

**AMENDMENT NO. 1 TO THE  
ENDORSEMENT/SPONSORSHIP AGREEMENT**

This Amendment No. 1 to the Endorsement/Sponsorship Agreement (the "Amendment") is made and entered into as of July 1, 2018 (the "Effective Date"), by and between adidas America, Inc. ("adidas"), an Oregon corporation with its principal place of business at 5055 N. Greeley Avenue, Portland, Oregon 97217, and University of Louisville Athletic Association, Inc. ("University").

**BACKGROUND**

adidas and University are parties to the Endorsement/Sponsorship Agreement entered into as of July 1, 2014 (the "Agreement"). The parties desire to amend the Agreement as follows:

**TERMS AND CONDITIONS**

1. Section 1.K. of the Agreement shall be deleted in its entirety and replaced by the following:

"Competitor" means Nike, Reebok, Puma, Under Armour, New Balance, Li-Ning, Asics, Anta, Russell, Columbia, Starter and Hurley, and their respective parents, subsidiaries and affiliates."

2. Section 1.P. of the Agreement shall be deleted in its entirety and replaced by the following:

"Performance Apparel" means all apparel with unique fabrications (e.g., compression, tight or padded apparel) and/or fabrications (e.g., moisture wicking) that assists the wearer during wear and/or use, specifically excluding, but not limited to, any golf polo manufactured by Antigua, Cutter & Buck, and Peter Millar and any other mutually agreed on manufacturers."

3. Section 2 of the Agreement shall be deleted in its entirety and replaced by the following:

"This Agreement shall remain in full force and effect from July 1, 2018 until June 30, 2028 unless sooner terminated in accordance with the terms and conditions of this Agreement (the "Contract Term"). This Agreement shall be interpreted in its entirety and not as a series of one-year agreements."

4. Section 3.A. of the Agreement shall be deleted in its entirety and replaced by the following:

"Subject to the provisions of subsection 3.B, 3.C and 6.C below and University's fulfillment of its obligations hereunder, adidas shall pay to the University annual Base Compensation in the amounts designated below. Each Contract Year's Base Compensation shall be payable in equal semi-annual payments on August 15 and February 15 of each Contract Year.

<u>Contract Year</u>	<u>Base Compensation</u>
2018/2019	\$ 10,000,000
2019/2020	\$ 10,000,000
2020/2021	\$ 10,000,000
2021/2022	\$ 7,000,000
2022/2023	\$ 7,000,000
2023/2024	\$ 7,000,000
2024/2025	\$ 7,000,000
2025/2026	\$ 7,000,000
2026/2027	\$ 7,000,000
2027/2028	\$ 7,000,000

The annual Base Compensation for each Contract Year includes any amounts payable to any University Coach pursuant to an adidas personal services agreement. Any amount of Base Compensation paid by adidas to any University Coach shall relieve adidas of such corresponding obligation to University under this Agreement.

5. Section 4.B. of the Agreement shall be deleted in its entirety and replaced by the following:

"No later than May 1 of each Contract Year (beginning in 2018/2019 Contract Year), adidas and University shall mutually agree on a written strategic plan concerning the allocation and use of the below annual activation fund for the following Contract Year. adidas shall timely (based on the payment terms of such invoice) make the following annual activation investments, either directly to mutually agreed upon vendors on behalf of University and/or payments directly to University via project invoicing, in the amount designated below. Such funds shall be used for mutually agreed upon activations,

including but not limited to the University/adidas internship program, agencies and adidas strategic brand initiatives.

<u>Contract Year</u>	<u>Activation Investment</u>
2018/2019	\$ 3,000,000
2019/2020	\$ 3,000,000
2020/2021	\$ 3,000,000
2021/2022	\$ 1,000,000
2022/2023	\$ 1,000,000
2023/2024	\$ 1,000,000
2024/2025	\$ 1,000,000
2025/2026	\$ 1,000,000
2026/2027	\$ 1,000,000
2027/2028	\$ 1,000,000

Any activation investments or activation funds paid by adidas to any third party shall relieve adidas of such corresponding obligation to University under this Agreement.”

6. The following shall be added as Section 4.C. to the Agreement:

“University shall have the option for P3 and EXOS (provided that adidas has a relationship with such entity) to provide consulting services to University. adidas shall pay P3 and EXOS for all such services mutually agreed on by adidas and University.

7. The following shall be added as Section 4.D. to the Agreement:

“Based on the demand for University Products and adidas’ customary retail policies and procedures regarding range assortment and product selection, adidas shall offer for sale University Products in adidas owned retail stores nationwide and include applicable point of sale materials. adidas agrees that it will use commercially reasonable efforts to involve University in adidas strategic brand initiatives throughout the Term and notify University of such initiatives as soon as reasonably practicable. Further, based on University’s on-field performance, national marketability, and adidas’ national category and brand initiatives, during each Contract Year, adidas will use commercially reasonable efforts to incorporate University into adidas national marketing opportunities, including but not limited to national advertising opportunities (e.g., brand or multi-property campaigns on TV, in print, retail or internet).”

8. Section 5.A. of the Agreement shall be deleted in its entirety and replaced by the following:

"For each Contract Year, adidas agrees to supply University, at no cost, an allotment of adidas Products in the amount designated below, for use by the designated University Athletic Programs for team allotments, camps and clinics, and staff/coaches personal allotments. The dollar amount of adidas Products provided to University shall be measured at adidas standard retail prices (except where otherwise denoted). All Products to be supplied by adidas under this Agreement shall be delivered F.O.B. to University at no charge.

<u>Contract Year</u>	<u>Product Allotment</u>
2018/2019	\$ 6,000,000
2019/2020	\$ 6,000,000
2020/2021	\$ 6,100,000
2021/2022	\$ 6,100,000
2022/2023	\$ 6,100,000
2023/2024	\$ 6,200,000
2024/2025	\$ 6,200,000
2025/2026	\$ 6,200,000
2026/2027	\$ 6,200,000
2027/2028	\$ 6,200,000

Starting in the 2018/2019 Contract Year, adidas agrees that University may carry forward up to One Hundred Fifty Thousand Dollars (\$150,000) worth of adidas Products (at adidas standard retail prices (except where otherwise denoted)) from one Contract Year to the next subsequent Contract Year only (e.g., carry over \$150,000 from the 2018/2019 Contract Year to the 2019/2020 Contract Year); provided, however, that University shall not carry forward any adidas Products from the last Contract Year of the Contract Term. Additionally, for each new Athletic Program added to University's Athletic Department, the Product allotments under this section shall increase by one hundred thousand dollars (\$100,000) for each Contract Year.

University agrees that all other adidas Products shall continue to be purchased from adidas at wholesale cost minus 10%.

During each Contract Year, University shall have the right to allocate a mutually agreed on portion of the above Product Allotment for adidas brand initiatives/moments, including but not limited to brand initiatives/moments such as post-season bowl, March Madness or CWS uniforms/shoes, and any of the following:

Football
Strategy jerseys, pants, gloves, base layer, accessories, cleats

Men's Basketball
Home/Away/Alternate/Conference Uniform game jerseys & shorts
Women's Basketball
Home/Away/Alternate jersey & shorts
Baseball
Alternate jersey/pant

Any amount of adidas Products provided by adidas to any University Coach shall relieve adidas of such corresponding obligation to University under this Agreement. University understands and agrees that it shall not resell any Products supplied to University by adidas, other than an annual commemorative merchandise auction or the equipment room's annual liquidation sale.

For the sake of clarity, the above amounts include inflatables for footballs and basketballs, and may subsequently include volleyballs and hardgoods for softball, baseball and lacrosse as mutually agreed to by the parties. University agrees to use good faith efforts to make adidas the exclusive provider to all University Athletic Programs, subject to its existing contractual arrangements with third parties and Section 6.H and Exhibit C of the Agreement."

9. The following shall be added as Section 7.E. to the Agreement:

"Any use of a University student-athlete's name, image, likeness, avatar, and/or appearance in connection with any adidas advertisement, communication (including social media), release, promotion, and/or sale of adidas products shall be pre-approved by University in compliance with NCAA Division I Bylaw 12.5. adidas acknowledges that impermissible use of a University student-athlete's name, image, likeness, avatar, and/or appearance may cause the student-athlete to be declared ineligible to compete for University. University retains the exclusive rights to modify or reject any proposed use of a University student-athlete's name, image, likeness, avatar, and/or appearance in relationship to this Agreement."

10. Section 9.A. shall be deleted in its entirety and replaced with the following:

"University shall enter into or shall cause its licensing agent(s) to enter into and maintain in full force and effect during the Term, a retail license(s) granting adidas: (x) the exclusive right throughout the Contract Territory to manufacture and sell Authentic Competition Apparel that features the University Endorsement through any channel of retail distribution; and (y) the non-exclusive right to manufacture and sell throughout the Contract Territory Products (other than Authentic Competition Apparel) that feature the University Endorsement through any channel of retail distribution. University further agrees that: (i) the royalty rate payable by adidas with respect to any such license(s) shall not exceed fifteen percent (15%) of Net Sales; (ii) adidas Products shall be the exclusive Authentic Competition Apparel and Performance Apparel sold through any

retail location or distribution channel (including but not limited to the brick and mortar shops, catalogs or the Internet) owned or controlled by the University's athletic department; (iii) that neither University nor its licensing agent(s) shall enter into any agreement or understanding with any Competitor to manufacture, develop, market, distribute, license or sell licensed products that feature the University Endorsement; (iv) if University or its licensing agent(s) is (as of the effective date of this Agreement) party to any agreement with a Competitor to manufacture, develop, market, distribute, license or sell licensed products that feature the University Endorsement, then neither University nor its licensing agent(s) will renew or extend such agreement(s); (v) no royalty shall be paid on Products provided by adidas under this Agreement; (vi) neither University nor its licensing agent(s) shall license any third party to manufacture or sell Products that copy or resemble adidas Products; and (vii) adidas will be recognized and classified as University's provider for all Products for University Athletic Programs special events (e.g., Midnight Madness). Provided that all Products do not include any Competitor logos, adidas acknowledges that Celebration Products may be manufactured and sold by a Competitor pursuant to an NCAA Celebration Products licensing program, or similar licensing program by the Atlantic Coast Conference, and such manufacturing and sales of Celebration Products shall not be a breach of this Agreement. adidas acknowledges that it shall not be a breach of this Agreement for Centerplate to act as an authorized adidas retailer.

Each Contract Year, adidas agrees to pay University a guaranteed minimum royalty in the amount set opposite each such Contract Year:

<u>Contract Year</u>	<u>Minimum Guaranteed Royalty</u>
2018/2019	\$ 450,000
2019/2020	\$ 450,000
2020/2021	\$ 450,000
2021/2022	\$ 450,000
2022/2023	\$ 450,000
2023/2024	\$ 450,000
2024/2025	\$ 450,000
2025/2026	\$ 450,000
2026/2027	\$ 450,000
2027/2028	\$ 450,000"

11. The following shall be added as Section 12.E. of the Agreement:

"(1) The parties agree that University will be an elite adidas university program when compared to other adidas university programs measured by: (a) any ranking system included in other adidas university program agreements; and (b) when University is compared to other adidas university programs during each comparable Contract Year, how much (i) cash is received during such Contract Year, (ii) product is received during such Contract Year, and (iii) marketing support is received during such Contract Year. If University is not an elite adidas university program (including but not limited to if

University is not an elite adidas university program because adidas includes any national ranking system in any other adidas university program agreements), then adidas shall notify University as soon as reasonably practicable and University shall enter into good faith negotiations with adidas to remedy such issue. The parties shall not be obligated to remedy such issue if they cannot settle on mutually satisfactory terms. If the parties cannot mutually agree on terms to remedy such issue within thirty (30) calendar days of entering into such good faith negotiations, then (within ten (10) calendar days of the conclusion of such good faith negotiations) University may terminate the Agreement. If the conclusion of such good faith negotiations is prior to November 1 of such Contract Year, then such termination shall be effective as of the conclusion of the then current Contract Year and if the conclusion of such good faith negotiations is on or after November 1 of such Contract Year, then such termination shall be effective as of the conclusion of the following Contract Year. Upon such notification to terminate (in either event), University may immediately enter into negotiations with a Competitor for an agreement that would be effective no sooner than the conclusion of such Contract Year or such following Contract Year, respectively. For the sake of clarity, it shall not be a breach of this Agreement if University is not an elite adidas university program.

(2) Notwithstanding the foregoing, if University determines (in good faith and based on objective evidence) that it is not being compensated as an elite adidas university program, then University shall enter into good faith negotiations with adidas to remedy such issue. The parties shall not be obligated to remedy such issue if they cannot settle on mutually satisfactory terms. If the parties cannot mutually agree on terms to remedy such issue within thirty (30) calendar days of entering into such good faith negotiations, then (within ten (10) calendar days of the conclusion of such good faith negotiations) University may terminate the Agreement. If the conclusion of such good faith negotiations is prior to November 1 of such Contract Year, then such termination shall be effective as of the conclusion of the then current Contract Year and if the conclusion of such good faith negotiations is on or after November 1 of such Contract Year, then such termination shall be effective as of the conclusion of the following Contract Year. Upon such notification to terminate (in either event), University may immediately enter into negotiations with a Competitor for an agreement that would be effective no sooner than the conclusion of such Contract Year or such following Contract Year, respectively. For the sake of clarity, it shall not be a breach of this Agreement if University is not an elite adidas university program.”

12. Section 18 of the Agreement shall be deleted and replaced with the following:

**“Right of First Dealing/Matching Rights.** Beginning one hundred eighty (180) days before the beginning of the last Contract Year (i.e., January 1, 2027), University shall periodically meet with adidas to negotiate in good faith the renewal of this Agreement (“First Dealing Period”). Said First Dealing Period shall extend for a period of ninety (90) days. The parties shall not be obligated to enter into an agreement if they cannot settle on mutually satisfactory terms during the First Dealing Period. University shall not (nor shall University’s Athletic Department) permit its respective agents, attorneys, accountants, representatives or employees to) engage in discussions or negotiations

with any third party regarding University wearing, sponsoring, promoting, advertising or endorsing, or providing consulting or similar services with respect to, any Products after the Contract Term at any time during the Contract Term until the conclusion of the First Dealing Period. Following the conclusion of the First Dealing Period and continuing through June 30, 2028, Athletics agrees to (and that University will) refrain from entering into an endorsement or similar agreement with any Competitor without first giving adidas an opportunity to enter into an agreement with University for such rights on the terms and conditions proposed by such Competitor that are material, measurable and matchable terms and conditions ("Third Party Terms"). University shall provide adidas in writing (on third party letterhead, unaltered and unredacted) with the Third Party Terms it receives. adidas shall have thirty (30) days from its receipt of such Third Party Terms to match or better such Third Party Terms. If adidas matches or betters such Third Party Terms, then University will enter into a new agreement with adidas on such Thirty Party Terms, the better terms and other standard adidas terms and conditions. If adidas fails to match or better such Third Party Terms, then University shall enter into an agreement with such third party on the Third Party Terms that adidas failed to match or better."

13. EXHIBIT B of the Agreement shall be deleted in its entirety and replaced with the following:

**"EXHIBIT B  
INCENTIVE COMPENSATION**

**Bonus Plan: Football**

College Football National Champions	\$300,000 <sup>^</sup>
College Football playoff semifinal game participant	\$100,000 <sup>^</sup>
Conference Champions	\$50,000
College Football Coach of the Year	\$25,000

**Bonus Plan: Men's Basketball**

NCAA Champions	\$300,000 <sup>^</sup>
Final Four Participant	\$150,000 <sup>^</sup>
Conference Champions	\$50,000
NCAA Coach of the Year	\$25,000

**Bonus Plan: Women's Basketball**

NCAA Champions	\$200,000
NCAA Final Four Participant	\$75,000
Conference Champions	\$25,000
NCAA Coach of the Year	\$25,000



^Non-Cumulative Per Applicable Grouping (i.e., only the highest incentive will be paid)."

14. EXHIBIT C of the Agreement shall be deleted in its entirety and replaced with the following:

**“Exhibit C  
EXISTING AGREEMENTS**

Baseball & Softball - Wilson/Louisville Slugger/Hillerich Bradsby: gloves, bats, close-back headwear, catching gear, helmets, catching gear and bat bags.

Golf – TaylorMade (various golf specific hard goods)

Lacrosse – STX sticks - STX sticks, protective eyewear, field gloves, goalie gear, lacrosse balls, shooting nets, string kit, stick bags, head gear, coaches’ clip boards.

Rowing – Pockock/Nike boat shoes, Heart Rate monitors, 2XU/Skins Compression, Oakley eyewear

Swimming & Diving – TYR (in water gear)

Volleyball – Molten Volleyballs

University of Louisville Golf Club – various apparel & non-apparel”

15. Section 3(b) of EXHIBIT D of the Agreement shall be deleted in its entirety and replaced with the following:

**“Football**

- Field Level Suite at North End Zone of Football Stadium (includes 18 season tickets in suite; option for up to 8 Standing Room Only tickets per game; 6 suite passes; and 4 premium parking passes).
- 4 home regular season tickets (non-suite tickets).
- 4 sideline passes for home football games, when requested. Best efforts to provide 4 sideline passes for away football games, when requested.
- 8 tickets away or neutral site regular season games
- 16 tickets ACC Championship game
- 16 non-CFP bowl game
- 16 tickets CFP game, best efforts to provide 4 Field passes

**Men's Basketball**

- 12 home regular season tickets (8 4 of which will be in lower level club) -- includes 2 parking passes for all home games.
- Best efforts to provide away tickets upon request.
- 12 ACC conference tournament tickets (8 4 lower level/4 8 upper level)
- NCAA March Madness: 1<sup>st</sup> and 2<sup>nd</sup> Rounds - 8 tickets unless location is less than 300 miles from University, then 4. Sweet 16 - 8 tickets unless location is less than 300 miles from University, then only 6.
- 12 ACC conference tournament tickets (8 4 lower level/4 8 upper level)

- 20 Final Four tickets (Semi-final/Championship) (8 prime location/12 others)
- 8 tickets/passes Men's basketball private practice for sponsors

**Women's Basketball**

- 8 prime location tickets for regular season home games & all post season. (1 parking pass for regular season home games)

**Baseball**

- 8 prime location tickets for regular season home games & all Post-season

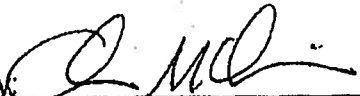
**Other sports**


- 4 prime location tickets for regular season & Post-season upon request"


**In Witness Whereof**, the parties have entered into this Amendment as of the Effective Date written above. All terms and conditions of the Agreement not amended herein will remain in full force and effect.

**ADIDAS**

**UNIVERSITY**

By:   
Chris McGuire,  
Senior Director of Sports Marketing

By:   
Tom Jurich  
Vice President/Director of Athletics

  
Approved as to form by adidas Legal Dept.