

**EMPLOYMENT CONTRACT  
STATE OF TEXAS  
COUNTY OF LUBBOCK**

This Employment Contract (hereinafter the "Agreement") is made and entered into this the 19<sup>th</sup> day of February, 2009, by and between Texas Tech University, herein called "University" and Mike Leach, herein called "Coach". The parties hereby specifically agree that each party has received or shall receive adequate consideration to supersede the existing Employment Contract between the parties dated August 11, 2006 (herein the "Prior Agreement"), and such Prior Agreement shall be and is hereby terminated as of the date of this Agreement.

**I.  
TERM**

Both parties hereby mutually agree that for and in consideration of the mutual benefits and consideration received or to be received by the parties that Coach shall be employed as Head Football Coach at the University for a term of five years beginning the 1st day of January, 2009, and ending on the 31st day of December, 2013 (the "Term"), upon the terms, conditions, stipulations, covenants and agreements as set forth herein. For purposes of this Agreement, each calendar year during the term of this Agreement shall be referred to as a "Contract Year."

The parties agree, however, that in the event that the University's football team is invited to a bowl game or playoff scheduled within 30 days after the expiration of the Term of this Agreement, Coach shall continue his duties as specified herein until such bowl or playoff is completed. During such time, Coach shall be entitled to receive any supplemental compensation otherwise due related to such bowl game or playoff as set forth in this Agreement.

**II.  
PRIMARY DUTY ASSIGNMENT**

Coach shall be employed as Head Football Coach at University during the Term of this Agreement.

**III.  
COMPENSATION AND BENEFITS**

**A. BASE SALARY**

Coach shall be paid the following annual Base Salary during the period of this Agreement.

January 1, 2009 – December 31, 2009	\$300,000
January 1, 2010 – December 31, 2010	\$300,000
January 1, 2011 – December 31, 2011	\$300,000
January 1, 2012 – December 31, 2012	\$300,000
January 1, 2013 – December 31, 2013	\$300,000

Payment shall be in accordance with the payroll policies of the University and subject to such deductions as may be required by applicable state and federal laws and regulations. Changes in Base Salary must be in writing and signed by the parties.

**B. HEALTH, RETIREMENT, VACATION AND OTHER LEAVE**

Coach will be eligible to participate in the same benefits as all other University employees. University policy and Texas state law shall govern such benefits. Vacation leave shall be taken at such time or times agreed upon between Coach and the Director of Intercollegiate Athletics.

**C. PERQUISITES**

1. **Courtesy Automobiles**: Coach shall receive two (2) courtesy automobiles.

2. **Camps**: Coach, acting as an individual or a private legal entity, may offer a camp using University facilities after first receiving written approval by the Director of Intercollegiate Athletics. It is understood that Coach or other University personnel involved will use personal vacation time when preparing for and conducting a private camp and that University facilities, equipment and resources may be used according to the terms and conditions of a separate Facility Use Agreement. Such Facility Use Agreement must be in writing and signed by both parties before commencement of a camp. Coach shall have permission to use the terms "Texas Tech University" and "Red Raider Football" and all logos and trademarks of University related to Texas Tech Football in the description and identification of any Football camp conducted by the Coach, upon approval by the Director of Intercollegiate Athletics.

3. **Guarantee of Outside Athletics Related Personal Income**: If the annual Outside Athletics Related Personal Income ("Outside Income") of Coach does not reach the following amounts for an entire Contract Year, the University agrees to make up any shortfall up to that amount (the "Guarantee"). If the Outside Income of Coach exceeds the amounts below during a Contract Year, Coach shall be entitled to retain such excess income:

<u>Contract Year</u>	<u>Outside Athletics Related Personal Income</u>
2009	\$1,600,000
2010	\$1,900,000
2011	\$2,200,000
2012	\$2,200,000
2013	\$1,700,000

It is agreed that the Outside Income of Coach shall include but not be limited to the following income arranged through the University or Learfield Communications, Inc.:

- a. Uniform/clothing contracts;

- b. Shoe/equipment contracts;
- c. Apparel contracts;
- d. Television coaches shows;
- e. Pre-game, post-game and other radio shows;
- f. Speaking engagements arranged through University;
- g. Merchandising contracts; or
- h. Other income received by Coach resulting from being the Head Football Coach at University but not including sports camps.

The following types of income arranged through IMG World ("IMG") or successor agent shall be excluded from the calculation and determination of the Guarantee:

- a. National speaking engagements arranged through IMG;
- b. Television, radio and Internet commercial contracts arranged through IMG;
- c. Book contracts; or
- d. All other income arranged by IMG or successor agent.

With respect to activities over which he exerts full control, Coach will use his reasonable efforts to maximize his Outside Income so as to minimize the contribution the University is required to make under this section. Coach will earn a bonus of \$100,000 (One Hundred Thousand Dollars) if Coach's Outside Income equals or exceeds 90% of the Outside Income Guarantee for the corresponding Contract Year as set forth herein.

A report of Outside Income, with specific supporting documentation, i.e., copies of checks, etc., adequate for University to review and approve, shall be presented by Coach to the University's President after January 1 following the Contract Year in which the Outside Income is earned. University will pay such Guarantee and related bonus for earning 90% or more of the Outside Income, if applicable, to Coach no later than 30 days after University receives such report from Coach. The Guarantee will only be due and payable upon Coach's completion of an entire Contract Year. provided, however, that in the event of a termination of this Agreement without cause by the University, the Guarantee for the Contract Year in which such termination occurs shall be nonetheless paid to Coach on a pro-rata basis through the date of such termination, unless such termination occurs during the months of January or February (in which case there shall be no pro-ration of the Guarantee payable to Coach for that particular Contract Year).

**4. Supplemental Compensation:** Beginning with the 2009 football season, in the event the University football team achieves the following accomplishments, Coach shall receive Supplemental Compensation as follows:

- a. Football team attains a Graduation Success Rate of 65% as defined by the NCAA - \$25,000
- b. Wins or ties for Big 12 South Championship -- \$25,000

- c. Advances to the Big 12 Championship Game - \$25,000
- d. Wins the Big 12 Championship Game - \$25,000
- e. Participates in Bowl Championship Series ("BCS") bowl - \$75,000
- f. Participates in Holiday or Cotton Bowl - \$50,000
- g. Participates in any other bowl - \$25,000
- h. Wins National Championship - \$250,000
- j. If Coach attains any of the following Big 12 Coach of the Year awards, he shall receive a one-time Supplemental Compensation payment in the amount of \$25,000:
  - a. Associated Press Big 12 Coach of the Year;
  - b. Big 12 Coach of the Year as selected by the Big 12 coaches
- k. If Coach attains any the following National Coach of the Year awards he shall receive a one-time Supplemental Compensation payment in the amount of \$50,000:
  - a. Associated Press National Coach of the Year;
  - b. Munger National Coach of the Year
  - c. Woody Hayes National Coach of the Year
  - d. Bear Bryant National Coach of the Year
  - e. Walter Camp National Coach of the Year
  - f. AFCA National Coach of the Year
  - g. Liberty Mutual National Coach of the Year
- l. Coach shall receive a one-time Supplemental Compensation payment based on the highest of the following rankings:
  - a. Final Associated Press or USA Today Poll Ranking #11-25 - \$25,000
  - b. Final Associated Press or USA Today Poll Ranking #1-10 - \$50,000
- m. In addition to the above Supplemental Compensation payments, Coach shall earn the greater of any of the following team accomplishments:
  - 1. 5 regular season conference wins - \$25,000
  - 2. 6 regular season conference wins - \$50,000
  - 3. 7 regular season conference wins - \$75,000
  - 4. 8 regular season conference wins - \$100,000

Coach will not receive any bonuses for any year that football team receives NCAA Academic Performance Rate (APR) scholarship reduction penalties.

All Supplemental Compensation will be paid to Coach no later than February 15 of the year following the Contract Year in which the Supplemental Compensation was earned provided, however, that any Supplemental Compensation related to a bowl game, playoff game or National Championship will be deemed to have been earned during the Contract Year in which that football season has taken place.

**5. Contract Completion Bonus:** If Coach is the Head Football Coach at University as of December 31, 2009, University will pay to Coach a Contract Completion Bonus of \$800,000 (Eight Hundred Thousand Dollars), such payment to be made no later than February 1, 2010. If Coach is the Head Football Coach at University as of December 31, 2010, University will pay a Contract Completion Bonus of \$200,000 (Two Hundred Thousand Dollars), such payment to be made no later than February 1, 2011. If Coach is the Head Football Coach at University as of December 31, 2013, University will pay a Contract Completion Bonus of \$600,000 (Six Hundred Thousand Dollars), such payment to be made no later than February 1, 2014.

**6. Club Memberships:** The University will pay Coach's membership fees, monthly dues and related assessments in a country club approved in advance by University and in the Lubbock Club. It is understood and agreed that such membership is provided for business purposes so as to allow Coach to develop and promote interest and support and sponsorship of the football program and the University.

**7. Football Tickets:** The University will provide to Coach the use of a football stadium suite with up to 20 tickets and reasonable food and beverages for each University home football game at no cost to Coach. The University will also provide Coach up to 20 tickets to each University away football game and any bowl game in which the University's football team participates during the term of this Agreement, also at no cost to Coach.

#### **IV. PERFORMANCE**

In the performance of his duties, Coach shall be directly responsible to and under the supervision of the Director of Intercollegiate Athletics. Without limitation of the foregoing, Coach, in the performance of his duties, shall conduct himself at all times in a manner consistent with his position as an instructor of students. The parties agree that, although this Agreement is sports related, the primary purpose of the University and this Agreement is educative. Thus, the educative purposes of the University shall have priority in the various provisions of this Agreement. Coach will follow all applicable University policies and procedures. Coach shall not, either directly or indirectly, breach or countenance the breach by any player or coach subject to his control or supervision of any of the rules and standards of the Big 12 Conference, the NCAA, youth, collegiate, and master's amateur athletics as well as other associations or agencies to which the University adheres. In this connection, Coach agrees to devote his entire time, labor, effort and attention, in good faith, to conduct and perform the duties commensurate with the position as Head Football Coach, bearing in mind that University recognizes and accepts that Coach has the ability to engage in reasonable Outside Income producing activities as defined in Article III.C.3. Coach shall assure the fair and responsible treatment of student-athletes in relation to their health, welfare and discipline. Breach of such rules and standards, whether willful or through negligence, may be subject to disciplinary action and penalties ranging from termination, public or private reprimand to monetary fines or adjustments in compensation or adjustments in the term of this contract