EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is between the University of Michigan (the "University") and James J. Harbaugh ("Head Coach"). It contains the entire agreement of the parties and supersedes and replaces all verbal or written agreements between the parties.

Article I

PURPOSE

1.01 The parties have entered into this Agreement because the University desires to employ the Head Coach and the Head Coach desires to be employed by the University. The University agrees to employ the Head Coach, and the Head Coach agrees to be employed by the University, on the following terms and conditions.

Article II

RESPONSIBILITIES OF THE HEAD COACH

2.01 Recognition of Duties: Head Coach will serve as head football coach at the University of Michigan. He will perform to the best of his ability the duties set forth in this Agreement, and shall report to the University's Director of Intercollegiate Athletics ("Athletic Director"). Subject to the other provisions of this Agreement, the Head Coach shall devote his full business time, skill, and attention to the performance of his duties as head football coach.

2.02 General Duties and Responsibilities: During the period in which the University employs the Head Coach, he agrees to perform all duties and responsibilities attendant to the position of head football coach as set forth in this Agreement subject to the overall supervision of the Athletic Director and compliance with University rules. The Head Coach shall have the primary authority and responsibility for supervising, evaluating, recruiting, training, and coaching student-athletes to compete against major college competition; the hiring, supervision and evaluation of coaching staff; and budget preparation and administration for approval by the Athletic Director, as it relates to the University's men's football program ("Football Program" or "Program").

2.03 Specific Duties and Responsibilities: The specific duties and responsibilities assigned to the Head Coach in connection with the Football Program are set forth below, and shall include such related duties and responsibilities consistent with the position of head football coach of a Division 1, Football Bowl Subdivision ("FBS") football program as may reasonably be assigned by the Athletic Director. The University acknowledges that the Head Coach's primary responsibility hereunder is acting as the head coach of the Program, and any additional responsibilities hereunder are secondary to Head Coach's primary coaching responsibilities. This list of specific duties and responsibilities supplements and is not exclusive of the other general duties and responsibilities provided for elsewhere in this Agreement. The specific responsibilities of the position of head football coach include, but are not limited to, the following:

(a) The Head Coach will be responsible for all customary coaching decisions, including without limitation the systems and strategies used on the field (both in practice and actual game play), conduct of practice and training, selection of team members, deployment of players, the practice for and play of games, and all other matters involving football operations;

(b) The Head Coach will use best efforts to comply with the academic and admission standards and requirements of the University with respect to the recruiting and eligibility of prospective and current student-athletes for the Football Program. The Head Coach will use best efforts to comply with the academic policies established by the University and communicated to Head Coach, including monitoring and encouraging the regular progress toward an academic degree of those student-athletes who are on the football team. He will make reasonable and good faith efforts, in cooperation with the University's faculty and administration, to meet all student-athletes' academic requirements and to integrate sports into the whole spectrum of academic life to complement the University and its mission in the community. The Head Coach will use reasonable efforts to arrange football travel and scheduling by student-athletes in such a manner as to minimize lost classroom time. Travel schedule will be subject to approval by the Athletic Director;

(c) The Head Coach will use his best effort to maintain good conduct (both on and off the field) and enforce disciplinary rules and sanctions fairly and uniformly for all student-athletes in the Program to encourage academic and moral integrity and excellence;

(d) The Head Coach has authority and responsibility to make decisions as to the hiring, continued employment, job titles, compensation, and dismissal of assistant coaches and other support staff for the Football Program, subject to University personnel policies and the approval of the Athletic Director. The Head Coach will supervise these employees, including supervision of their compliance with Governing Rules (as defined below);

(e) The Head Coach, subject to required time commitments to perform other duties under this Agreement, shall make himself available to attend a reasonable number of alumni, public appearances, donor solicitation, charitable, sponsorship, promotional, and recruitment-related events and meetings as reasonably directed by the Athletic Director; and

(f) The Head Coach, subject to required time commitments to perform other duties under this Agreement, shall make himself available to perform a reasonable number of services on television, radio, internet and other media as reasonably directed by the Athletic Director and as they relate to the position of head football coach.

2.04 NCAA, Big Ten, and University Rules and Regulations: The Head Coach shall abide by and comply with all applicable rules, regulations, policies, protocols and agreements of the University (the "University Rules"), the National Collegiate Athletic Association and its applicable divisions (or any successor association, the "NCAA") (including without limitation, the Constitution and By-Laws of the NCAA) (the "NCAA Rules"), and the Big Ten Conference (or any successor conference, "Conference") (the "Conference Rules"), in each case as in effect and interpreted by the applicable body from time to time and which relate to the Program (the University Rules, the NCAA Rules and the Conference Rules are hereinafter sometimes referred

to collectively as the "Governing Rules"). He will also use best efforts to ensure compliance with Governing Rules by the Program's student athletes, assistant coaches, and all other Football Program personnel that directly report to Head Coach. In the event that the Head Coach becomes aware, or has reasonable cause to believe, that violations of Governing Rules may have taken place in connection with the conduct of the Football Program, he shall report it promptly to the Athletic Director. The Head Coach shall cooperate fully with the University in efforts to establish, educate, investigate, and enforce these Governing Rules for the Football Program. The University agrees that it will provide relevant updates and training to the Head Coach and his staff regarding any changes in NCAA Rules.

2.05 If the Head Coach is determined by the NCAA, the Conference, or the University to have committed a violation of the Governing Rules, whether while employed by the University or during prior employment at another NCAA member institution, the Head Coach may be subject to disciplinary or corrective action as set forth in the applicable provisions of the Governing Rules (*e.g.*, Article 19 of the NCAA Constitution, Operating Bylaws, and Administrative Bylaws, as amended) and/or this Agreement, including, without limitation, termination of this Agreement as provided in Sections 4.02 or 4.03 below.

2.06 The Head Coach shall represent the University positively in public and private forums and shall not engage in conduct that reflects adversely on the University or the Football Program. The Head Coach shall perform his duties and personally comport himself at all times in a manner consistent with the high moral, ethical and academic standards of the University and its athletic department.

Article III

TERM OF EMPLOYMENT, COMPENSATION, AND BENEFITS

3.01 Term of Agreement and Employment:

(a) The term of this Agreement ("Term of this Agreement" or "Term") shall be for seven (7) Contract Years (defined below) subject, however, to earlier termination in accordance with the provisions set forth in Article IV of this Agreement.

(b) As used in this Agreement, the term "Contract Year" is defined to mean: the twelve (12) month period commencing January 11 and ending the following January 10, except the first Contract Year will begin on December 29, 2014 and end on January 10, 2016, and the last Contract Year shall begin on January 11, 2021 and end on the date that is three days after the last game played by the University football team in the 2021 season (including any bowl game played relative to the 2021 season). Each such Contract Year shall be numbered to correspond to the period specified as follows:

Contract Year	Period
Contract Year One	December 29, 2014 – January 10, 2016

Contract Year Two	January 11, 2016 – January 10, 2017
Contract Year Three	January 11, 2017 – January 10, 2018
Contract Year Four	January 11, 2018 – January 10, 2019
Contract Year Five	January 11 2019 – January 10, 2020
Contract Year Six	January 11, 2020 – January 10, 2021
Contract Year Seven	January 11, 2021 – three days after last game played in 2021 season

(c) The parties agree that by December 1, 2021 they will meet and indicate whether they have a mutual interest in negotiating an extension of this Agreement. Any indication by either party that they do not desire to extend the contract shall not be considered a termination of the contract. Any agreement by the parties to discuss an extension does not operate as a guarantee that the parties will agree to an extension.

3.02 Compensation:

(a) Base Salary. As compensation for the services performed under this Agreement, the Head Coach shall be paid a base salary ("Base Salary") of $500,000 per Contract Year.

(b) The Base Salary provided for above shall be paid to the Head Coach in accordance with the University's normal payroll procedures.

(c) Additional Compensation. The Head Coach will receive additional compensation at the annual rate of $4,500,000, paid in equal monthly installments, as compensation for his television, radio, internet, public relations, promotional activities, personal appearances in connection with his duties under this Agreement, support of the University's shoe and apparel sponsorships, and other activities as part of his duties and responsibilities as the Head Coach ("Additional Compensation").

(d) After Contract Year Three, the Base Salary and Additional Compensation each will be increased by 10%. After Contract Year Five, the Base Salary and Additional Compensation each will be increased by an additional 10% above the then current rate of Base Salary and Additional Compensation. At the end of Contract Year Five, there will be an evaluation by the University of the Head Coach's overall performance and review of his overall compensation, as measured by his then current fair market value, as compared to his peers. The parties will negotiate reasonably and in good faith whether Head Coach is compensated less than his fair market value, and if he is, will also negotiate reasonably and in good faith, an upward adjustment to bring the Head Coach's compensation to fair market value. If such an adjustment is made, then it will be in lieu of the 10% increase at the end of Contract Year Five, as provided above, if the adjustment is greater than the 10% increase.

(e) Team and Head Coach Performance Payments. If the University football team achieves any of the performance goals set forth below during the Term of this Agreement, and the Head Coach remains employed as head coach at the time of the applicable game, the Head Coach will receive an additional payment of compensation in the following amount:

Conference Performance (non-cumulative):

(1) Team plays in Big Ten Championship Game:	$125,000
(2) Team wins Big Ten Championship Game:	$250,000

Post-Season Performance (non-cumulative, except (2) and (3)):

(1) Team plays in Bowl Game selected by College Football Playoff Selection Committee (other than (2)):	$200,000
(2) Team plays in four-team College Football Playoff Game:	$300,000
(3) Team Wins National Championship Game:	$500,000

If the Head Coach receives the awards indicated below for a regular season that occurs during a Contract Year, the Head Coach will receive an additional payment of compensation in the following amount:

Coach of the Year (cumulative for (1) and one of (2)):

(1) Big Ten Coach of the Year (by vote of Big Ten coaches):	$50,000
(2) Associated Press, Paul "Bear" Bryant, Sporting News, Walter Camp, Maxwell Football Club, or ABC/ESPN National Coach of the Year (can only achieve one per year):	$75,000

The Head Coach will be eligible to receive the amounts under this paragraph (e) above in each Contract Year during the Term. As used above, "non-cumulative" means the Head Coach can receive only one amount under a given category (e.g., he can receive only (1) or (2) under Conference Performance). However, the Head Coach is eligible to receive cumulatively in any contract year, performance payments from each of the "Conference Performance", "Post-Season Performance" and "Coach of the Year" categories.

(f) Timing of Additional Payments. The Head Coach will have earned and fully vested in any of the performance payments set forth in subparagraph (e) above, at the time that the relevant game is played or coach of the year is announced. The University shall pay any amount earned by the Head Coach for a Contract Year pursuant to subparagraph (e) above no later than thirty (30) days after the end of the applicable season, including any bowl game.

(g) Team Academic Performance Payments. For each full academic year during the Term (i.e., commencing with the 2015-16 academic year) in which the University's football team achieves an Academic Progress Rate (APR) of 960 or higher (both multi and single year calculation), Head Coach may receive an additional payment of compensation for that Contract Year at the discretion of the Athletic Director in an amount not to exceed $150,000.00.

Such payment shall be made within thirty (30) days after the APR is determined for the applicable academic year.

(h) Deferred Compensation. Within thirty (30) days following the last game played by the University football team in Contract Year One, the University will review the status of the Football Program and determine an appropriate deferred compensation arrangement for the Head Coach.

(i) Signing Bonus. No sooner than seven (7) days and no later than fourteen (14) days after execution of this Agreement, the University shall pay Head Coach a bonus of $2,000,000.

(j) Apparel Allowance. The University agrees to provide the Head Coach with an apparel allowance (for personal use) of $4,000 per calendar year in items from the then-current athletic apparel supplier to the Football Program (currently Adidas), at prices charged by the supplier to the University or its coaches for such purchases.

(k) Any benefit earned and any payment made pursuant to this Agreement shall be subject to federal and state income, FICA and other employee payroll, withholding or other similar taxes the University may be required to withhold.

3.03 Fringe Benefits:

(a) During the Term of this Agreement, the Head Coach shall be entitled to elect the standard University fringe benefits applicable to his position. The fringe benefits are provided in accordance with the rules of the University's fringe benefit program, and are subject to change if and when the University's benefit program(s) change.

(b) During the Term of this Agreement, the Head Coach will be entitled to the use of two (2) automobiles pursuant to the dealer-provided automobile program available to the Athletic Department coaching staff as in effect from time to time. The University will pay expenses for such automobiles in accordance with the University's policy for senior Athletic Department personnel.

(c) The University will pay reasonable moving expenses actually incurred for the Head Coach to relocate himself and his family to Michigan.

(d) The University will pay or reimburse the Head Coach for reasonable temporary housing expenses for the necessary period of time, not to exceed one hundred eighty (180) days, to assist the Head Coach in his transition to the University.

(e) Ticket Usage. During the Term of this Agreement, the Head Coach will be entitled to complimentary best available tickets for University athletic events plus parking in accordance with Athletic Department policy then in effect. Further, for all home football games during the Head Coach's employment as head football coach, the Head Coach will be provided with exclusive use of the head coach's private viewing box in Michigan Stadium, including the

maximum number of tickets and passes for such box. The University will also provide the Head Coach with 16 additional home football tickets. The University also will make best efforts to provide the Head Coach with a reasonable number of best available seats for any championship or bowl games in which the University football team plays during the Term. It is understood that the Head Coach may use such tickets and the box for, among other things, the purpose of hosting family, donors and other friends of the University for business purposes. Head Coach agrees to provide a log for all passes and tickets used for this purpose, and shall not resell such passes or tickets.

(f) During the Term, the Head Coach shall receive prompt reimbursement for all reasonable expenses (including first class airfare when traveling for Football Program-related business) incurred by the Head Coach in performance of his duties, in accordance with the University's policies applicable to other similarly situated employees as they may be established or modified.

3.04 Exclusivity of Services:

(a) The Head Coach agrees that during the Term of this Agreement, he will not engage in any outside activities, including but not limited to, television, radio, internet, shoe and/or apparel sponsorships, consulting, promotion, appearances, endorsements and charitable fundraising, except for those activities on behalf of the University as described above, unless such activities are expressly approved in writing and in advance by the Athletic Director, which approval shall not be unreasonably withheld or delayed. Reasons for the Athletic Director's withholding approval may include, but not be limited to, his reasonable and good faith determination that the activity (i) conflicts with then-existing or pending University agreements, (ii) conflicts with any Governing Rules or Head Coach's obligations under this Agreement, or (iii) may reflect poorly upon the University. Permitted outside activities may not use University intellectual property or suggest an association with or endorsement by the University. All income derived from the Football Program, including, but not limited to, the University's athletic apparel and beverage agreements, the Head Coach's television and radio shows, and other University agreements and commercial activities (but specifically excluding the Camp referred to below), shall belong to the University. All income received by the Head Coach from approved outside activities will belong to the Head Coach.

(b) Pursuant to NCAA Rules and University Rules, Head Coach shall provide a written detailed account annually to the University's President and Athletic Director of all athletically-related income and benefits that he receives from sources outside the University.

(c) The Head Coach agrees that during the Term of this Agreement he will provide the Athletic Director with written notice prior to or within forty eight (48) hours after engaging (either directly or indirectly through an agent or representative) in any material discussions pertaining to coaching opportunities at any NCAA member institution, professional sports team or any other coaching or non-coaching positions that could result in termination of his employment at the University.

Article IV

TERMINATION

4.01 Termination **Without Cause**

(a) The parties agree that the University may terminate the Head Coach's employment under this Agreement **without cause** prior to expiration of the Term upon notice provided by the Athletic Director. If the University exercises this right, then (in addition to any performance bonuses earned by but not yet paid to the Head Coach under this Agreement) it will pay the Head Coach the Annual Base Salary and Additional Compensation at the time of termination, for the remainder of the Term, subject to the Head Coach's mitigation obligations at subsection 4.01(b) below. The University will make such payment to the Head Coach in equal monthly installments over the remaining Term. In addition, upon a termination by the University without cause, the University shall reimburse the Head Coach on a monthly basis an amount equal to the difference between the COBRA coverage cost for the Head Coach and his dependents and the rate that would be paid for the employee share of such coverage by similarly situated active employees until the earliest of (i) eighteen (18) months following the termination of employment, (ii) the Head Coach's commencing other employment offering comparable coverage for which he is eligible, or (iii) the Head Coach and his dependents ceasing to be eligible for University COBRA continuation coverage.

(b) The Head Coach is required to mitigate the University's obligations under Section 4.01(a) by making reasonable efforts to obtain other employment as soon as reasonably practical following such termination. If the Head Coach obtains other employment or receives compensation for services (e.g., as a consultant) elsewhere after the University's termination of this Agreement pursuant to Section 4.01(a) (collectively, "Other Compensation"), then each of the University's monthly obligations to pay the Head Coach as set forth in Section 4.01(a) shall be reduced in the manner described in this Section 4.01(b), by Head Coach's total compensation from all such sources relating to coaching or broadcasting (except not including: i) employee reimbursements; and ii) standard employee benefits under broad-based plans). If the Head Coach does obtain other employment or compensation, he shall immediately provide written notice to the University describing the position and his total compensation. The University shall have the right to reasonably request evidence of the efforts Head Coach has made to obtain other employment and the amount of compensation paid to or vested in favor of the Head Coach in the new position and Head Coach shall provide the evidence reasonably requested by the University from time to time. The Other Compensation shall be set off from the amounts due pursuant to Section 4.01(a) hereunder for the same period that it is earned by the Head Coach whether it is paid on an ongoing basis, as a sign-on or otherwise in advance or on a deferred basis. Any amounts subject to a vesting schedule shall be deemed earned when vested. If in any month the Other Compensation exceeds the University's obligations to the Head Coach as set forth in Section 4.01(a), such excess shall be carried forward and set off against the University's next future monthly obligations. The Head Coach shall provide the University on an ongoing basis with the information reasonably requested which is necessary to implement the foregoing and shall promptly respond to any reasonable inquiries of the University. The Head Coach shall promptly refund to the University any amounts that he receives that should have been setoff under the provisions of this section.

(c) Payment by the University in accordance with the provisions of this section 4.01 will be conditioned upon the execution and delivery by the Head Coach of a release and separation agreement in a form reasonably acceptable to the University.

(d) Except for the obligation to pay to the Head Coach the amount set forth in Section 4.01(a), if the University terminates the Head Coach's employment without cause as specified in Section 4.01(a), all obligations of the University to the Head Coach shall cease as of the effective date of such termination. In no case shall the University be liable for the loss of any base salary, additional compensation, bonus payments, deferred compensation, collateral business opportunities or any other benefits, perquisites or income resulting from activities such as, but not limited to, camps, clinics, media appearances, television or radio shows, apparel or shoe contracts, consulting relationships or from any other sources that may ensue as a result of the University's termination without cause of Head Coach's employment under this Agreement.

(e) All obligations of the Head Coach under this Agreement or otherwise associated with his employment by the University shall cease as of the effective date of such termination, except as provided in Section 4.06 below.

4.02 Termination **for cause.** The University has the right to terminate the employment of the Head Coach **for cause** in the event of any of the following:

(a) Failure of the Head Coach in any material respect to perform the material services required under this Agreement, or breach in any material respect of any of the Head Coach's material duties or obligations under this Agreement, and such failure continues for a period of thirty (30) days following receipt of a written notice from the University of such failure or breach. The University shall not be required to provide written notice and an opportunity to cure under this section if the breach cannot be cured or if the University has provided notice and an opportunity to cure a substantially similar material breach within the prior three hundred sixty five (365) days.

(b) Head Coach's conviction of or a plea of *nolo contendere* to any felony or any criminal offense involving fraud, harassment, substance abuse, or moral turpitude.

(c) Conduct by Head Coach that substantially offends public decency or morality, as shall be determined by standards prevailing in the community, or which results in, or in the reasonable determination of the University could result in, material injury to the reputation, interests or obligations of the University or the Program.

(d) The NCAA or the Conference determines, or the University reasonably determines (following any notice and cure period required by Section 4.02(a)), that (i) the Head Coach has committed a material violation of a material provision of the Governing Rules (including, without limitation, a Level I or Level II violation of NCAA Rules); or (ii) that a material violation of a material provision of the Governing Rules has occurred within the Football Program during the Term of this Agreement and such material violation occurred as a result of the Head Coach's failure to appropriately supervise the Program in a reasonable and customary manner.

(e) There occurs any violation of Governing Rules during the Term of this Agreement that results in the Football Program being placed on probation, having to forfeit scholarships or games, or having to pay a material fine.

(f) Failure to promptly report to the Athletic Director a violation of the Governing Rules by himself, an assistant football coach, football staff member, student athlete who is a member of the football team, or other representative of the University's athletic interests of which the Head Coach had actual knowledge.

(g) Fraud or willful malfeasance in the performance of any material duties or responsibilities under this Agreement.

4.03 If the University terminates the Head Coach's employment for cause as specified in Section 4.02, it shall be without liability to the Head Coach, or any other penalty, except the Head Coach shall be paid any Annual Base Salary and Additional Compensation accrued but unpaid (and any performance bonuses earned but unpaid) prior to termination. All other obligations of the University to make further payments and/or to provide any other consideration under this Agreement or otherwise shall cease as of the date of termination. Except as provided in the first sentence of this section, in no case shall the University be liable to the Head Coach for the loss of any Base Salary, Additional Compensation, bonus payments, deferred compensation, collateral business opportunities or any other benefits, perquisites or income resulting from activities such as, but not limited to, camps, clinics, media appearances, television or radio shows, apparel or shoe contracts, consulting relationships or from any other sources that may ensue as a result of the University's termination for cause of the Head Coach's employment under this Agreement.

4.04 Termination by Head Coach.

(a) The Head Coach shall have the right to terminate this Agreement **for good reason** in the event that the University breaches its obligation to pay Base Salary or Additional Compensation in accordance with Section 3.02. The Head Coach must give written notice of such breach within thirty (30) days after he has knowledge thereof. If the University fails to cure such breach within thirty (30) days after its receipt of such written notice, the Head Coach may give notice of termination within thirty (30) days after such cure period. Upon such termination by the Head Coach for good reason, the University shall make the payments required under Section 4.01(a) with respect to a termination without cause, subject to Section 4.01(b) and the other provisions of Section 4.01.

(b) In the event the Head Coach terminates his employment with the University other than for good reason pursuant to Section 4.04(a) prior to the end of Contract Year Four, or the University terminates the Head Coach's employment for cause, the Head Coach shall reimburse to the University a pro rata portion of the total of: (i) the signing bonus paid under Section 3.02(i) and (ii) any payments made under Section 9.10. The pro rata amount shall equal the number of months remaining from the date of termination by the Head Coach or the University until the end of Contract Year Four divided by forty eight (48). The Head Coach shall have no obligation to reimburse such amount to the University upon a voluntary

termination by him in the event that, following the effective date of this Agreement, the University is barred from post-season appearances or loses a significant number of NCAA scholarships as a result of NCAA violations that took place prior to the effective date of this Agreement, and the Head Coach provides notice of termination within six (6) months after those sanctions are imposed. If the Head Coach terminates this Agreement as a result of NCAA sanctions in accordance with the preceding sentence, the University will pay the Head Coach the Annual Base Salary and Additional Compensation at the time of termination, for one year from the notice of termination, subject to Section 4.01(b) and the other provisions of Section 4.01. In the event the Head Coach terminates his employment with the University without good reason prior to the end of Contract Year Six, the University may immediately terminate Head Coach's employment, and if the University does so, such termination shall not constitute termination of the Head Coach's employment by the University without cause and the University shall not be liable for the payments required by 4.01(a).

4.05 Disability or Death. This Agreement will terminate automatically upon the Head Coach's death or disability (which for purposes of this section shall mean the Head Coach is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which continues for at least six (6) consecutive months and can be expected to result in death or can be expected to last for a continuous period of not less than 12 months). All obligations of the University to make further payments and/or to provide other consideration, under this Agreement or otherwise, shall cease immediately in the event such death or disability occurs, except for any Annual Base Salary and Additional Compensation accrued but unpaid (and any performance bonuses earned but unpaid). To the extent applicable, the Coach (or his beneficiaries) shall also be eligible to receive disability and/or life insurance benefits, but only to the extent that such benefits are available to him or his beneficiaries, as the case may be, under the rules established by the University and the University's insurance carrier.

4.06 Confidential Information. The Head Coach acknowledges that during his employment he will acquire knowledge of confidential information regarding the athletic operations of the University. Accordingly, the Head Coach shall not, without the written consent of the University, directly or indirectly, during the Term or at any time thereafter, disclose to anyone or use in any manner any confidential information other than in connection with his services for the University. The provisions of this Section 4.06 shall not apply to (a) data and information which the Head Coach can prove has become publicly available without breach of confidence by the Head Coach or any other person, or (b) coaching schemes or training or recruiting techniques developed or used by the Head Coach while employed by the University. The Head Coach shall not be prohibited from making truthful statements when defending himself in arbitration, litigation or NCAA proceedings or if required to testify by a government agency, order of a court or other governmental or regulatory body having jurisdiction, or to his own counsel, if necessary. If the Head Coach is required to disclose any confidential information pursuant to any legal proceedings or court order, as described above, he shall immediately notify the University and shall cooperate with the University in assisting the University's seeking to maintain the confidentiality of that confidential information (e.g., by placing it under seal) or in setting aside the requirement or order compelling disclosure. Within seventy-two hours after the expiration or termination of this Agreement, the Head Coach shall

cause any confidential information, keys, credit cards and other University property in his possession or control to be delivered to the University.

4.07 Remedies. The Head Coach's covenants under Section 4.06 shall apply regardless of the reason for the termination of his employment. For the avoidance of doubt, the Head Coach acknowledges that the consideration provided to him under this Agreement is adequate for such covenants. The Head Coach acknowledges that the remedy at law for breach of those provisions will be inadequate and that, in addition to any other remedy the University may have, it shall be entitled to an injunction restraining any breach or threatened breach, without any bond or other security being required and without the necessity of showing actual damages.

Article V

FOOTBALL STAFF

5.01 The Football Program will be provided with a compensation fund of $4,000,000-5,000,000 to be reserved exclusively for assistant coaches, excluding the strength coach. The foregoing amount shall increase by 10% in each of Contract Years Three and Five. Any other increase in such fund shall be subject to approval of the Athletic Director. The amounts paid will be determined by the Head Coach, subject to the approval of the Athletic Director. No amount of this fund is available for or allowed to be paid to the Head Coach.

5.02 The University will pay moving expenses for any newly hired assistant coaches in accordance with the Standard Practice Guide.

5.03 The University will pay actually incurred reasonable temporary housing expenses for the necessary period of time, not to exceed ninety (90) days, for any newly hired assistant coaches to assist in their transition to the University.

5.04 Ticket Usage. During the Term of this Agreement, each assistant coach will be entitled to use of tickets for University athletic events in accordance with Athletic Department policy then in effect.

Article VI

CAMP

6.01 The Head Coach may operate a summer football camp ("Camp") at University facilities, and shall be entitled to the net profits from operation of the Camp after the payment of all expenses. The University acknowledges that the Camp will include (but is not limited to) the following Camp programs: High School Camp; Youth Camp; Team Camp; Kicking Camp; and "7 on 7" Camp. The Camp must be operated in accordance with the best Michigan practices, appropriate financial controls, and the rules, guidelines, policies, and procedures of the Athletic Department, University, Big Ten and NCAA. The Head Coach is responsible to pay (or reimburse) the University for the use of all University facilities, University staff time, and other

expenses incurred in operating the Camp as determined by the University. Within sixty (60) days of the closing of the Camp, Head Coach will provide to the University a full financial accounting of the Camp, including a statement of income and expenses, an accounting of the distribution to University employees and third parties, and payment (or reimbursement) in full for use of the facilities. The Head Coach agrees that he has the right to operate this Camp only as long as he is the Head Coach and that the University will assume the right to operate the Camp upon the termination of Head Coach's employment. Solely in connection with the operation of such Camp and consistent with the University's Guidelines for Proper Trademark Use, Head Coach shall have permission to use the terms "University of Michigan," "Wolverines," and all other University names, logos, trademarks, and designs, provided, however, that such permission shall not include permission to sell or distribute University or other merchandise except in accordance with this Agreement and University policy. The University will also help promote the Camp programs through announcements utilizing University controlled media as may be requested from time to time by Camp representatives and with the approval of the Athletic Director or his designee. Nothing in this section shall prohibit the Head Coach from operating a football camp unrelated to the University upon his termination from University employment.

Article VII

SCHEDULING GAMES

7.01 The Head Coach and Athletic Director shall have joint responsibility for game schedule. Final decisions will rest with the Athletic Director.

Article VIII

UNIVERSITY'S OBLIGATIONS

8.01 The University shall furnish to the Head Coach such facilities, equipment, support staff, and supplies as are reasonably necessary for Head Coach to perform his duties as head football coach. In addition, the University shall pay all reasonable travel and other expenses incurred by Head Coach in the performance of his duties as head football coach, subject to his submission of appropriate documentation in accordance with University's policies. The University shall provide the Head Coach with private aircraft travel hours as reasonable and necessary for all recruiting purposes. In addition, the Head Coach will be entitled to receive, for his personal use at the University's expense, up to twenty five (25) hours of flight time in each Contract Year on a private aircraft capable of traveling non-stop in the continental United States. Unused personal hours in any Contract Year may be carried forward for up to one additional Contract Year during the Term. The University shall reasonably determine the type of aircraft in consultation with the Head Coach.

8.02 The University will provide written notice to the Head Coach prior to committing him to any product endorsement or promotional agreement (whether through general advertisements, sponsorships or otherwise) involving the Head Coach or his image and Head Coach shall have the right to disapprove of any such use for good reason (such as moral

objection or non-use of proposed products or services, etc.). The Head Coach hereby grants to the University without further compensation the limited right in perpetuity to use or authorize a third party to use the name, likeness, image, signature, voice, biographical data and other identifiable features of the Head Coach for publicity, promotional or any other business purpose (whether through general advertisements, sponsorships or otherwise) which permission will expire upon termination of his employment, except for historical, archival, previously recorded games and interviews, or Program promotional uses (excluding any third party tie-ins, sponsorships, licenses and/or cross-promotions) in records and publications related solely to Head Coach's performance of his duties under this Agreement. The rights in any such publicity or promotional materials under this Section shall belong exclusively to the University. Notwithstanding the foregoing, Head Coach is, and will remain, the sole and exclusive owner of his name and likeness, image, signature, voice, biographical data or other identifiable features of the Head Coach, and all proprietary and potential proprietary rights therein.

Article IX

MISCELLANEOUS

9.01 This Agreement will be governed by and construed in accordance with the laws of State of Michigan applicable to agreements made and to be performed entirely in Michigan.

9.02 Whenever possible, each provision of this Agreement will be interpreted in such manner as to be enforceable, valid, and legal under applicable law. If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable, invalid or illegal in any respect under applicable law, such unenforceability, invalidity or illegality will not affect any other provision of this Agreement and this Agreement will be construed as if such unenforceable, invalid or illegal provision had never been contained in this Agreement. The parties agree that they have been represented by counsel of their choosing during the negotiation and execution of this Agreement and therefore waive the application of any applicable law or doctrine providing that ambiguities in an agreement will be construed against the party drafting such agreement.

9.03 This Agreement shall not be assigned by either party.

9.04 The Head Coach represents and warrants to the University that he is not bound by or subject to any contractual or other obligation that would be violated by his execution or performance of this Agreement, including, but not limited to, any non-competition agreement presently in effect.

9.05 This Agreement supersedes all prior agreements with respect to the subject matter hereof, including the Term Sheet, and constitutes the entire agreement between the parties hereto and may be modified only in a writing signed by the President of the University and the Head Coach.

9.06 Section 409A.

(a) The intent of the parties is that payments and benefits under this Agreement comply with or be exempt from Section 409A of the Internal Revenue Code and the regulations and guidance promulgated there under (collectively, "Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. If the Head Coach notifies the University (with specificity as to the reason therefore) that the Head Coach believes that any provision of this Agreement (or of any award of compensation, including benefits) would cause the Head Coach to incur any additional tax or interest under Section 409A or the University independently makes such determination, the University shall, with the consent of the Head Coach, reform such provision to attempt to comply with or be exempt from Section 409A through good faith modifications to the minimum extent reasonably appropriate to conform with Section 409A. To the extent that any provision hereof is modified in order to comply with Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to the Head Coach and the University of the applicable provision without violating the provisions of Section 409A. The Head Coach acknowledges that the Internal Revenue Code assesses additional tax and penalties on the Head Coach for noncompliance with Section 409A and that his advisors have reviewed this documents for compliance therewith and are not relying on any review of such compliance by the University.

(b) Solely to the extent necessary to comply with Section 409A, a termination of employment shall not be deemed to have occurred for purposes of the applicable provisions of this Agreement providing for the payment of amounts or benefits subject to Section 409A upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service."

(c) All expenses or other reimbursements paid under this Agreement or otherwise hereunder that are taxable income to the Head Coach shall be paid promptly upon submission of appropriate documentation, but in no event later than the end of the calendar year next following the calendar year in which the Head Coach incurs such expense or pays such related tax. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (ii) the amount of expenses eligible for reimbursement, of in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, *provided* that the foregoing clause (ii) shall not be violated without regard to expenses reimbursed under any arrangement covered by Internal Revenue Code Section 105(b) solely because such expenses are subject to a limit related to the period the arrangement is in effect and (iii) such payments shall be made on or before the last day of the Head Coach's taxable year following the taxable year in which the expense occurred.

(d) For purposes of Section 409A, the Head Coach's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments.

9.07 No Third-Party Beneficiaries. Nothing in this Agreement, express or implied, including without limitation, Article V hereof, is intended or will be construed to confer on any person, other than the parties to this Agreement, any right, remedy, or claim under or with respect to this Agreement.

9.08 Legal Fees. The University agrees to reimburse the Head Coach for all legal fees incurred by him in connection with the negotiation of this Agreement, in an amount not to exceed $30,000.

9.09 Notices. Any notice or other communication under this Agreement shall be in writing and shall be considered given when delivered personally, one business day after being sent by a nationally recognized overnight delivery service or three business days after being mailed by registered mail, postage prepaid and return receipt requested, to the parties at the following addresses (or at such other address as a party may specify by notice to the other):

(i) if to the University:

Athletic Department
University of Michigan
1000 South State Street
Ann Arbor, MI 48109-2201
Attention: Athletic Director

with a copy to:

Office of the Vice President & General Counsel
University of Michigan
5010 Fleming
Ann Arbor, MI 48109-1340
Attention: General Counsel

(ii) if to the Head Coach:

c/o Schembechler Hall

with a copy to:

Jeffrey S. Klein
Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153

9.10 Indemnification. The Head Coach represents and warrants to the University that (a) his contract of employment with his prior employer has been validly terminated, and (b) he is not aware of any dispute with his prior employer relating to his termination of employment or entry into this Agreement. In reliance on the foregoing, the University will indemnify and hold harmless the Head Coach to the fullest extent permissible by law against any settlement, judgment, or other amount required to be paid by the Head Coach in any action brought against him by his prior employer in connection with or arising out the termination of his prior employment and entering into this Agreement with the University (including his reasonable attorney's fees), except for liability resulting from a judicial or arbitral ruling or finding of gross negligence or willful misconduct by the Head Coach. The Head Coach shall give the University prompt written notice of any such action and cooperate fully with the University in defending or settling such action. The University may defend or settle such action by counsel of its selection, subject to the Head Coach's consent, not to be unreasonably withheld or delayed. The University may settle any such action, subject to the Head Coach's consent, which shall not be unreasonably withheld or delayed. The Head Coach shall use reasonable efforts, in consultation with University, to reduce or eliminate such indemnification amounts, including by complying with the terms of his agreements with his prior employer. The University's maximum liability for the foregoing indemnity and hold harmless shall be $5,000,000.

9.11 Counterparts. This Agreement may be executed in counterparts (including by facsimile or other electronic transmission), each of which shall be deemed an original but all of which together shall constitute a single instrument.

Executed this 28 day of December, 2014.

For the REGENTS OF THE
UNIVERSITY OF MICHIGAN

_____

By: Mark Schlissel, President

For the ATHLETIC DEPARTMENT
UNIVERSITY OF MICHIGAN

_____

By: James P. Hackett, Interim Athletic Director

Executed this ____ day of December, 2014.

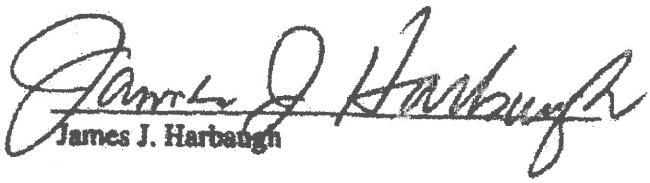
For the REGENTS OF THE
UNIVERSITY OF MICHIGAN

By: Mark Schlissel, President

For the ATHLETIC DEPARTMENT
UNIVERSITY OF MICHIGAN

By: James P. Hackett, Interim Athletic Director

Head Coach:



James J. Harbaugh