

COPY

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

This Employment Contract (hereinafter the "Agreement") is made and entered into this the 11th day of August, 2006, 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 Amended and Restated Employment Contract between the parties dated March 28, 2005 (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, 2006, and ending on the 31st day of December, 2010, 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 term of this Agreement.

January 1, 2006 – December 31, 2006	\$300,000
January 1, 2007 – December 31, 2007	\$300,000
January 1, 2008 – December 31, 2008	\$300,000
January 1, 2009 – December 31, 2009	\$300,000
January 1, 2010 – December 31, 2010	\$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 the laws of the State of Texas 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>
2005*	\$975,000
2006	\$1,300,000
2007	\$1,350,000
2008	\$1,450,000
2009	\$1,550,000
2010	\$1,850,000

* The Guarantee of Outside Income from the 2005 Contract Year is in reference to Outside Income earned pursuant to the Prior Agreement.

It is agreed that the Outside Income of Coach shall include but not be limited to the following income arranged through the University:

- 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 ONE HUNDRED THOUSAND DOLLARS (\$100,000) 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: In the event that 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 and advances to the Big 12 Championship Game - \$25,000
 - c. Wins the Big 12 Championship Game - \$25,000
 - d. Participates in Bowl Championship Series ("BCS") bowl - \$50,000
 - e. Participates in Holiday or Cotton Bowl - \$50,000
 - f. Participates in any other bowl - \$25,000
 - g. Wins National Championship - \$100,000
- h. In addition to the above Supplemental Compensation payments, Coach shall earn the greater of any of the following team accomplishments:
1. Five (5) conference wins - \$25,000
 2. Six (6) conference wins - \$50,000
 3. Seven (7) conference wins - \$75,000
 4. Eight (8) conference wins - \$100,000
 5. Eight (8) total wins - \$50,000
 6. Nine (9) total wins - \$75,000

By way of example only, if, in a particular year, the University's football team wins a total of nine (9) games (Supplemental Compensation of \$75,000), six (6) of which are conference wins (Supplemental Compensation of \$50,000); Coach would receive only the greater of the two Supplemental Compensation payments (i.e. \$75,000).

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 EIGHT HUNDRED THOUSAND DOLLARS (\$800,000), 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 TWO HUNDRED THOUSAND DOLLARS (\$200,000), such payment to be made no later than February 1, 2011.

6. Club Memberships: The University will pay Coach's membership fees, monthly dues and related assessments in the Lubbock Club and in a country club approved in advance by University. It is understood and agreed that such

membership is provided for business purposes so as to allow Coach to develop and promote interest in 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, and state and federal laws. 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, in accordance with University policy and the laws of the State of Texas. 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 Agreement as determined by the President following consultation and review with the Director of Intercollegiate Athletics. The provision of this paragraph shall be without prejudice to any right the University may have under Article V of this Agreement.

V. **TERMINATION**

A. **FOR CAUSE**

The University specifically reserves the right to terminate this Agreement for Cause. "Cause" is hereby defined as: Coach's violation of any material provision of this Agreement (with specific reference to Article IV), provided, however, that if such violation is capable of being cured, University shall allow Coach ten (10) business days to cure such violation, provided, however, that if such violation can

be reasonably cured, but cannot be cured within ten (10) business days, Coach shall have a reasonable period of time to cure such violation. Notwithstanding Coach's opportunity to cure such violation, Coach shall immediately cease the violating activity upon receipt of notification of such violation from the University. "Cause" shall also include the commission of a major violation or an excessive accumulation of secondary violations of NCAA Legislation ("NCAA Violations") by Coach while at the University or while previously employed at another NCAA member institution; knowingly condoning NCAA Violations by any staff under Coach's direct control and supervision; failure by Coach to take appropriate disciplinary action against such staff member found by Coach to have committed NCAA Violations; failure by Coach to take appropriate disciplinary action against football student-athletes; or indictment of Coach of a criminal act that constitutes any felony, or any misdemeanor involving moral turpitude, under applicable local, state or federal laws.

In the event the University terminates this Agreement for Cause, the University's sole obligation to Coach shall be to pay his base salary until the effective date of termination (and any Supplemental Compensation that has been earned pursuant to Article III.C.4 above). In no case shall the University be liable to Coach for the loss of any collateral business opportunities or any other benefits, perquisites, income, Supplemental Compensation, or any form of consequential damages resulting from or associated with Coach's employment.

B. **INABILITY TO PERFORM**

In the event of the inability of Coach to continue to perform his obligations under this Agreement by reason of a substantial physical or mental incapacity lasting in excess of one hundred twenty (120) days (of which at least sixty (60) must be consecutive) which cannot reasonably be accommodated by the University and which prevents Coach from being able to perform essential functions of the duties and responsibilities set forth herein, this Agreement shall thereupon terminate and all future obligations between the parties hereto shall cease.

C. **BY COACH WITHOUT CAUSE**

Coach may terminate this Agreement at any time and for any reason. In such event, Coach shall pay to the University, in lieu of any and all other legal remedies or equitable relief available to the University and without regard to any mitigation of damages that may occur as a result of the University hiring a new Head Football Coach, liquidated damages in the amount of FIVE HUNDRED THOUSAND (\$500,000) Dollars (the "Buyout"). It is agreed that Coach shall pay the Buyout in lump sum within thirty (30) days after the effective date of termination. The parties acknowledge that they have bargained for and agreed to the foregoing Buyout provision, giving consideration to the fact that termination of this Agreement prior to its natural expiration may cause University to lose athletics revenue and financial opportunities related to Coach's employment, and to incur costs and expenses. In such event, Coach shall be entitled to any Supplemental Compensation, set forth in Article III.C.4 above, earned prior to Coach's resignation. All other obligations not set forth above shall cease effective the date of the termination by Coach.

D. **BY UNIVERSITY WITHOUT CAUSE**

In addition to the provision set forth above, there is also reserved to the University the right to terminate this Agreement without cause at any time and for any reason. The parties agree that in the event this right to terminate is exercised, the University will pay liquidated damages in an amount equal to FORTY PERCENT (40%) of the remaining Compensation and Benefits, set forth in Article III.A and Article III.C.3 above, provided however that any pro rata payment of the Guarantee paid pursuant to Article III.C.3 shall not be included in such calculation. For example, if the University were to terminate this Agreement without cause as of December 31, 2008, the Guarantee would equal ONE MILLION SIX HUNDRED THOUSAND (\$1,600,000) Dollars (that is 40% of the remaining Base Salary of \$600,000 and guaranteed outside income of \$3,400,000 (40% X \$4,000,000 = \$1,600,000). University shall also pay any Supplemental Compensation, set forth in Article III.C.4 above, earned prior to such termination. Payment shall begin one month after the date of termination. In such event, the University shall not be liable to Coach for any other University benefits, perquisites or any collateral business opportunities, outside income revenues or guarantees or other benefits associated with Coach's position as Head Football Coach.

E. **MUTUAL AGREEMENT**

The parties reserve the right to terminate this Agreement by mutual agreement. In the event the right to terminate pursuant to this paragraph is exercised, all liability of the parties shall cease effective the date of termination.

VI.
PUBLIC APPEARANCES

Coach shall make no public appearance, either in person or by means of radio, television, or Internet or willingly allow the use of Coach's name in connection with Coach's relationship to the University when any such appearance or use of name will result in unfavorable reflection upon the University. Coach will neither participate in, nor allow Coach's name to be used in connection with any particular athletic equipment and/or commercial activity wherein Coach will receive remuneration for such participation or use unless Coach first shall have received written consent therefore from the Director of Intercollegiate Athletics. Endorsement or consultation contracts with athletics shoe, apparel, or equipment manufacturers must be reviewed and approved by the Director of Intercollegiate Athletics before Coach can execute such an agreement.

VII.
REPRESENTATIONS

It is mutually understood that this Agreement contains all of the terms and conditions to which the parties have agreed and that no other understandings or representations, either oral or written, unless referenced in the preceding paragraphs, regarding the subject matter of this Agreement shall be deemed to exist or to bind the

parties hereto and that any modification, amendment or addendum to this Agreement shall only be by written instrument signed by each party hereto.

VIII.
INTERPRETATION

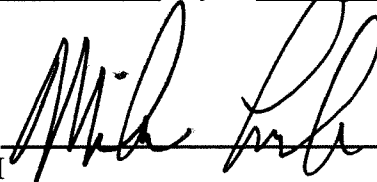
No provision or part of this Agreement which shall prove to be invalid, void or illegal shall in any way affect, impair or invalidate any other provision or part, and such other provision and parts shall remain in full force and effect.

IX.
APPLICABLE LAW


This Agreement is made and entered into in Lubbock County in the State of Texas, the laws of Texas shall govern its validity and interpretation and the performance by the parties of their respective duties and obligations under this Agreement.

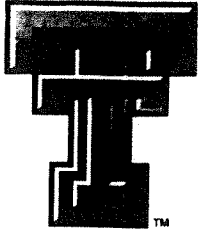
Coach has been advised to have this Agreement reviewed by counsel familiar with employment agreements before agreeing to the terms and conditions contained herein.

IN WITNESS WHEREOF, the parties hereto shall consider this Agreement to be effective on the 11th day of August, 2006.


MIKE LEACH _____ Date 8-11-06
Head Football Coach


GERALD MYERS _____ Date 8-11-06
Director of Intercollegiate Athletics


JON WHITMORE _____ Date 8-11-06
President



TEXAS TECH UNIVERSITY

RED RAIDERS

Mike Leach, *Head Football Coach*

March 9, 2007

TO: Bobby Gleason

FROM: Mike Leach 

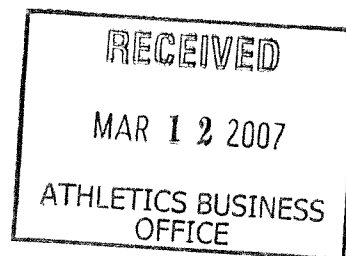
RE: Outside Income

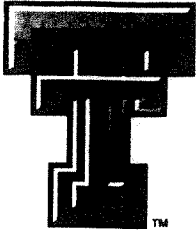
The following is the income I earned from off-field activities during 2006:

Ramar Communications	\$10,500.00
Wilson	\$1,000.00
TOTAL	\$11,500.00

Please apply the above income against my guarantee and I appreciate your prompt attention to taking care of this matter. Copies of the above checks have been provided to your office.

/pr





TEXAS TECH UNIVERSITY

RED RAIDERS

Mike Leach, *Head Football Coach*

March 9, 2007

TO: Bobby Gleason

FROM: Mike Leach 

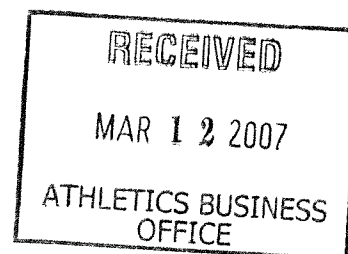
RE: Outside Income

The following is the income I earned from off-field activities during 2006:

Ramar Communications	\$10,500.00
Wilson	\$1,000.00
TOTAL	\$11,500.00

Please apply the above income against my guarantee and I appreciate your prompt attention to taking care of this matter. Copies of the above checks have been provided to your office.

/pr



AMENDED AND RESTATED EMPLOYMENT CONTRACT

STATE OF TEXAS

COUNTY OF LUBBOCK

This Employment Contract (hereinafter referred to as this "Contract") is made and entered into this 28th day of March, 2005 and shall be effective as of January 1, 2005 by and between Texas Tech University (hereinafter referred to as the "University") and Mike Leach (hereinafter referred to as the "Coach"). The parties hereby specifically agree that each party has received or shall receive adequate consideration to supersede the existing employment agreement between the parties, dated April 12, 2004 (herein the "Prior Agreement"), and such Prior Agreement shall be and is hereby terminated as of the date of this Contract.

I. TERM

- A. 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 (5) years beginning January 1, 2005, and ending on December 31, 2009, upon the terms, conditions, stipulations, covenants and agreements as set forth herein.
- B. This Contract may be reviewed from time to time by the University's Athletics Director (hereinafter referred to as the "Athletics Director") in consultation with the President of the University and may be extended in accordance with University policies. All extensions of this Contract must be in writing and be executed by the parties hereto before they become effective.

II. DUTIES AND RESPONSIBILITIES

- A. Coach shall be employed to perform the duties of Head Football Coach at the University during the period of this Contract.
- B. Coach agrees to be a loyal employee of the University, to devote his best efforts full time to the performance of his duties and responsibilities as set forth herein or as may be assigned by the Athletics Director, and to comply with all rules, regulations, policies and decisions established or issued by the University and its Athletics Department, as well as state and federal laws.
- C. Coach agrees to comply with the constitution, bylaws, rules, regulations and interpretations (hereinafter collectively referred to as the "Legislation") of the National Collegiate Athletic Association ("NCAA") and the Big 12 Conference (hereinafter referred to as the "Big 12") relating to the conduct and administration of the University's football program, including recruiting and eligibility rules, as now constituted or as any of the same may be amended during the term hereof. In the event that Coach becomes aware or has reasonable cause to believe that violations of NCAA or Big 12 Legislation may have taken place, he shall report the same promptly to the Athletics Director.
- D. Coach agrees that to the best of his ability, all academic standards, requirements and policies of the University shall be observed by Coach and members of his coaching staff at all times and shall not be compromised. Recognizing that the education of student athletes is of primary importance, Coach agrees to use his best efforts, working in cooperation with and support of the University's faculty and administrative officials, to ensure that student-athletes in the football program are provided proper academic counseling in the maximum pursuit of degree programs and appropriate graduation rates.
- E. Coach shall, in consultation with and approval of the Athletics Director, be responsible for performing all duties and responsibilities normally attendant to the position of Head Football Coach, including but not limited to: preparing the budget for the football program; coordinating the scheduling of football games; and recommending the employment of assistant coaches and other staff and personnel associated with the football program. The University agrees that it shall give good faith, due consideration to the Coach's suggestions, preferences and desires regarding the Team's schedule.
- F. Coach shall work with the University's Associate Athletics Director for Compliance in an attempt to maintain strict compliance by all football staff and personnel with the rules and regulations of the University, and NCAA and Big 12 Legislation.

- G. Coach shall be responsible for evaluating, recruiting, training and coaching student-athletes to compete competitive basis against major college competition in a quality football program.
- H. Coach shall supervise and discipline football student-athletes so as to maintain the integrity of the football program. Coach shall be a disciplinarian, but shall discipline his student-athletes in a fair, consistent and appropriate manner while motivating them to excellence.
- I. Coach shall engage in appropriate contact with media, alumni and civic groups, including regular Red Raider Club appearances and devote a minimum of ten (10) days per year to University development activities, provided such activities do not interfere with the full and complete performance by Coach of his coaching and recruiting responsibilities.
- J. Coach will use his reasonable efforts to actively participate with and assist the Athletic Director and any other University personnel designated by the Athletic Director in the reasonable promotion of Texas Tech University and its athletics program through a reasonable number of mutually agreed upon public appearances to the general public, alumni groups, booster groups and civic organizations. Coach will utilize reasonable actions and opportunities to advance and enhance the image of Texas Tech University and its football program and enhance donor relations. The Athletic Director or his designee will coordinate such mutually approved public appearances of the Coach relating to Texas Tech and will not schedule activities which are excessive, unreasonable or which are in conflict with Coach's personal and professional schedule. The University acknowledges and agrees that Coach's first and foremost priority under this Contract is the coaching of the Football Team and, accordingly, all of the foregoing obligations shall always be subject to, and clearly subordinate to, Coach's coaching duties.

III. COMPENSATION AND BENEFITS

A. *BASE SALARY*

Coach shall be paid an annual base salary of \$300,000 during the period of this Contract. The anniversary date of each subsequent year will be January 1. Coach shall be paid the following annual base salary during this Contract:

January 1, 2005 - December 31, 2005	\$300,000.00
January 1, 2006 - December 31, 2006	\$300,000.00
January 1, 2007 - December 31, 2007	\$300,000.00
January 1, 2008 - December 31, 2008	\$300,000.00
January 1, 2009 - December 31, 2009	\$300,000.00*

*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 above until such bowl game or playoff is completed. During such time, Coach shall only be entitled to a prorated portion of his base salary as set forth above; provided, however, that Coach shall be entitled to receive any supplemental compensation otherwise due related to such bowl game or playoff as set forth below.

The base salary shall be subject to annual merit increases consistent with the University's annual compensation adjustment, if any, and effective with the University's fiscal year.

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.

B. *SUPPLEMENTAL COMPENSATION*

1. In the event that the University football team achieves the following accomplishments, Coach shall receive supplemental compensation of the amount indicated:

- a. football team attains graduation rate (defined by NCAA rules) of 65% - \$25,000
- b. wins or ties for a Big 12 South Division Championship and advances to the Championship game - \$25,000

- c. wins the Big 12 Championship - \$25,000
- d. participates in Bowl Championship Series (BCS) Bowl - \$50,000;
- e. participates in Holiday Bowl or Cotton Bowl - \$50,000;
- f. participates in any other bowl ---- \$25,000;
- g. wins National Championship - \$100,000

2. In addition to the supplemental compensation available to Coach in Paragraph III(C)(1) above, if the University football team achieves the following accomplishments in any year during the term hereof, Coach shall receive the highest single amount of corresponding supplemental compensation earned that particular year (in other words, no more than one bonus shall be paid pursuant to this Paragraph III(C)(2) in any year, that bonus to be the highest bonus earned).

- a. 5 conference wins - \$25,000
- b. 6 conference wins - \$50,000
- c. 7 conference wins - \$75,000
- d. 8 conference wins - \$100,000
- e. 8 total wins - \$50,000
- f. 9 total wins - \$75,000

By way of example only, if, in a particular year, the University's football team wins a total of 9 games (bonus of \$75,000), 6 of which are conference wins (bonus of \$50,000), Coach would only receive the highest of the two (i.e., \$75,000) pursuant to this Paragraph III(C)(2).

3. All supplemental compensation earned under this Paragraph III(C) shall be paid to Coach on April 30th following the football season in which it was earned.

C. COMPLETION OF TERM BONUS

If Coach is the Head Football Coach at the University as of December 31, 2009, then, in such event, the University shall pay to Coach, no later than January 31, 2010, a bonus of \$1,000,000. Said bonus will be deemed earned (and therefore due and owing) as of December 31, 2009 (provided that the foregoing obligation in this Section III(D) is met).

D. HEALTH, RETIREMENT, VACATION AND OTHER LEAVE

Coach will be eligible to participate in benefits provided for all other similarly positioned University employees. Such benefits shall be governed by University policy and laws of the State of Texas. Vacation leave shall be taken at such time or times agreed upon between Coach and the Director of Intercollegiate Athletics.

E. PERQUISITES

1. Courtesy Vehicle.

The University shall make appropriate arrangements for and provide to Coach on a loan basis two (2) automobiles for his use and his spouse's use during the term of this Contract, the type and model of the vehicles to be determined by the University after consultation with Coach. Reasonable and ordinary maintenance of the vehicles and taxes shall be provided by the University during the term of this Contract. The University shall make available gasoline credit card(s) for Coach's appropriate use in the performance of his duties on behalf of the University.

2. Club Memberships.

The University will pay Coach's membership fee, monthly dues, and related assessments in the Lubbock Club and a country club approved in advance by the University. 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. It is further understood and agreed that Coach will not be provided

membership at any country club which engages in discriminatory practices in violation of applicable federal and state laws.

3. Football Tickets.

- a. The University will provide Coach, at no expense to Coach, with the use of a suite to each University home football game. The cost of all food and beverages consumed by Coach's guests in said box shall be borne solely by the Football Program (provided that such food and beverage is ordered through the Athletic Department and that such costs are reasonable).
- b. The University will provide Coach, at no expense to Coach, with 20 tickets to each University home football game for personal use and/or University business/enhancement purposes.
- c. The University will provide Coach, at no expense to Coach, with 20 tickets, as needed by Coach, to each away football game for personal use and/or University business/enhancement purposes.
- d. The University will provide Coach, at no expense to Coach, with 20 tickets to any post-season football game in which the University's football team participates for personal use and/or University business/enhancement purposes.

4. Expenses.

The University will reimburse Coach, in accordance with University policy and procedure, for reasonable and necessary travel and out-of-pocket expenses incurred by him in connection with the performance of his duties under this Contract. Such reimbursement shall be made upon presentation to the University of appropriate documentation, vouchers or other statements itemizing such expenses in reasonable detail.

IV. OPPORTUNITIES TO EARN OUTSIDE INCOME

A. GENERAL

While Coach is representing the University as Head Football Coach, he shall have the opportunity to earn outside income as a result thereof from the activities outlined in this paragraph, but only in accordance with the following terms and conditions:

1. Coach's outside income activities shall not in any manner interfere with the full and complete performance by Coach of his duties and obligations as an employee of the University, recognizing always that his primary obligations lie with the University and its student-athletes.
2. Coach shall not accept or receive directly or indirectly any monies, benefit or any other gratuity whatsoever from any person, corporation or other if such action would be in violation of NCAA or Big 12 Legislation, University rules and regulations, or Texas law.
3. Coach shall discuss with the Athletics Director and obtain annually prior written approval from the President and Athletics Director before entering into any agreement under which he will receive athletically related income and benefits from sources outside the University, including but not limited to, sports camps, housing benefits, country club memberships, complimentary ticket sales, television and radio programs, speeches/appearances and written materials, commercial endorsements or consulting contracts with athletics shoe, apparel or equipment manufacturers or sellers. Coach agrees to provide to the University upon request copies of all financial records and contracts related to his athletically related income.
4. Coach shall provide to the President, through the Athletics Director, a report of all athletically-related income received from sources outside the University during the preceding year or as required by NCAA rules.
5. Coach's outside income activities shall be subject to the University's trademark licensing program.

B. TELEVISION AND RADIO SHOWS

Coach shall be entitled to receive outside income through an independent agreement for regular appearances on television and radio programs in connection with the University's football program. The terms of such agreement,

including the amount of compensation to be paid thereunder, shall be negotiated directly by the University. The parties agree that the University shall own all rights in and to the master game tapes and highlight tapes produced in connection with Coach's television show. Coach will make himself available for pre and post-game interviews for the radio network carrying University football games.

C. COMMERCIAL ENDORSEMENTS

Coach shall be entitled to undertake commercial endorsements of products and services in which he identifies himself as Head Football Coach and to retain any and all income derived therefrom; provided, however, that Coach shall comply with all University policies and state laws and agrees not to participate in commercial endorsements which are in direct competition with sponsors of the University or its Athletics Department, or which discredit or embarrass the University.

D. ATHLETICS SHOE AND COACHING APPAREL CONTRACTS

Coach may receive additional income from athletics and coaching apparel manufacturers or sellers in exchange for an agreement that the football team shall wear its shoes during competition, or that Coach shall wear, promote, endorse or consult with the manufacturer or seller concerning the design and/or marketing of such shoes or coaching apparel. Any such agreements must be approved in advance by the Athletics Director, which approval shall not be unreasonably withheld.

E. ON-CAMPUS SUMMER CAMP

Coach shall have the opportunity to use University facilities in connection with a summer youth football camp run by Coach and using his name for up to three (3) weeks each summer. It is understood and agreed that the period designated by the University for such camp will take into account the preferences of Coach. Coach or other University personnel involved with such camps will use personal vacation time when preparing for and conducting a private camp and the parties agree that University facilities, equipment and resources will be used according to the terms and conditions of a separate facility agreement. Such facility agreement must be in writing and signed by both parties before commencement of a camp. Any profits realized above \$100,000 from Coach's summer camps will be deducted from the guaranteed athletic-related personal income as set out in paragraph IV, G. for that particular contract year.

F. INCOME FROM SPEECHES, APPEARANCES AND WRITTEN MATERIALS

To the extent allowed by the laws of the State of Texas, Coach shall be entitled to deliver, make and grant public speeches, public appearances and media interviews and to write and release books, magazine and newspaper articles or columns in connection with his position as Coach and to retain any and all income derived therefrom. Coach agrees to represent the University professionally in all such matters. It is expressly understood and agreed that this paragraph does not pertain to any speech or appearance at a University function, including Red Raider Club events.

G. GUARANTEE OF ATHLETICS-RELATED PERSONAL INCOME

If, during each calendar year of the term of this Contract, the annual outside athletics-related net personal income from the Mike Leach Radio Show, Mike Leach Television Show, personal endorsement or consultation contracts, personal shoe/equipment contract, and profits from summer camps as described in paragraph E above does not reach the applicable annual figures set forth in the schedule below, the University agrees to make up any shortfall up to the applicable amount for that particular year. Such reconciliation on income shall be made by April 30 (beginning January 1, 2005) of each year of this Contract (with the final reconciliation to be made by April 30, 2009) following an audited statement of accounts of the four previously defined personal revenue sources and subsequent obligation, if any, presented to the University no later than December 1 (beginning December 1, 2004) of each year.

Schedule

Year	Guarantee
2005	\$975,000
2006	\$1,100,000
2007	\$1,150,000
2008	\$1,250,000
2009	\$1,350,000

With respect to activities over which he exerts full control, Coach will use his reasonable efforts to maximize his earnings of outside athletics-related personal income so as to minimize the contribution the University is required to make under Section IV(G) below. The University acknowledges and agrees that Coach's first and foremost priority under this Contract is the coaching of the Football Team and, accordingly, all of the foregoing obligations shall always be subject to, and clearly subordinate to, Coach's coaching duties.

V. TERMINATION

A. TERMINATION BY UNIVERSITY FOR CAUSE

The University shall have the right to terminate this Contract prior to its expiration date if there is cause for terminating Coach's employment. Subject to the provisions of paragraph V.8. herein, cause for termination shall be determined by the University. "Cause" shall mean the following:

1. conviction of (or entry into pre-trial intervention as a result of) a criminal act that constitutes either a felony or a misdemeanor involving moral turpitude;
2. committing a major violation of NCAA Legislation by Coach while at the University or while previously employed at another NCAA member institution, or committing a series or pattern of secondary violations of NCAA Legislation;
3. condoning a major violation of NCAA Legislation by a member of Coach's coaching staff. For purposes of this provision, "condone" shall mean: (a) Coach's actual knowledge of and complicity in a major violation by a member of his coaching staff; (b) Coach's failure to report a known major violation by a member of his coaching staff; or (c) Coach's failure to take appropriate disciplinary action against a member of his coaching staff found by Coach to have committed a major violation;
4. failing to take appropriate disciplinary action against a member of his coaching staff found to have repeatedly committed secondary violations;
5. failing to take appropriate disciplinary action against football student-athletes as set forth in II. H above.
6. substantial physical or mental incapacity lasting in excess of one hundred twenty (120) days (of which at least sixty (60) must be consecutive) which cannot reasonably be accommodated by the University and which prevents Coach from being able to perform essential functions of the duties and responsibilities set forth herein;
7. a knowing and deliberate violation of any material provision of this Contract not corrected by Coach within fifteen (15) days following his receipt of notification from the University, or failure to take prompt reasonable action to correct said violation within a reasonable period of time if it not possible to correct such violation within fifteen (15) days after notification from the University;
8. a knowing and deliberate violation of any of the duties and responsibilities assigned to Coach by the Athletics Director not corrected within fifteen (15) days following his receipt of notification of such violation from the University, or failure to take immediate and reasonable action to correct within a reasonable period of time any such violation which is incapable of correction within fifteen (15) days after notification from the University, or refusal or unwillingness to perform any assigned duties or responsibilities in good faith and to the best of Coach's abilities.

"Cause" sufficient to satisfy the provisions of this Contract shall be determined by the President of the University at a pre-termination meeting held for such purpose after ten (10) days' prior written notice to Coach, which notice shall include a statement of charges against Coach. This meeting shall consist of an explanation of the University's cause for termination and an opportunity for Coach to present his side of the story. Present at the meeting shall be the President, Athletics Director, University General Counsel and/or other persons deemed appropriate by the President, Coach and Coach's attorney (if Coach so chooses). The decision of the President following such meeting shall be final.

In the event this Contract is terminated by the University for cause, the University's sole obligation to Coach shall be to pay his base salary until the effective date of termination (and any supplemental compensation that has been earned pursuant to paragraph III. B above). In no case shall the University be liable to Coach for the loss of any

collateral business opportunities or any other benefits, perquisites, income, supplemental compensation, or any form of consequential damages resulting from or associated with Coach's employment.

B. TERMINATION BY UNIVERSITY WITHOUT CAUSE

1. This Contract may be terminated by the University without cause upon fifteen (15) days' written notice to Coach. In such event, the University shall pay to Coach in lieu of any and all other legal remedies or equitable relief available to Coach and without regard to any compensation Coach may earn in mitigating his damages, liquidated damages in the amount of TWO HUNDRED AND FIFTY THOUSAND (\$250,000) Dollars per year for the remaining term of this Contract, and any supplemental compensation that has been earned pursuant to paragraph III. B above. It is agreed that the University shall pay such liquidated damages in accordance with the University's existing payroll policies during the remainder of the scheduled term hereof (i.e., through December 31, 2008).
2. The parties have bargained for and agreed to the foregoing liquidated damage provision, giving consideration to the fact that termination of this Contract by the University without cause prior to its natural expiration may cause Coach to lose certain income, fringe benefits, perquisites, and collateral business opportunities to earn outside compensation relating to his employment at the University, or to incur other consequential damages, which losses and damages are extremely difficult to determine fairly or with certainty. Similarly, the parties recognize that Coach, in the absence of this provision, generally would have had a duty to obtain other employment in mitigation of any damages sustained by virtue of the termination of this Contract. The parties further agree that such liquidated damages shall constitute adequate and reasonable compensation to Coach for the damages and injury suffered by him because of such termination by the University. The parties acknowledge that the foregoing is not, nor should it be construed to be, a penalty.

C. TERMINATION BY COACH WITHOUT CAUSE

Coach may terminate this Contract without cause upon fifteen (15) days' written notice to the University. In such event, Coach shall not be required to make any termination payments to the University whatsoever.

D. TERMINATION BY COACH FOR CAUSE

Coach shall have the right to terminate this Contract prior to its expiration date if there is cause for such termination. As used in this Section V(D), "cause" shall mean the University's knowing and deliberate failure to perform its obligations under this Contract, and such failure is not corrected by the University within fifteen (15) days following its receipt of written notice of such failure.

VI. OUTSIDE INCOME

Coach shall receive written approval from the University President and the Athletics Director prior to entering into any agreement for all athletically-related income and benefits from sources outside the University. Coach shall annually report in writing all athletically-related income and benefits from sources outside the University, including but not limited to, income from annuities; sports camps; housing benefits; automobile benefits; television and radio programs; and endorsement or consultation contracts with athletic shoes; apparel or equipment manufacturers through the Director of Intercollegiate Athletics to the University President.

VII. PUBLIC APPEARANCES

Coach shall make no public appearance, either in person or by means of radio or television, or willingly allow the use of his name in connection with his relationship to the University when any such appearance or use of name will result in unfavorable reflection upon the University. Coach will neither participate in, nor allow his name to be used in connection with, any particular athletic equipment and/or commercial activity wherein Coach will receive remuneration

for such participation or use unless Coach first shall have received written consent therefore from the Director of Intercollegiate Athletics. Endorsement or consultation contracts with athletics shoe, apparel, or equipment manufacturers must be reviewed and approved by the Director of Intercollegiate Athletics before Coach can execute such an agreement.

VIII. REPRESENTATIONS.

It is mutually understood that this Contract contains all of the terms and conditions to which the parties have agreed and that no other understandings or representations, either oral or written, unless referenced in the preceding paragraphs, regarding the subject matter of this Contract shall be deemed to exist or to bind the parties hereto and that any modification, amendment or addendum to this Contract shall only be by written instrument signed by each party hereto.

IX. INTERPRETATION

No provision or part of this Contract shall prove to be invalid, void or illegal; in any way affect, impair or invalidate any other provision or part, and such other provision and parts shall remain in full force and effect.

X. APPLICABLE LAW

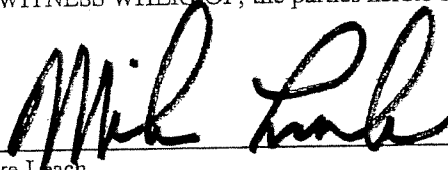
This Contract is made and entered in the State of Texas; therefore, the laws of Texas shall govern its validity and interpretation and the performance by the parties of their respective duties and obligations under this Contract.

Coach has been advised to have this Contract reviewed by counsel familiar with employment contracts before agreeing to the terms and conditions contained herein.

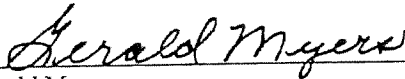
XI. REGENT APPROVAL

This Contract is contingent upon approval by the Board of Regents of Texas Tech University and shall not be effective until such approval is granted.

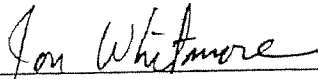
IN WITNESS WHEREOF, the parties hereto shall consider this Contract to be effective on the 1st day of January, 2005



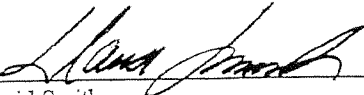
Mike Leach
Head Football Coach



Gerald Myers
Director of Intercollegiate Athletics



Jon Whitmore
President



David Smith
Chancellor