

ENDORSEMENT/SPONSORSHIP AGREEMENT

This Endorsement/Sponsorship Agreement ("Agreement"), dated as of **July 1 2014**, is hereby entered into between adidas America, Inc. ("adidas"), an Oregon corporation with its principal place of business at 5055 N. Greeley Avenue, Portland, Oregon 97217, **Texas A & M University** ("University").

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WHEREAS, the University operates an intercollegiate athletics program involving several sports.

WHEREAS, adidas wishes to supply adidas Products to the University's Athletics Programs, as defined below; to acquire the designation for certain adidas Products as the official Products of the University in the designated categories; to secure the services of University's Athletics Program Staff to endorse and promote adidas' Products; and to acquire certain endorsement rights from University.

WHEREAS, University wishes to grant such rights, authorize such services, and accept such benefits.

NOW, THEREFORE, in consideration of the premises and representation made herein, the parties agree as follows:

1. Definitions.

The terms below are defined as follows:

A. "adidas" means adidas, its Affiliates (defined below), and any successor company.

B. "adidas Products" means all Products in connection with which, or upon which, the adidas Trademarks (defined below) appear.

C. "adidas Trademarks" means any name, logo, symbol, trademark or service mark, or brand licensed, owned or controlled (at any time) by adidas, including but not limited to the adidas name, Trefoil, 3-Stripes mark, Sport Heritage logo, Sport Performance logo, and Sport Style logo.

D. "Affiliate" means any corporation, partnership, company or any other entity or person which controls, is controlled by, or is under common control with a party to this Agreement.

E. "Athletics Program Staff" means any and all individuals employed by or directed to act on behalf of the University Athletics Programs (defined herein), included but not limited to Staff, Coaches, trainers, and strength and conditioning employees.

F. "Authentic Competition Apparel" shall mean all on-field, on-court, sideline, courtside, competition or practice apparel that is worn or used by Athletics Program Staff, Coaches or Teams (and any replica(s) thereof), including but not limited to uniforms, courtside jackets and sweaters, game-day warm-ups, basketball shooting shirts, football player capes, headwear (including wool and fitted caps), windsuits, rainsuits, and sideline or courtside pants, shorts or shirts.

G. "Coach(es)" means the individual(s) employed by the University during the Contract Term to act as head coach or assistant coach of each University Athletics Program (defined herein).

H. "Coach Endorsement" means the name, nickname, initials, autographs, voice, facsimile signature, photograph, likeness, character, image or facsimile image, video and film portrayals of Coach, and other similar means of endorsement which are considered standard in the sports marketing industry.

I. "Contract Territory" means the entire world.

J. "Contract Year" means any twelve-month period from July 1 to June 30 during the Contract Term.

K. "Competitor" means any person, entity or organization who or which, now or in the future, manufactures, markets, licenses, produces and/or distributes products or services within the same or similar product categories as any Products and the same or similar distribution channels as any adidas Products, including but not limited to Nike, Under Armour, Russell, Puma, and Reebok.

L. "Licensed Products" means all Products that bear the Marks (defined herein).

M. "Marks" means and includes all names, logos, trademarks, and/or symbols owned by or proprietary to University, as designated in Exhibit A.

N. "Net Sales" (i) shall consist of the sum of wholesale and retail sales, whereas wholesale shall mean gross revenues from all sales of Products by adidas Group companies to third party customers (excl. sales of adidas own retail stores) reduced only by excise or indirect taxes (e.g. VAT and turnover taxes), returns as credited to third party customers, usual cash, trade and sales discounts and allowances, insurance cover and freight out if invoiced separately. The retail sales of the Products will be calculated based on the retail quantities of Products sold in adidas own retail stores times the average wholesale price over all Products sold via wholesale distribution channels during the respective reporting period. (ii) The calculation of retail sales of Products based on the average wholesale price will apply as soon as the technical system environment at adidas provides the information of units sold per article via adidas own retail stores. (iii) Until then, "Net Sales" shall mean gross revenues from all sales of Products (sold via wholesale and retail distribution channels) by adidas

Group companies to third party customers reduced only by excise or indirect taxes (e.g. VAT and turnover taxes), returns as credited to third party customers, usual cash, trade and sales discounts and allowances, insurance cover and freight out if invoiced separately.

O. "Products" means all apparel, footwear and accessories of an athletic, athleisure and casual nature, including but not limited to Authentic Competition Apparel, Performance Apparel, all sports equipment adidas currently produces or licenses including, but not limited to, protective eyewear, sunglasses, eyewear with performance attributes, watches and inflatables/balls (e.g., footballs and basketballs), and, subject to Section 6.H, all other sports equipment that adidas does not currently produce or license but that may be added to its Product lines at any time during the Contract Term ("Additional Equipment").

P. "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.

Q. "Team" means the group of students that comprises the personnel of each University Athletics Program (defined herein).

R. "University Athletics Program(s)" means and includes the following organized intercollegiate men's and women's teams and individual sports sponsored by the University: Baseball, Basketball, Football, Golf, Soccer, Swimming/Diving, Tennis, Softball, Volleyball, Cheerleading/Dance and all other NCAA sponsored sports, and any other sports University may add, but specifically excluding Track and Field.

S. "University Endorsement" means "Texas A&M University," "A&M," "Aggies," and all other names, logos, trademarks, depictions, and/or symbols associated with the University as set forth in Exhibit A in connection with the marketing, advertising, or sale of adidas Products.

2. **Term.** This Agreement shall remain in full force and effect from **July 1, 2014** until **June 30, 2022** 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 agreement.

3. **Base Compensation.**

A. 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 amount designated below. Each Contract Year's Base Compensation shall be payable in equal semi-annual payments on August 1 and February 1 of each Contract Year.

<u>Contract Year</u>	<u>Base Compensation</u>
2014/2015	\$ 1,600,000
2015/2016	\$ 1,700,000
2016/2017	\$ 1,750,000
2017/2018	\$ 1,850,000
2018/2019	\$ 1,900,000
2019/2020	\$ 1,950,000
2020/2021	\$ 1,950,000
2021/2022	\$ 2,050,000

B. If, for any reason, University is placed on probation by the NCAA, resulting in the prohibition of television appearances by University's Football or Basketball Teams, adidas shall have the right to reduce by one-half (1/2) the Base Compensation due hereunder for any period of probation.

C. If, for any reason, University is no longer a member of a Power Five (or its successor) conference, then adidas shall have the right to equitably reduce the Base Compensation paid to University under this Agreement based on the loss of exposure as a result of such loss of membership.

4. **Incentive Compensation.** adidas shall pay University bonus amounts set forth in Exhibit B in any Contract Year if University achieves any such during such Contract Year and exclusively wears and/or uses adidas Products, as provided in this Agreement, during such achievement. adidas shall pay such bonus within thirty (30) days after its receipt of an invoice from University.

5. **Product and Marketing Support.**

A. 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 Athletics Programs for team allotments, camps and clinics, and staff/coaches personal allotments. The allotment of adidas Products designated below is inclusive of One Hundred Thousand Dollars (\$100,000) worth of Products, at wholesale prices, for discretionary use by University's Athletics Department. The dollar amount of adidas Products provided to University shall be measured at adidas standard wholesale prices. 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>
2014/2015	\$ 2,000,000
2015/2016	\$ 2,250,000
2016/2017	\$ 2,250,000
2017/2018	\$ 2,250,000
2018/2019	\$ 2,250,000
2019/2020	\$ 2,250,000
2020/2021	\$ 2,250,000
2021/2022	\$ 2,300,000

During each Contract Year, adidas agrees to supply the following adidas Products to specific University Teams, at no cost and in addition to the product allotment supplied to the University by adidas.

<u>Football</u>
2 sets of Strategy jerseys, helmets, pants, gloves, base layer, accessories, cleats
<u>Men's Basketball</u>
March Madness/Conference Championship/Alternative strategy uniform game jerseys & shorts
<u>Women's Basketball</u>
March Madness/Conference Championship/Alternative strategy uniform game jerseys & shorts
<u>Baseball</u>
Alternate jersey/pant/headwear

University understands and agrees that it shall not resell any Products supplied to University by adidas.

B. adidas agrees that all Products supplied hereunder for use by University Athletics Programs will comply with the provisions of NCAA regulations 12.5.4 of the then current NCAA Manual and any subsequent versions regarding manufacturer's

logos and trademarks. Notwithstanding the foregoing, if any governing body that has jurisdiction over University, including the NCAA or governing athletics conference of which University is a member, enacts, replaces or amends any regulations, rules or restrictions applicable to manufacturer's logos or trademarks (including but not limited to NCAA Regulation 12.5.4) and adidas' logo or trademark display rights are adversely diminished, restricted or limited by such regulation, rule or restriction, then adidas shall have the right to equitably reduce the Base Compensation paid to University under this Agreement based on the extent of such diminishment, restriction or limitation, or terminate the Agreement as provided in Section 12.

C. If University uses adidas football inflatables during each snap of every game where University controls the use of the ball (including all home games), during any Contract Year, then adidas agrees to supply, at no cost, the University up to Twenty-Thousand Dollars (\$20,000) (wholesale value) in adidas Products for use by the Coach of the football Team at football camps during such Contract Year.

D. If University uses adidas basketball inflatables during every minute of every men's basketball game where University controls the use of the ball (including all home games), during any Contract Year, then adidas agrees to supply, at no cost, the University up to Ten Thousand Dollars (\$10,000) (wholesale value) in adidas Products for use by the Coach of the men's basketball Team at basketball camps during such Contract Year.

E. If University uses adidas basketball inflatables during every minute of every women's basketball game where University controls the use of the ball (including all home games), during any Contract Year, then adidas agrees to supply, at no cost, the University up to Ten Thousand Dollars (\$10,000) (wholesale value) in adidas Products for use by the Coach of the women's basketball Team at basketball camps during such Contract Year.

F. For each Contract Year, adidas shall spend the retail activation amounts designated below in connection with University's football stadium store. The calculation of the marketing support shall include all production costs.

<u>Contract Year</u>	<u>Retail Activation</u>
2014/2015	\$ 50,000
2015/2016	\$ 200,000

G. For each Contract Year, adidas shall market the University in various mutually agreed upon marketing activations in the amount designated below. The calculation of the marketing support shall include all production costs and media buys.

<u>Contract Year</u>	<u>Marketing Support</u>
2014/2015	\$ 500,000

2015/2016	\$ 450,000
2016/2017	\$ 450,000
2017/2018	\$ 450,000
2018/2019	\$ 475,000
2019/2020	\$ 500,000
2020/2021	\$ 500,000
2021/2022	\$ 300,000

6. **Use of adidas Products.**

A. University shall make available to each Team the Products supplied by adidas, and shall require that each Team wear and/or use exclusively such adidas Products whenever participating in Team activities, including practices, games, clinics, and other University functions for which University ordinarily and usually supplies Products to the Teams. At all such functions, University shall prohibit the Team members from wearing Products manufactured by companies other than adidas, or any such Products which have been altered to resemble adidas Products. University acknowledges that University's obligation that each Team exclusively wear and/or use adidas Products, as identified by adidas, shall be a material term of this Agreement.

B. University acknowledges that "spatting," taping, or otherwise covering up any portions of any adidas logo or trademark on athletic footwear supplied by adidas (collectively, "Spatting") is inconsistent with the purpose and terms of this Agreement. University agrees that it will not permit Spatting unless it has been medically prescribed and adidas has been so advised.

C. adidas agrees to work with any Team member experiencing problems in connection with the fit or performance of adidas shoes. In the event any Team member shall at any time suffer any physical injury, pain, or discomfort attributed to the use of adidas shoes due to a bona-fide medical condition as evidenced by a certification by the Team's physician which is serious enough to affect the athlete's performance, then University shall so advise adidas and afford adidas the opportunity to remedy the problem. If adidas is unable to provide such Team member with adidas shoes that can be worn reasonably satisfactorily, then adidas shall waive the exclusivity requirement of this Section 6 in such a specific case until adidas can remedy the problem, provided however, that such Team member shall completely cover all non-adidas logos, trademarks and brand indicia of any non-adidas shoes while wearing such non-adidas shoes. adidas further acknowledges that regardless of its efforts to provide Team members with suitable adidas shoes, it may be medically necessary in certain circumstances for a player to "spat" or tape his or her feet and/or ankles to allow such player to remain in competition, without opportunity for such notice to adidas (e.g., in-game injury). Such medically necessary procedure, should it occur, shall not constitute a breach of this Section 6. University agrees that University and its Coaches shall use its best efforts to eliminate the need for any unauthorized Spatting in the event it occurs during the term of this Agreement. If in accordance with the foregoing University is unable or unwilling to discontinue any pattern or practice of Spatting, then adidas shall

have the option to immediately terminate this Agreement or, if Spatting concerns Team members of the football, basketball (men's or women's), or baseball Team, reduce the Base Compensation due hereunder as follows:

	% Reduction Amount
First occurrence of Spatting*	adidas shall first provide University with a written warning concerning Spatting (provided that if material Spatting (e.g., a key player (e.g., QB, RB, WR or other media star at any other offensive, defensive or special teams position (e.g., prominent DE, LB or K) or several non-material players (e.g., DL or OL)) occurs during a bowl, tournament or other post-season game, then a warning is not required hereunder and adidas may exercise any of its rights as contained herein without giving such warning)
Second occurrence of Spatting*	10% of annual Base Compensation for Contract Year in which such Spatting occurred.
Third occurrence of Spatting*	15% of annual Base Compensation for Contract Year in which such Spatting occurred.
Fourth occurrence of Spatting*+	25% of annual Base Compensation for Contract Year in which such Spatting occurred.
<p>* cumulatively applied over the Contract Term + whether a first, second or third occurrence of Spatting, if material Spatting (e.g., a key player (e.g., QB, RB, WR or other media star at any other offensive, defensive or special teams position (e.g., prominent DE, LB or K) or several non-material players (e.g., DL or OL)) occurs during a bowl, tournament or other post-season game, then the 25% reduction amount shall apply.</p>	

D. University agrees to require its Athletics Program Staff to wear adidas Products exclusively during the Contract Term when acting in their official capacities as Coach or Staff in activities where athletic or athleisure attire is appropriate, including but not limited to, practices and games, sports camps, being filmed on motion picture or video tape, and posing for photographs. The Athletics Program Staff shall not, during the course of its employment responsibilities, wear, use or in any way promote Products manufactured by or identifiable with any competitor of adidas. University acknowledges that University's obligation that its Athletics Program Staff exclusively wear and/or use adidas Products, as identified by adidas, shall be a material term of this Agreement. adidas hereby acknowledges that the wearing of other than athletic or athleisure shoes and apparel by any Coach or Staff in connection with their official duties as Coach or Staff of a University Athletics Program shall not constitute a breach of this Section 6.

University shall not enter into or approve any endorsement contract between a member of the Athletics Program Staff and a competitor of adidas, and shall exercise its best efforts to prevent any member of the Athletics Program Staff from entering into such a contract.

E. University agrees that it shall not permit the trade name, trademark, logo, or any other identification of any person, company, or business entity other than adidas, the University, or, subject to adidas' reasonable right of approval, any recognized governing athletics conference of which University is a member, bowl or other post-season patch, to appear on adidas Products worn or used by Coaches, Staff or Team members. University agrees that in no event shall the trade name, trademark, logo, or other identification of any manufacturer or seller of Products other than adidas be permitted to appear on any such adidas Products.

F. University agrees that at any sports camp or clinic it conducts or sponsors under the direction and supervision of any Coach, it will not sponsor, co-sponsor, or endorse Products manufactured or sold by any Competitor.

G. adidas shall not be liable to University for any injury or damage suffered from wearing or using adidas Products, except injury or damage resulting from adidas' negligent or willful acts.

H. University agrees that Exhibit C provides adidas with a listing of all agreements between University (or any of its Coaches) and third parties with respect to Additional Equipment that exist as of **July 1, 2014** (each an "Existing Agreement"). University further agrees that with respect to Additional Equipment for which there is an Existing Agreement, without first providing written notice to adidas and providing adidas with the opportunity to match any third party offer for such Additional Equipment and include such Additional Equipment in the definition of Products, neither University (nor any of its Coaches) shall: (i) extend or renew any Existing Agreement or renewal of an existing agreement; or (ii) enter into a new agreement for Additional Products with any third party after **July 1, 2014**. If University (or any of its Coaches) is not party to an Existing Agreement for Additional Equipment and adidas provides University with notice of its good faith intent to produce or license such Additional Equipment, then provided the University makes a good faith determination (for a product it currently uses) that the equipment is of a quality equal to or better than the current sports equipment used by University, and for a new product, that the quality meets the highest industry standards, then such Additional Equipment shall be included in this Agreement and adidas shall equitably increase the Product Allotment set forth in Section 5.A to cover such Additional Equipment.

7. Endorsement Rights.

A. University grants to adidas the right and license during the Contract Term to use the University Endorsement within the Contract Territory in connection with the advertisement, promotion, and sale of adidas Products. Except as otherwise provided herein, University shall retain all rights in and to University's name and endorsement.

B. adidas shall have the exclusive right throughout the Contract Term to advertise, publicly represent, market, and otherwise promote the fact that it is the exclusive supplier to University of the designated Products, including by identifying or referring to its Products as the "official [designated Product(s)] of **Texas A&M University**" or similar representations.

C. University, on behalf of the Coach of each University Athletics Program, grants to adidas the exclusive right and license during the Contract Term and within the Contract Territory to use the Coach Endorsement in connection with the advertisement, promotion and sale of Products. Each Coach shall retain all other rights in and to his or her name and endorsement, and neither University nor any Coach shall be prevented from using, permitting, or licensing others to use his or her name or endorsement in connection with the advertisement, promotion, or sale of any product or service other than Products.

D. Any use by adidas of the University Endorsement or the Coach Endorsement must be approved in advance by University, which approval shall not be unreasonably withheld.

8. **Promotional Appearances.**

A. If requested to do so by adidas, University shall make the Coach of each University Athletics Program available for up to two (2) appearances per Contract Year in connection with the advertisement, promotion and sale of adidas Products. Such appearances may include, but are not limited to, appearances at clinics, celebrity events, and other public appearances. Except as provided below, neither University nor the Coach shall receive additional compensation for the appearances, it being understood and agreed to by the parties that the consideration for said appearances is encompassed by the compensation provided for in Section 3 above.

B. For each appearance described in subsection 8.A. above:

1. adidas agrees to pay all reasonable out-of-pocket expenses incurred by University and/or the Coach in connection with such appearance;

2. adidas shall give University at least thirty (30) days notice of the time and place adidas desires the Coach to appear;

3. adidas shall not schedule any appearance at a time which would conflict with the Coach's performance of his or her obligations as a college coach; and

4. No single appearance shall exceed twenty-four (24) hours in duration, exclusive of travel time, unless agreed upon to the contrary in advance.

9. **Licensed Products.**

A. 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 ten percent (10%) of Net Sales, except that the royalty rate payable by adidas with respect to any such license(s) for any apparel shall not exceed fourteen percent (14%) of Net Sales and the royalty rate payable by adidas with respect to any such license(s) for any headwear 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 Athletics department; (iii) University shall ensure that the University's bookstore(s) will purchase on an on-going basis a mutually agreed upon (but non-de minimis) portion of its inventory of t-shirts, fleece and headwear from adidas; (iv) 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; (v) 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); (vi) no royalty shall be paid on Products provided by adidas under this Agreement; (vii) neither University nor its licensing agent(s) shall license any third party to manufacture or sell Products that are sport specific Products (e.g., "Texas A&M Football" t-shirt or "Texas A&M Basketball" sweatshirt) in the mid-tier and above channels of distribution or that infringe any adidas Products; and (viii) adidas will be approached first as University's provider for all Products for University Athletics Programs special events (e.g., Midnight Madness), but University shall not be obligated to purchase such Products from adidas. Notwithstanding anything to the contrary, nothing contained herein shall prohibit University or its licensing agent(s) from entering into any agreement or understanding with: (i) any third party (other than a Competitor) to manufacture, develop, market, distribute, license or sell non-performance sports equipment (e.g., plastic footballs) with a University Endorsement at retail; and (ii) Ping to manufacture, develop, market, distribute, license or sell men's and women's golf polos with a University Endorsement at retail.

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

Year

Guaranteed Minimum Royalty

2014/2015

\$ 333,000

2015/2016	\$ 333,000
2016/2017	\$ 333,000
2017/2018	\$ 366,000
2018/2019	\$ 366,000
2019/2020	\$ 366,000
2020/2021	\$ 400,000
2021/2022	\$ 400,000

The royalty owed by adidas to University pursuant to this Section 9.A. shall be applied against the above guaranteed minimum royalty amounts.

B. adidas and the University agree that the sale of products, except those directly supplied to the University under this Agreement, shall be subject to licensure by the University and royalty payments by adidas.

C. University acknowledges and agrees that adidas shall not be required to make royalty payments or donations on Licensed Products supplied directly to University under the terms of this Agreement.

D. Throughout the Contract Term, adidas shall remain a current licensee in good standing of the University as administered by University's Office of Trademark Licensing or its designee by complying with the terms of the licensing agreement. Notwithstanding the foregoing, University retains all license rights not granted herein.

E. For the sake of clarity, if there is any conflict between the terms and conditions of this Agreement and any agreement between adidas (or its Affiliates) and University's licensing agent(s), then University acknowledges, and agrees to instruct its licensing agent(s), that the terms of this Agreement shall control.

10. **Disparagement of Products.** University shall not, during the Contract Term and for a period of two (2) years following the termination or expiration of this Agreement, disparage the adidas brand name, adidas Products, or adidas. This paragraph shall survive the termination or expiration of this Agreement.

11. **Promotional Obligations of University.** University shall fulfill the additional promotional obligations as set forth in Exhibit D, attached hereto and incorporated by reference.

12. **Rights of Termination.**

A. adidas shall have the right to terminate this Agreement immediately upon written notice to University in the event that:

1. Members of any Team fail to wear or use adidas Products as required herein, or wear adidas Products altered, spatted, or taped in violation of the provisions of Section 6 hereof, provided, however, that adidas shall have first issued

written notice to University of any such violation of the provisions of Section 6, which violation shall then recur during the same Contract Year;

2. Any Coach fails to perform any material obligations provided for in this Agreement;

3. Subject to Section 5.B., the NCAA, or any other governing body of intercollegiate sports, prohibits any Team members from wearing adidas footwear Products displaying the adidas name or any adidas trademark or logo;

4. Any coach or Team in the sport of baseball, men's basketball, women's basketball or football is suspended or otherwise subjected to major disciplinary action by the NCAA; or

5. University or the Football or either Basketball Coach attracts publicity which in the reasonable judgment of adidas based on objective facts has an adverse effect upon the status or reputation of University/Coach, the value of University to adidas, or adidas.

C. The University shall have the right to terminate this Agreement immediately upon written notice to adidas in the event that:

1. adidas is adjudicated insolvent or declares bankruptcy; or

2. adidas breaches any material terms of this Agreement and fails to cure such breach within sixty (60) days of written notice from University; or

3. adidas fails to make payment to the University of any sum due to this Agreement within sixty (60) days following adidas' receipt of such written notice from the University that such payment is due.

D. In the event of any termination by adidas pursuant to this Section 12, University shall not be entitled to any further compensation hereunder, except any unpaid Base Compensation earned prior to the effective date of termination, pro-rated and calculated to the effective date of termination. Alternatively, adidas shall have the right to receive from University reimbursement for Base Compensation, if any, paid in excess of the amount to which University would be entitled if the Base Compensation were pro-rated over the Contract Year, calculated to the effective date of termination. Any such payment shall be due within thirty (30) days of the date of termination. Except as otherwise provided herein or in any other agreement, upon the expiration or termination of this Agreement, each party agrees that all rights and obligations herein shall cease.

13. **Unique Services/Assignability.** University acknowledges that the endorsement and promotional services provided to adidas under this Agreement are special and unique and that loss of such services may cause irreparable harm to adidas.

Accordingly, University shall not delegate the obligations of this Agreement. Neither party may assign this Agreement without the express written approval of the other party; provided, however, that adidas may assign its rights under this Agreement to any corporation, partnership or other entity or person which controls, is controlled by, or is under common control with adidas.

14. **Confidentiality.** University acknowledges that the contents of this Agreement contain certain confidential matters, including proprietary and commercial information belonging to adidas. University shall not disclose the terms of this Agreement to any third party without adidas' prior written consent, unless University is required by law to do so. Notwithstanding the foregoing, University may disclose the terms hereof to its professional, financial and similar advisors provided that such other persons or firms are bound by agreement or law not to further disclose such information to any third party.

15. **Dispute Resolution.** Each party shall use the dispute resolution process provided in Chapter 2260, *Texas Government Code*, and the related rules adopted by the Texas Attorney General to attempt to resolve any claim for breach of contract made by the other party that cannot be resolved in the ordinary course of business. Each party shall submit written notice of a claim of breach of contract under this chapter to the other party's designated official, who will examine the claim and any counterclaim and negotiate with the other party in an effort to resolve the claim.

16. **University/adidas Relationship.** Each party's performance of services hereunder is in its capacity as an independent contractor. Accordingly, nothing contained in this Agreement shall be construed as establishing an employer/employee, partnership or joint venture relationship between University and adidas. University shall be solely responsible for the payment of all taxes on any compensation received under this Agreement. Provided, however, the University shall only be responsible for taxes imposed directly upon it.

17. **Waiver.** Failure of either party to enforce any provision of this Agreement shall not be construed to be a waiver of such provision or otherwise limit the party's right to subsequently enforce such provision.

18. **Right of First Dealing and First Refusal.** Beginning one-hundred eighty (180) days before the beginning of the last Contract Year, University shall 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 permit University's agents, attorneys, accountants, representatives or employees to) engage in discussions or negotiations with any third party regarding University's 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, 2022, University agrees to

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 Third 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.

19. **Notices.** All notices and statements provided for herein shall be in writing and shall be given in writing by overnight delivery (e.g., Fed Ex or UPS) and shall be deemed given upon receipt. A party may change its address by giving notice thereof to the other party as provided herein.

To University: Texas A&M University
Athletics Department
P.O. Box 30017
College Station, TX 77842-3017

to adidas: adidas America, Inc.
5055 N. Greeley Avenue
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Attn: Legal Department
Fax No.: (971) 234-4420

20. **Entire Agreement; No Third Party Beneficiaries.** This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof and cannot be amended or modified except by an agreement in writing, signed by an authorized representative of each of the parties. All previous understandings or agreements between the parties shall have no further force and effect. This Agreement is solely for the benefit of the parties hereto and is not intended to (and does not) confer upon any person or entity other than the parties hereto any rights or remedies hereunder or otherwise.

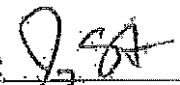
21. **Severability.** Every provision of this Agreement is severable. If any term or provision hereof is held to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not effect the validity of the remainder of this Agreement or any other provision.

IN WITNESS WHEREOF, the undersigned authorized representatives of the parties have duly executed this Agreement as of the date first above written.

adidas:

Texas A&M University:

By: 
Chris McGuire,
Director of Sports Marketing

By: 
Jerry Shaw
VP of Finance & CFO

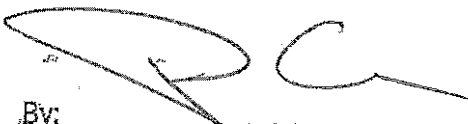
By: 
Paul Ehrlich,
General Counsel

Exhibit A
UNIVERSITY MARKS

APPENDIX A

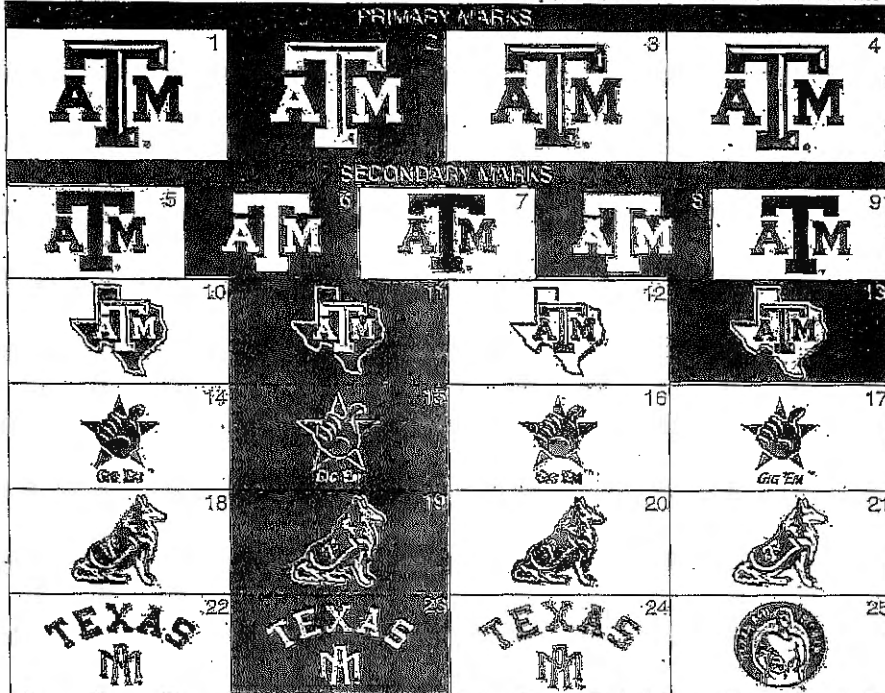
TEXAS A&M UNIVERSITY is the owner of all rights, title and interest in and to the following indicia, which includes trademarks, service marks, trade names, designs, logos, seals and symbols.

JANUARY 15, 2013

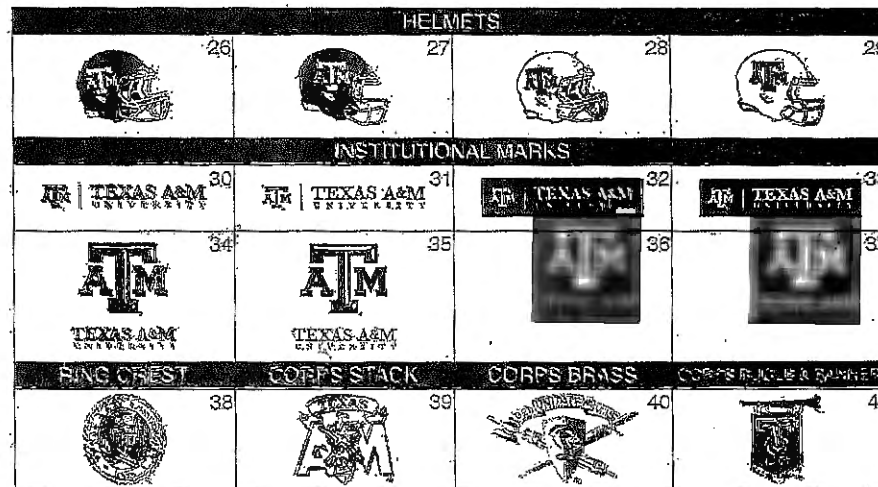
TEXAS A&M UNIVERSITY AGGIES



Marks #10-13 are only available to Texas A&M's sideline provider for apparel, but open to all non-apparel licensees.



VERBAGE	GENERAL INFORMATION
<ul style="list-style-type: none"> Texas A&M University © Texas A&M © Aggie's™ TAMU © Texas A&M Aggie's © Aggie™ 12TH MAN™ Wrangling Crew © 	<ul style="list-style-type: none"> Fighting Texas Aggie Band © Big 'Em Aggies © AggieLand © Mammoth Outfit © Kyle Field ©
<ul style="list-style-type: none"> LOCATION: COLLEGE STATION, TX MASCOT: AGGIES MASCOT NICKNAME: REVELLE 	<ul style="list-style-type: none"> ESTABLISHED DATE: 1876 CONFERENCE: SOUTHEASTERN CONFERENCE (SEC)



COLOR INFORMATION			
You must use the approved University colors or the PANTONE colors listed on this page. The colors on this page are not intended to match the PANTONE color standards. For the PANTONE color standards, refer to the current editions of the PANTONE color publications. PANTONE is a registered trademark of PANTONE, Inc.			
SCHOOL COLORS	PANTONE COLORS	THREAD COLORS	
AGGIE MAROON	PANTONE 485C	MADEIRA 1055	RA 2285
GRAY	PANTONE 422	MADEIRA 1012	RA 2483
BLACK	PANTONE PROCESS BLACK	BLACK	BLACK
WHITE	WHITE	WHITE	WHITE

ADDITIONAL PERTINENT INFORMATION			
	Yes	No	Restrictions
• University seal permitted on products for resale:	X	X	Restricted use only
• Alterations to seal permitted:	X	X	
• Overlaying / interlocking graphics permitted with seals:	X	X	
• University licenses consumables:	X	X	
• University licenses health & beauty products:	X	X	
• University permits numbers on products for resale:	X	X	
• Mascot caricatures permitted:	X	X	
• Cross licensing with other marks permitted:	X	X	
• NO USE of current player's name, image, or likeness is permitted on commercial products in violation of NCAA rules and regulations.			
• NO REFERENCES to alcohol, drugs, or tobacco related products may be used in conjunction with University marks.			
• NO REFERENCES to "Bonfire" permitted.			

NOTE: The marks of Texas A&M University of are controlled under a licensing program administered by The Collegiate Licensing Company. Any use of these marks will require written approval from The Collegiate Licensing Company.

In addition to the indicia shown above, any indicia adopted hereafter and used or approved for use by TEXAS A&M UNIVERSITY shall be deemed to be additions to the indicia as though shown above and shall be subject to the terms and conditions of the Agreement.

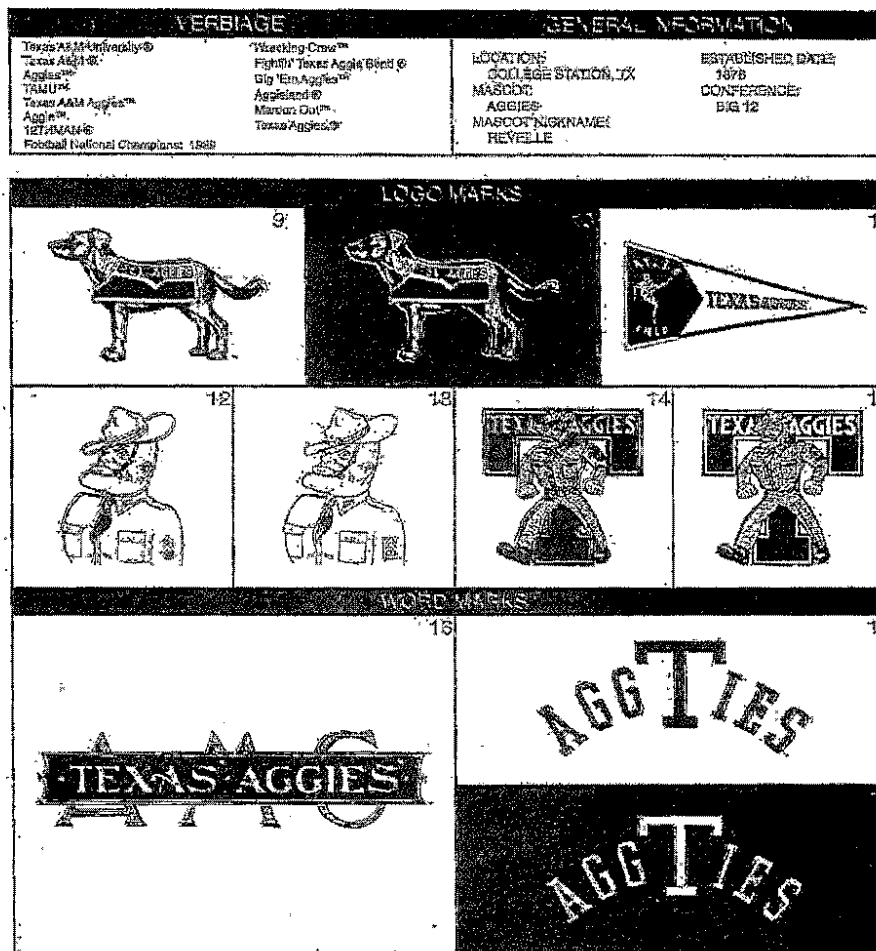
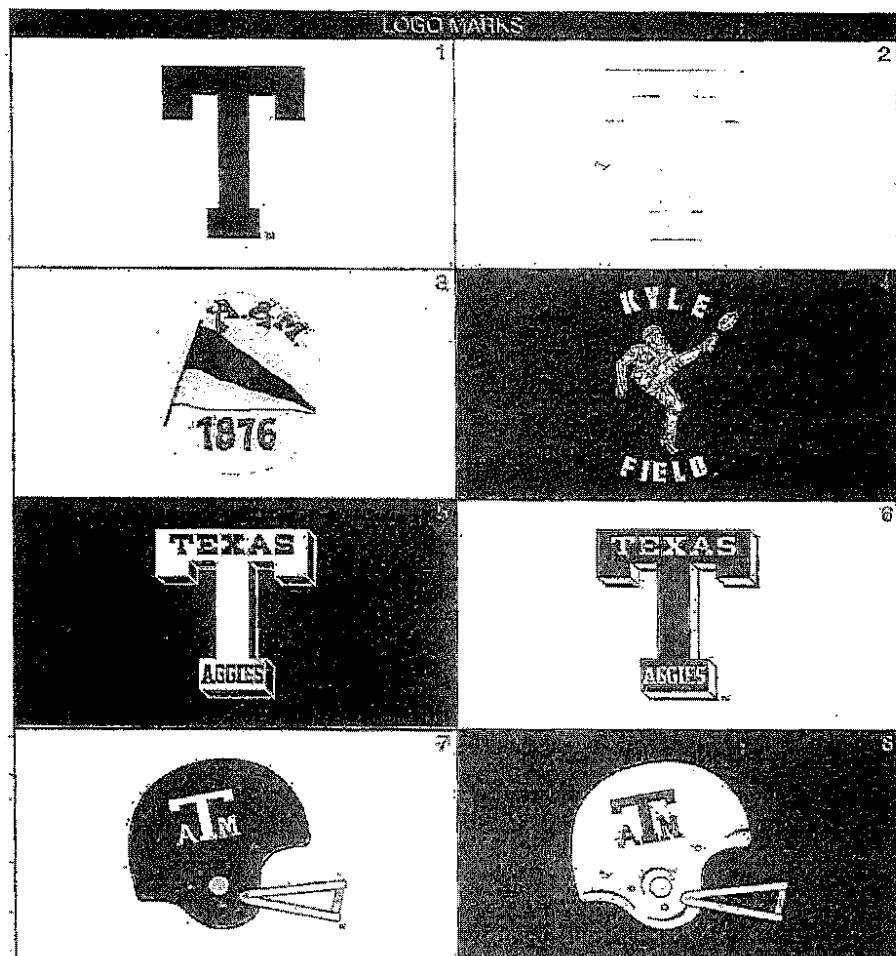
APPENDIX A

TEXAS A&M UNIVERSITY is the owner of all rights, title and interest in and to the following indicia, which includes trademarks, service marks, trade names, designs, logos, seals and symbols.

College Vault

TEXAS A&M UNIVERSITY

APRIL 25, 2011



AGGIE MAROON PANTONE 422 BLACK WHITE

NOTE: The marks of Texas A&M University are controlled under a licensing program administered by The Collegiate Licensing Company. Any use of these marks will require written approval from The Collegiate Licensing Company.

In addition to the indicia shown above, any indicia adopted hereafter and used or approved for use by TEXAS A&M UNIVERSITY shall be deemed to be additions to the indicia as though shown above and shall be subject to the terms and conditions of the Agreement.

Exhibit B INCENTIVE COMPENSATION

Bonus Plan: Football

(Post Season)

College Football National Champions	\$500,000	^#
College Football play off Championship Game participant	\$250,000	^#
College Football play off semi-final winner	\$100,000	^#
College Football play off participant	\$50,000	^#
College Football "New Year's Six" (non-play off eligible) Bowl Game participant	\$25,000	#

(Others) Football

SEC Conference Champions Football	\$75,000	
National Coach of the Year - Football		\$150,000
Conference Coach of the Year - Football		\$75,000
College Football Final ranking, two consecutive years of top 15 finishes		\$50,000 #

Bonus Plan: Men's Basketball

NCAA Champions - Men's Basketball	\$100,000
SEC Conference Champions - Men's Basketball	\$50,000
National Coach of the Year - Men's Basketball	\$100,000
Conference Coach of the Year - Men's Basketball	\$50,000
NCAA Final Four participant	\$25,000

Bonus Combo Plan: Football & Men's Basketball

Football and Men's Basketball both win National Championships in same Year	\$1,000,000	^
Football and Men's Basketball both finish in Top 4 rankings in any year	\$75,000	^
Football and Men's Basketball both finish in Top 10 rankings in any year	\$50,000	^

Bonus Plan: Women's Basketball

NCAA Champions - Women's Basketball	\$75,000
SEC Conference Champions - Women's Basketball	\$25,000
National Coach of the Year - Women's Basketball	\$50,000
Conference Coach of the Year - Women's Basketball	\$35,000
NCAA Final Four participant	\$25,000

Other: Olympic Sports

Team National Championship	\$50,000
Conference Champions - Olympic Sports	\$5,000

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

If Football achieves any of the indicated during any Contract Year, then beginning the following Contract Year the annual Base Compensation will be increased by such amount for all subsequent Contract Years.

Exhibit C
EXISTING AGREEMENTS

Easton Sports, Inc. Contract effective 1/1/13 to 12/31/17

EvoShield, LLC Contract effective 8/1/13 to 8/1/15

Hillerich & Bradsby Co. (Louisville Slugger). Contract effective 9/1/11 to 8/31/16

Exhibit D
PROMOTIONAL OBLIGATIONS

As the exclusive footwear, apparel and accessories product supplier of UNIVERSITY, each Contract Year UNIVERSITY shall provide adidas with the following promotional benefits at no additional cost to adidas except as otherwise indicated:

(a) UNIVERSITY Advertisements for adidas. Representatives of UNIVERSITY and adidas will cooperate to produce agreed copy to be published, displayed, or announced as described below at UNIVERSITY expense each Contract Year:

1) UNIVERSITY shall provide adidas with one full page of advertising space in the UNIVERSITY football program for the company's camera-ready advertisement, as well as an appropriately sized space in other event programs as available.

2) UNIVERSITY shall provide adidas with one (1) video board element in the first and second half of each home game in the sports of football, men's basketball, women's basketball, and baseball recognizing adidas as the exclusive provider of Products for the UNIVERSITY team.

3) UNIVERSITY shall provide adidas with one (1) 30 second advertisement during any radio broadcast of regular season games in the sports of football, men's basketball, and women's basketball, and baseball as the exclusive provider of Products for the UNIVERSITY team.

4) UNIVERSITY shall provide recognition of adidas in brochures for UNIVERSITY sponsored sport camps as the exclusive provider of Products for the UNIVERSITY team.

(b) adidas shall receive tickets to home games, neutral site games, and parking passes as indicated below upon request:

Program	No. Tickets
Football (home)	12 prime locations and 2 parking passes
Men's Basketball (home)	10 prime locations
Women's Basketball	10 prime locations
Baseball	6 prime locations
Volleyball	4 prime locations
All Remaining Sports	8 tickets to each home game or event
Football (bowl)	8
Men's Basketball (tournament)	6 each round of play

Women's Basketball (tournament)	6 each round of play
Baseball (tournament)	6 each round of play
Volleyball (tournament)	4 each round of play

(c) A hospitality event for football and basketball adidas Game-day ticket holders (which may include, for example, a welcome reception, any catering to be at adidas' expense, and/or tour of facilities).

(d) UNIVERSITY shall cooperate in facilitating adidas in gaining the right to display and sell adidas Products at on-campus bookstores and gift shops, and any souvenir trailers that operate during games hosted by UNIVERSITY (regardless of the sport). Accordingly, University shall require the on-campus bookstores and gift shops to purchase adidas Products

(e) The opportunity to stage promotional events and/or contests around designated home games/competitions, which events or contests may occur pre-game, during half-time or post-game.

(f) Reasonable access to Intercollegiate Athletics Program activities, where appropriate, for the purpose of shooting game photos or game footage and/or conducting and taping post-game interviews.

(g) adidas shall be permitted, upon its reasonable request, to use mutually agreed upon UNIVERSITY facilities, controlled by University's Athletics Programs, in connection with mutually agreed community based programs and events held by adidas, provided such programs and events do not conflict with NCAA regulations and the published rate for facility rental is paid.

(h) In addition to the above, UNIVERSITY shall afford adidas advance notice and the opportunity to consider participation in any and all additional appropriate advertising opportunities, in any media, made available by UNIVERSITY during the Term.

(i) Mutually agreed upon prominently visible signage at each Athletics venue excluding the Texas A&M Track and Field facilities.

(j) All benefits that adidas receives as of the Effective Date of this Agreement.