



June 11, 2003

Mr. Richard G. Neuheisel, Jr.
[REDACTED]
[REDACTED]

Dear Rick:

The purpose of this letter is to notify you that I have made an initial determination that just cause exists to terminate your employment contract. Accordingly, effective immediately I am placing you on paid suspension from your duties.

As provided in Section 8 of your contract, you may respond to this notice in writing or in person. Such response must be provided to my office by June 26, 2003. I will consider any response that you may make and will issue my final decision. As provided in your contract, you will have a right to appeal my decision to the Special Assistant to the President.

The basis for my initial determination is that you have admitted participation in high-stakes betting pools on the NCAA basketball tournament, and that you initially denied such participation except as an "observer." You recanted only after the NCAA investigator told you that the NCAA had witnesses who had identified you as a participant in the pools. I have also learned that you have in the past participated in a small Final Four pool in the football office.

I am aware that you have contended publicly that your participation in the pools was not a violation of NCAA rules, or at least that you did not believe it to be such a violation, and that you believe that your position is supported by an internal summary of those rules that was issued by the ICA assistant athletic director for compliance around the time of this year's tournament. I am also aware that the NCAA has taken the position that such gambling is categorically prohibited by its rules, and that you as a coach are responsible for knowing and abiding by those rules, regardless of advice that you may receive from others.

Whether or not the participation in the pools is ultimately determined by the NCAA to be a violation of the letter of its rules, your admitted gambling on college athletics shows poor judgment, particularly in the context of your history of violations of NCAA rules both at this institution and at the University of Colorado, which have led to the imposition of penalties on you and on both schools, and your demonstrated lack of remorse for such violations, which has led to your censure by the American Football Coaches Association. Your initial false denials of such participation likewise must be seen in the context of your untruthfulness earlier this year with regard to interviews with the San Francisco 49ers, at which time you were clearly told that further acts of dishonesty would not be tolerated.

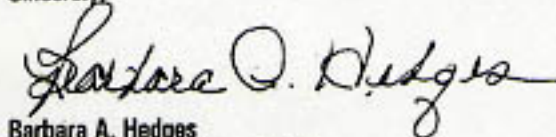
Accordingly I have determined that your conduct, taken as a whole, constitutes "serious acts of misconduct" under Section 8(c) of your contract and conduct "seriously and materially prejudicial" to the best interests of the University and its athletic program under Section 8(e) of your contract. Your initial false and misleading answers to the NCAA investigator violated Article 10.1(d) of the NCAA bylaws, and are grounds for termination under Section 8(d) of your contract. If it is determined that your gambling violated NCAA rules, I would regard that as further grounds for

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termination under Section 8(d). However, I have determined that just cause exists for your termination regardless of the ultimate conclusion on that issue.

As noted, if you wish to respond to this notice, your response must be received by June 26, 2003.

Sincerely,

A handwritten signature in cursive script, appearing to read "Barbara A. Hedges".

Barbara A. Hedges
Director, Intercollegiate Athletics

BAH/tzm

Cc: Lee Huntsman
Norm Arkans