rhoads' Base Compensation, and therefore is not subject to any additional benefits such as retirement contributions.

a) Rhoads agrees to participate in the public relations and endorsement activities set forth herein ("Activities"), and in weekly coach's television and radio shows as designated by University and approved by the Director of Intercollegiate Athletics. For purposes of this Agreement, the Activities shall include, but not be limited to, making public appearances on behalf of certain sponsors, speaking at Cyclone Club and fund raising events, facilitating and maintaining important University-corporate relationships, and speaking at University related sports and service-oriented activities. Such appearances and speaking engagements shall be reasonably limited and

coordinated, and also shall not interfere with Rhoads' primary duties as the head men's football coach.

b) University agrees that it will enter into or arrange for separate contracts with sports equipment and apparel firms providing for Rhoads' endorsement and appearances in relation to the firms' products. University shall consult in good faith with Rhoads regarding such contracts. Rhoads shall reasonably cooperate and assist in securing such contracts. Rhoads agrees to use such equipment and apparel in practices, camps and games (unless required otherwise by NCAA or Conference rules). Rhoads further agrees to fulfill the provisions of such contracts, including making himself reasonably available, as provided by the contracts, for endorsement and appearances. Rhoads agrees that any equipment, footballs, clothing, shoes or paraphernalia provided by the firms shall be distributed by Rhoads for use by the men's football program, players and participants at the University, and such property shall not be considered the property of Rhoads.

In case University elects not to continue programs under Subparagraphs a) or b) which require Rhoads' duties, University agrees Rhoads' compensation shall not be reduced as a result of University's election.

3. In addition to the above compensation, University guarantees the following financial performance incentives ("Performance Incentives") for the corresponding achievements set forth below:

- a) Rhoads shall receive \$100,000 for every regular-season victory beyond the seventh regular-season victory. The Big 12 Championship game shall not be considered a regular season game.
- b) Rhoads shall receive \$100,000 each time his team participates in the Big 12 Conference Championship Game.
- c) Rhoads shall receive \$100,000 each time his team wins the Big 12 Conference Championship Game.
- d) Rhoads shall receive \$100,000 each time his team is ranked in the top 10 of the final USA Today/ESPN Coaches Poll.
- e) Rhoads shall receive \$50,000 each time his team is ranked 11th to 25th in the final USA Today/ESPN Coaches Poll.
- f) Rhoads shall receive \$50,000 each time his team participates in the Gator, Cotton, Holiday or Alamo bowl games.
- g) Rhoads shall receive \$25,000 each time his team participates in the Sun, Insight, Independence, Texas or other Tier III bowl games as determined by the Big 12.

- h) Rhoads shall receive \$25,000 each time his team wins a post-season bowl game.
- i) Rhoads shall receive \$25,000 each time that he is named the Big 12 or National Coach of the Year (one incentive award in case both honors are awarded in one year).

Payments for Performance Incentives required under this Paragraph II(3) shall be made to Rhoads in their entirety, or as otherwise agreed between the Parties, within 60 days of the final determination that the achievement has been met.

4. Except as specifically provided in this Agreement, the Parties agree that all compensation shall be subject to the University's usual and customary payroll deductions in accordance with University regulations and practices. Rhoads shall be entitled to the group insurance program, retirement program (on Base Compensation only), voluntary payroll deduction program, annual leave, sick leave and other employment benefits, in accordance with University regulations and practices applicable to Professional and Scientific employees of University.

5. In addition to Rhoads' annual compensation and benefits as described above, Rhoads shall be provided with use of one automobile representative of a head men's football coach in the Big 12, as part of the Athletic Department's car program, which is provided to facilitate Rhoads in carrying out his duties. In addition, the University shall pay Rhoads' initiation, annual membership dues, excluding minimum food and beverage requirements, to the Ames Country Club.

III. EMPLOYMENT DUTIES & STANDARDS OF PERFORMANCE OF COACH

1. Except as otherwise provided in this Agreement, Rhoads agrees to devote his full time efforts to the performance of his duties for the University or as otherwise provided and agreed to by the University, to give proper time and attention to furthering his responsibilities to the University and to use reasonably diligent efforts to comply with all rules, regulations, policies, and decisions established or issued by the Board of Regents or the University. Except as otherwise provided in this Agreement, Rhoads agrees to use reasonably diligent efforts to abide by the provisions of the University's Policy Library in conducting University business.

2. Notwithstanding the provisions of Section IV of this Agreement, Rhoads agrees that, during the term of the Agreement, he will not engage, directly or indirectly, in any business which would detract from his ability to apply his best efforts to the performance of his duties hereunder.

3. Rhoads shall conduct such travel as is necessary to carry out his duties as head men's football coach, and shall be entitled to reimbursement for transportation and expenses pursuant to University regulations and within the budget allowed.

4. Rhoads shall use reasonably diligent efforts to adhere to, respect and follow, and to cause other members of Football Staff to adhere to, respect and follow, the academic standards and requirements of the University in regard to the recruiting and eligibility of prospective and current student-athletes. For purposes of this Agreement, the persons supervised by Rhoads, collectively called "Football Staff," are defined as the 9 assistant football coaches, all football graduate assistants, all football administrative, recruiting and operational support staff, and the football strength and conditioning staff and graduate assistants.

5. Rhoads shall be held accountable for the general responsibilities of the men's Football Program, including the budget and the recruiting, training, supervision, evaluation and performance of student-athletes and Football Staff. Rhoads is responsible for evaluating, recruiting, training and coaching student-athletes to compete successfully against major college competition in a quality men's Football Program. Rhoads shall uphold and fairly administer disciplinary regulations as they apply to student athletes in the men's football program. Rhoads shall assure (with the assistance and support of the University) the fair and responsible treatment of student athletes in relation to health, welfare and discipline.

6. Rhoads shall use reasonably diligent efforts to recognize and comply with the rules and regulations of and applying to the University, and the Iowa State Board of Regents, including the constitution, bylaws, rules, regulations and policies, and the official interpretations thereof, of the Big 12 Conference or its successor conference (hereinafter referred to as "the Big 12 Conference") and the National Collegiate Athletic Association as now constituted or as the same may be amended during the term hereof. Rhoads shall take reasonable steps to assure that the men's Football Staff follows the procedures adopted by the Athletic Department to assure compliance with NCAA rules.

7. In signing this Agreement, Rhoads signifies that he is using reasonably diligent efforts to understand the rules and regulations of and applying to the University, and the Iowa State Board of Regents, including the constitution, bylaws, rules, regulations and policies, and the official interpretations thereof, of the Big 12 Conference and the National Collegiate Athletic Association. The University hereby represents that it will provide diligent support and guidance to properly advise Rhoads on all such current rules and any future rules changes upon Rhoads' reasonable request.

8. Rhoads agrees that all funds collected or used in the interest of the intercollegiate athletics program will be administered from source to expenditure in accordance with the policies of the Iowa State Athletic Department and of the governing bodies for intercollegiate athletics with which Iowa State University is affiliated.