

ORIGINAL
COPY

**INDIANA UNIVERSITY
EMPLOYMENT AGREEMENT**

This Employment Agreement is entered into and effective this 26th day of November, 2007, between THE TRUSTEES OF INDIANA UNIVERSITY, a statutory body politic of the State of Indiana (the "University") and William M. Lynch (the "Employee") and constitutes the entire agreement between the parties and replaces any and all prior agreements between these two parties.

ARTICLE I. PURPOSE

The Employee is hereby employed by the University as the head football coach of the University's intercollegiate football team. The parties agree that, although this Employment Agreement is athletics related, the primary purpose of the University and, accordingly, of all its legal arrangements, including this Employment Agreement, is educational. Thus, the educational purposes of the University shall have priority in the various provisions of this Employment Agreement. Employee recognizes the importance of the maintenance and observance of the principles of institutional control over every aspect of the athletic program, including football, at the University. Employee agrees to recognize and respect the organizational structure of the University in the execution of his duties under this Agreement.

ARTICLE II.

POSITION

Section 2.01. Description of Employee's Responsibilities During the Term.

A. Recognition of Duties. Except as expressly permitted by Section 4.06, the Employee agrees to devote his best efforts and abilities full-time to the performance of his duties for the exclusive benefit of the University, and to comply fully with all rules, regulations, policies, and decisions established or issued by the University.

B. General Duties and Responsibilities of Employee. The Employee agrees to undertake and perform properly, efficiently, to the best of his ability and consonant with the standards of the University all duties and responsibilities attendant to the position of head football coach as set forth in Section 2.01.C. The Employee further agrees to comply fully with all applicable laws and to abide by and comply with the constitution, bylaws and interpretations of the NCAA and all NCAA, Big Ten Conference (and other applicable conference) and University rules and regulations, including, but not limited to, those relating to the conduct and administration of the football program, including, but not limited to, recruiting rules. The Employee shall act with honesty and sportsmanship at all times so that intercollegiate athletics, the University and individuals associated with the University represent honor and dignity of fair play and the generally recognized high standards associated with wholesome competitive sports. In the event that the Employee becomes aware, or has reasonable cause to believe, that violations of

such constitution, bylaws, interpretations, rules or regulations may have taken place, or that any potential or perceived violation has or may take place, he shall report the same in writing promptly to the Director of Athletics of the University ("Director of Athletics") and the Faculty Athletics Representative of the University.

C. Specific Duties and Responsibilities While Employed As Coach. As of the beginning of this Employment Agreement, the duties and responsibilities assigned to the Employee in connection with his position as head football coach are included below. This list of specific duties and responsibilities supplements and is not exclusive of the other general duties and responsibilities provided for elsewhere in this Employment Agreement.

1. General Description and Responsibilities: In his position as head football coach, the Employee is responsible for the duties normally associated with the head football coach of a Division I-A football program including: prospect evaluation, recruiting, training (to the extent a reporting relationship is established by the University whereby the strength coach has reporting obligations to the Employee), coaching, competing successfully, supporting student-athlete conduct and welfare, rules commitment, personnel supervision and evaluation, budgetary control, scheduling assistance, promotions, public relations, development activities and the overall effective performance of the football student-athletes and football coaching staff.

2. Specific Responsibilities: This position has these additional specific responsibilities:

a. Supervise and evaluate assistant coaches and those support staff which report to and whose hiring and discipline is recommended by the Employee, including compliance by such coaches and support staff with University, Big Ten Conference and NCAA rules and regulations (the Employee shall make recommendations to the Director of Athletics regarding the hiring of assistant coaches and support staff, but shall have no authority to make any offers of employment);

b. Provide leadership for the effective recruiting, instruction and coaching of student-athletes-emphasizing fundamentals, conditioning, game preparation and strategy;

c. Maintain an environment where the pursuit of higher education is a priority as reflected by class attendance, grade point averages, and graduation rates;

d. Maintain the highest levels of competitive success in non-conference and Big Ten Conference competition, including Big Ten Conference championships, bowl appearances and BCS championships;

e. Extensively participate in the marketing and promotional activities

for the football program and the University's overall athletics program, including but not limited to regularly participating in and making speeches at Indiana University Alumni Association events, Indiana University Foundation events, sponsor meetings and events, Big Ten events, NCAA events, and other activities as directed by the Director of Athletics;

f. Oversee recruiting evaluations, official visits and any travel-related activities of prospective student-athletes and the football coaching staff;

g. Participate and cooperate with media, alumni and civic groups consistent with the objectives of the athletics program (coordinate through the athletic department media relations and marketing staff) and in a manner satisfactory to the Director of Athletics;

h. Work to integrate the student-athletes and team into the whole spectrum of academic life so as to complement the University and its mission;

i. Work within and support the rules, regulations, guidelines and policies of the University athletic department;

j. Support the Director of Athletics (or designee) in the scheduling of football games following discussions between the Director of Athletics and the Employee regarding the schedule of those games;

k. Provide positive and constructive public statements regarding the football team, athletics program, athletics staff, coaches, the University and the University staff;

l. Work in cooperation with and in support of the University's faculty and administrative officials to assist all football student-athletes in meeting their academic requirements;

m. Maintain a comprehensive knowledge of the rules and regulations governing intercollegiate athletics competition and ensure strict compliance within the overall program of such rules and regulations, including without limitation NCAA bylaws and Big Ten Conference regulations, and fully participate and cooperate in compliance-related activities, procedures and evaluations of the University;

n. Maintain discipline in the football program (being fair and protective of the student-athletes while motivating them);

o. Maintain a positive working environment where everyone associated with the football program works together pursuing continuous improvement;

- p. Maintain an environment in which the coaching staff complies with NCAA rules and regulations;
- q. Work with the Director of Athletics (or designee) in meeting the overall objectives (e.g., financial, competitiveness) of the intercollegiate athletics program; and
- r. Comply with the provisions of NCAA Bylaw 11.3.

Section 2.02. Employee May be Disciplined for Violations of NCAA Rules or Regulations. Without limiting University's rights as otherwise set forth in this Employment Agreement, if the Employee is found to be in violation of any NCAA regulations, the Employee shall be subject to disciplinary or corrective action as set forth in the provisions of the NCAA enforcement procedures, including suspension without pay or termination of employment for significant or repetitive violations.

Section 2.03. Reporting Relationship. The Employee shall report to the Director of Athletics.

Section 2.04. Annual Personnel Evaluations. The Director of Athletics and Employee shall meet annually to review the Employee's performance of his job duties and responsibilities. The Director of Athletics will prepare a written summary of the meeting.

ARTICLE III.

TERM OF EMPLOYMENT AGREEMENT

The University hereby employs and the Employee hereby accepts employment hereunder for the period beginning on November 26, 2007, and ending on June 30, 2012, subject to the provisions set forth in Article VI hereof (the "Term").

ARTICLE IV.

COMPENSATION

Section 4.01. Base Annual Salary. The base annual salary paid by the University to the Employee for services provided according to the terms and conditions of this Employment Agreement shall be at the rate of Two Hundred and Fifty Thousand Dollars (\$250,000) per calendar year, subject to adjustment as set forth below, payable in monthly installments.

Section 4.02. Bonuses and Merit Increases Based on Periodic Evaluations. During the Term, the Employee may be eligible for bonuses or merit raises (above the base annual salary amount set forth in Section 4.01) on the following terms and conditions.

A. Periodic Personnel Evaluations. The Employee's performance of his job duties and responsibilities will be evaluated by the Director of Athletics periodically. These evaluations also will take into account prior evaluations and the expectations and goals set for the Employee in such prior evaluations.

B. Eligibility for Bonus or Merit Raise. The Employee may be eligible for a bonus or merit raise (above the base annual salary amount set forth in Section 4.01) if justified by the periodic evaluations of the Director of Athletics. The award of a bonus is applicable only for the year awarded, will be paid as determined by the University (subject to the requirements of Section 409A of the Internal Revenue Code ("Code")) and will not increase Employee's base annual salary. The award of a merit raise will increase the Employee's base annual salary if so stated in writing by the University at the time of the award. The amount of any bonus or merit raise shall be determined by using the same process for evaluating and rewarding meritorious performance as is used for other athletic department employees within the University. In determining eligibility for or the amounts of any such bonus or merit raise, any supplemental compensation paid to the Employee under Section 4.04, Section 4.05, Section 4.06, Section 4.07 and Article V shall not be considered. Any merit raise will be effective beginning in July of the next fiscal year.

Section 4.03. Employee Benefits. During the Term, the University will provide the Employee with the benefits described below, and no others.

A. Standard University Employee Benefits. The Employee shall be entitled to the standard University employee benefits appropriate to the Employee's classification (as described by the University's human resource policies), including, among other things, group life insurance, vacation with pay, family medical coverage and retirement contributions. If any benefit is based in whole or in part upon salary paid to the Employee, such benefit shall be based only on Employee's base annual salary, as adjusted for any merit increases (but not bonuses) according to the terms of Section 4.02, and shall not be based on any Public Relations and Promotional Income, outside income or Supplemental Compensation paid in accordance with the provisions set forth in Section 4.04, Section 4.05, Section 4.06, Section 4.07 and Article V.

B. Expenses. The University will reimburse the Employee for travel expenses reasonably incurred by him for the purpose of and in connection with the performance of his duties under this Employment Agreement, including but not limited to expenses incurred while recruiting and work-related travel. Such reimbursement shall be made in accordance with the standard policies and procedures of the University upon presentation to the University of vouchers or other statements itemizing such expenses in reasonable detail. Such reimbursement shall be at the rate provided by University policies. The University will also reimburse Employee for travel expenses reasonably incurred by him for the purpose of his spouse traveling to away football games. Such reimbursement shall be made in accordance with the standard policies and procedures of the University upon presentation to the University of vouchers or other statements itemizing such expenses in reasonable detail.

C. Automobile. The University shall make arrangements for and provide to the Employee on a loan basis two late model automobiles for his use or a monthly vehicle stipend during the Term of the Agreement. That decision will be at the sole discretion of the University. The University further agrees to provide appropriate liability and comprehensive automobile insurance subject to University and athletic department policies and procedures to cover the Employee in the use and operation of said vehicles during the Term of this Agreement if the University has provided the vehicles, but not if the University provides a stipend.

D. Game Tickets. The University will provide the Employee eight (8) season tickets to the University's regular season home Memorial Stadium football team's games, plus, per the Employee's request, up to seventeen (17) single game tickets for each of the University's men's regular season home football team's games. The University will provide the Employee with up to eight (8) single game tickets to the University's regular season "away" football team's games. The University will provide Employee with up to eight (8) single game tickets to each of the University's post-season bowl games (in which the University's football team is participating) and up to four (4) tickets to each home game of each of the University's other varsity intercollegiate athletic teams. Employee is prohibited from and shall not re-sell these tickets. The University will provide a suitable box in the Press Box area of Memorial Stadium for the use of the spouse of the Employee and her guests, for all regular season home football games.

E. Outside Organizations. If the Athletic Director and the Employee agree that memberships in certain professional and social organizations are appropriate in meeting the Employee's official and professional obligations, the University may provide up to Five Thousand Dollars (\$5000.00) annually for use by the Employee for initiation and membership fees.

Section 4.04. Deferred Compensation. On January 15 and November 1 of each calendar year during the Term of the Agreement, provided that on that date Employee continues to be the University's head football coach, the University agrees to pay Twenty Five Thousand Dollars (\$25,000) into an ineligible deferred compensation account governed by Section 457(f) of the Code and subject to the requirements of Section 409A of the Code. This amount will be deposited into and remain in a separate account which will be owned by the University and will be fully available to the creditors of the University. The account will be invested and reinvested as the University shall determine appropriate. Prior to Employee having a vested interest in the account, as described in the following sentence, he will have no access to or control over any aspect of this account, nor may he assign it or use it to secure any debt. If Employee remains as the head football coach through June 30, 2012, or earlier terminated by the University without cause, the amount in the deferred compensation account, together with all investment earnings on that account, shall vest in and be paid to Employee, less applicable withholding, if any, sixty (60) days following the expiration or termination of this Employment Agreement. However, if Employee resigns or is terminated by the University with cause, his right to and interest in the deferred compensation account will be forfeited. Periodically, but not less than annually, University agrees to provide Employee with reports regarding this account.

Section 4.05. Public Relations and Promotional Compensation. As part of his duties as

head football coach, Employee shall use his best efforts to promote the University's football program, including but not limited to: (i) delivery, making and granting public appearances (as coordinated through the athletic media relations and marketing staff) and media interviews (as coordinated through the athletic media relations staff) and writing newspaper articles and columns in connection with his position as head football coach; and (ii) providing his full and complete cooperation with the broadcast of any television, radio or other media programs related to the University's football program, including but not limited to coaches shows, pre-game and post-game shows, and off-season shows. In recognition of these services, the University shall pay Employee Three Hundred Thousand Fifty Thousand Dollars (\$350,000) per calendar year, less applicable withholding, payable in monthly installments. These payments shall not be considered part of the Employee's base annual salary and Employee expressly acknowledges and agrees that these payments are not part of his annual base salary.

Employee acknowledges that the University will retain any and all monies offered by any third party: (i) in exchange for an agreement that the University's football team shall wear its shoes, apparel or equipment during competition or that the Employee shall wear, promote, endorse or consult with any third party concerning the design and/or marketing of such shoes, apparel or equipment; (ii) for radio, television and other media rights relating to the University's football program; (iii) for any speeches, appearances or articles by Employee; and (iv) for any other services rendered by the Employee in connection with or otherwise related to his role as head football coach unless the Director of Athletics consents in writing to Employee retaining any such monies pursuant to Section 4.06. All contracts for athletics equipment and apparel shall be either between the University and the vendor or a tripartite arrangement between the University, the Employee and the vendor.

The University shall own all rights to any and all radio, television and internet programs and shall be entitled, at its option, to produce and to market the programs or to negotiate with third parties for the production and marketing of the programs. Except for commercial endorsements made directly by Employee with the prior written consent of the Director of Athletics, the University shall have the exclusive and primary right to contract with program sponsors for commercial endorsements by the Employee and to authorize the use of such endorsements used during the programs. The Employee will not be put in a position to commercially endorse or to act in concert with any sponsor whose product conflicts with or competes with previously approved and current obligations of any prior approved sponsor. The best efforts required of the Employee under this section shall be the due diligence and personal time customarily exerted by head football coaches in Division I-A in the promotion at other institutions.

Section 4.06. Outside Income. During the Term, Employee may generate outside income only upon receipt of the prior written consent of the Director of Athletics in each instance. The Director of Athletics may withhold consent in his sole and absolute discretion, including without limitation a determination by the Director of Athletics that such proposed services would not satisfy the requirements of Section 4.06A, would conflict with existing or contemplated third party relationships of the University, or would not favorably reflect on the University. Prior to entering into any agreement or arrangement, the Employee shall provide the Director of Athletics

a copy of all applicable agreements or documents as may be requested by the Director of Athletics. All agreements or arrangements must comply with the requirements, if any, of the NCAA and/or the Big Ten Conference. The Director of Athletics may also condition its consent on any such third party executing a license agreement regarding the use of the University's intellectual property. Any payments received by Employee from a third party for services rendered by Employee to such third party shall not be considered part of Employee's base annual salary or other compensation under this Employment Agreement. The receipt of outside income and benefits shall be consistent with the University's conflict of interest and conflict of commitment policies.

Any efforts by the Employee, without the advance written authorization of the Director of Athletics, to pursue, negotiate or execute any outside coaching and/or athletic program-related agreements (including, but not limited to, commercial endorsements) or arrangements as outlined above shall be deemed a breach of this Employment Agreement by the Employee.

A. Other Provisions Concerning Outside Activities. The following general terms and conditions shall also apply to the Employee.

1. University Obligations Are Primary. Any outside activities by the Employee shall not interfere with the full and complete performance by the Employee of his duties and obligations as a University employee, recognizing always that the Employee's primary obligations lie with the University and its students-athletes.

2. NCAA Rules Control. In no event shall the Employee accept or receive directly or indirectly any monies, benefit or any other gratuity whatsoever from any person, corporation, University booster club or alumni association or other benefactor if such action would violate NCAA legislation or the constitution, bylaws, rules and regulations or interpretations thereof of the NCAA and Big Ten Conference as now or hereafter enacted. Changes in such legislation, constitution, bylaws, rules and regulations or interpretations thereof shall automatically apply to this Employment Agreement without the necessity of a written modification.

3. University Is Not Liable. Any outside activities by Employee are independent of the Employee's University employment, and the University shall have no responsibility or liability for any claims arising therefrom.

4. University References. Any outside activity approved by the Director of Athletics which identifies the Employee as the head football coach or otherwise associated with the University must cease to do so upon the termination of this Employment Agreement. The University shall have the right to preapprove the use of its name, logo and other intellectual property in connection with any event relating in any way to the University's athletic programs. The Employee shall not appear without the prior written approval of the Director of Athletics in any competing television, radio and interne programs during the Term except routine news media interviews for which no compensation is received.

Section 4.07. On-Campus Summer Camps. The University has the exclusive right to authorize summer youth athletic camps on its campus using University facilities. The Employee shall have the opportunity to use such University facilities as are designated by the University for such use in connection with summer youth boy's boys' football camps run by the Employee for a minimum of two (2) weeks each summer (and not be considered as vacation time), provided that the University is reimbursed by the Employee for the University's actual and overhead expenses (including insurance) incurred in the administration of the camps and in making supplies and facilities available, with the understanding that the minimum two (2) week period shall be designated by the University upon consideration of the preference of the Employee, and upon such conditions as may be required from time to time by the University's facilities during normal business hours. The reimbursable expenses shall be approved by the Director of Athletics and are subject to review and revision annually, if necessary, to cover actual and overhead expenses. Any net revenue from the camps will be allocated to the football program or staff per instructions by the Employee. The Employee's time participating in any off campus camps will be counted as part of his vacation time, unless approved otherwise in writing, in advance, by the Director of Athletics. Absent approval of the Director of Athletics, the Employee's participation in off campus camps shall not occur during the same weeks as the Employee's summer youth boys' football camps at the University, nor shall it interfere with the Employee's responsibilities to the University or the effective operation of the football program.

Section 4.08. Disclosure of Outside Income. The Employee shall report annually in writing to the President of the University through the Director of Athletics in January of each year (or at such other time as agreed upon by the University and the Employee) a detailed account of all athletically related income and benefits (including gifts and merchandise) received from sources outside the University during the previous twelve (12) month period, and the University shall have reasonable access to all records of the Employee necessary to verify such report. The receipt of such income and benefits shall be subject to the approval of the University, and such approval shall be consistent with the University's policy related to outside income and benefits applicable to all full-time and part-time employees of the University. The report shall be completed by the Employee in full compliance with NCAA Bylaw 11.2.2.

ARTICLE V.

SUPPLEMENTAL COMPENSATION

Section 5.01. Supplemental Compensation For Big Ten Conference Regular Season Conference Championship. Bowl Appearance BCS Football Championship.

A. If the University football team which is under the direct supervision of the Employee wins, or ties for, the regular season Big Ten Conference football championship, the Employee will receive an additional amount of One Hundred Thousand Dollars (\$100,000).

B. If the University football team which is under the direct supervision of the Employee participates in a non-BCS Bowl game, the Employee will receive an additional amount

of Fifty Thousand Dollars (\$50,000).

C. If the University football team which is under the direct supervision of the Employee participates in a BCS (Rose, Orange, Sugar or Fiesta) Bowl game, the Employee will receive an additional amount of One Hundred Thousand Dollars (\$100,000).

D. If the University football team which is under the direct supervision of the Employee wins the BCS championship game (National Champions), the Employee will receive an additional amount of Two Hundred Fifty Thousand Dollars (\$250,000).

E. Any of such additional sums, if earned and payable, shall be payable January 15 of the year following the year in which such football season commenced. Such sums shall not be considered part of the Employee's base annual salary

ARTICLE VI.

EMPLOYMENT AGREEMENT CONDITIONS

Section 6.01. Resignation By Employee. The parties agree that the Employee may terminate this Employment Agreement prior to its normal expiration on June 30, 2012, upon the following terms and conditions.

A. Written Notice By Employee. The Employee may terminate this Employment Agreement during the Term by giving the University five (5) days' advance written notice of the termination of his employment with the University. Simultaneously with such notice, the Employee shall inform the University in writing of his employment plans following the termination of employment with the University.

B. Termination By Employee. If the Employee terminates this Employment Agreement prior to its expiration in accordance with the provisions of Section 6.01A, all obligations of the University to make further payments (including base annual salary, bonuses, public relations and promotional compensation, deferred compensation, and supplemental compensation) and/or to provide any other considerations hereunder shall cease as of the earlier of the effective date of the termination or the end of the month in which the notice of termination is given.

C. Liquidated Damages. Employee recognizes that his promise to work for the University for the entire term of this Agreement is an essential consideration in the University's decision to employ him as football coach. Employee also recognizes that the University is making a highly valuable investment in his continued employment by entering into this Agreement and its investment would be lost or diminished were he to resign or otherwise terminate his employment as football coach with the University prior to the expiration of this Agreement. Accordingly, Employee agrees that in the event he resigns or otherwise terminates his employment under this Agreement prior to the expiration of the term of this Agreement, he will pay to the University as liquidated damages, and not as a penalty, Two Hundred Fifty

Thousand Dollars (\$250,000.00), to reimburse the University for expenses including, but not limited to (i) searching for, recruiting and hiring a new football coach and coaching staff, (ii) relocating a new football coach and coaching staff, and (iii) buying out the contract, if necessary, of a new football coach. Employee shall pay such amounts to University within thirty (30) days after the date of Employee's termination. In the event a third party agrees to accept responsibility, directly or indirectly, for payment of these liquidated damages, the total payment of Two Hundred Fifty Thousand Dollars (\$250,000.00) will be made within fifteen (15) days of Employee ceasing to be the football coach.

D. Limitation on Recruiting. Employee, for a period of one (1) year after such termination, will not contact or otherwise seek to recruit any high school athlete previously contacted or recruited by the University, unless such athlete has been recruited or contacted by any new institution employing Employee prior to the notice of termination by Employee to the University.

Section 6.02. Actions By University. It is recognized that certain limited circumstances may make it appropriate for the University to end this Employment Agreement prior to the completion of the Term. In no event shall the University be liable to Employee for any indirect, incidental, or consequential damages.

A. Automatic Termination upon Death. This Employment Agreement shall terminate automatically if the Employee dies. If this Agreement is terminated pursuant to this Section because of the Employee's death, the Employee's base annual salary and all other benefits shall terminate on midnight of the day on which the death occurs, except that the Employee's personal representative or other designated beneficiary shall be paid all such death benefits, if any, as may be contained in any benefit plan now in force or hereafter adopted by the University and due to the Employee thereunder and Supplemental Compensation, if any, that has been earned by the Employee. The Employee shall also be paid a pro rata portion of his Public Relations and Promotional Income for the monthly period during which this Agreement is terminated determined on the basis of the number of days that the Employee was employed during such period, and the Employee shall not be entitled to any Public Relations or Promotional Income thereafter.

B. Disability Provisions. In the event the Employee becomes temporarily or permanently disabled during the term of this Agreement, the following provisions shall apply.

1. Should the Employee become disabled and be unable to perform his duties and responsibilities for a temporary period, he may utilize his accrued paid time off or FMLA leave in accordance with the terms of any applicable University leave/benefit policies or plans as are in effect at that time. To qualify for this leave, the Employee shall provide the Athletic Director with a physician's statement specifying the nature of the disabling condition, restrictions on the Employee, and the anticipated length of the condition and/or restrictions.

During this leave of absence, Employee shall continue to receive his Base Salary, his Public Relations and Promotional Income, and any other benefits then applicable, as provided for by the terms of any applicable University policies as are in effect at the time.

If the Employee remains temporarily disabled at such time as he has utilized all accrued paid time off and FMLA leave, and he has exhausted all other available leaves under any University policies as may be in effect at that time, the University may, at its option, either (a) extend the leave for an additional designated period and on terms as it deems reasonable and appropriate, or (b) terminate this Agreement, in either case, in accordance with the terms of any applicable University policies or plans as are in effect at that time.

2. If the Employee becomes permanently disabled and has exhausted all other available leaves under any applicable University policies as are in effect at that time, the University shall have the option to terminate this Agreement. "Permanently disabled" shall mean physical or mental incapacity of a nature which prevents the Employee from performing the essential duties and responsibilities under this Agreement, with or without reasonable accommodation, either permanently or for an indefinite period of time. The determination of whether the Employee is permanently disabled shall be made by a physician selected by mutual agreement of the parties. Should the parties be unable to agree on a physician, a physician shall be appointed by the Dean of the Indiana University School of Medicine.

3. If the University decides to terminate this Agreement under either paragraph 1 or 2 of this Section 6.02.B, it shall give the Employee thirty (30) calendar days written notice. In that event, the Employee shall continue to receive his base annual salary, and any other standard University benefits then applicable, as provided for by the terms of any University's personnel policies in effect at that time, for a period of thirty (30) days after the date of such termination. Employee shall be entitled to receive Supplemental Compensation, if any, earned by him and a pro rata portion of his Public Relations and Promotional Income for the thirty day period during which this Agreement is terminated and the Employee shall not be entitled to any Base Salary, Public Relations and Promotional Income or Supplemental Compensation thereafter. At the end of that period, all salary and other benefits shall terminate, except that the Employee shall be entitled to receive any disability or other benefits to which he is entitled under the terms of any employee benefit programs in which he is enrolled and as exist at that time.

C. Action By University for Just Cause. The University shall have the right to end this Employment Agreement for just cause prior to its normal expiration on June 30, 2012. The term "just cause" shall include, in addition to and as examples of its normally understood meaning in employment contracts, any of the following:

1. Deliberate and serious violations of the duties outlined in Section 2.01 or refusal or unwillingness to perform such duties in good faith and to the best of the Employee's abilities.

2. A material or significant violations by the Employee of any of the other terms and conditions of this Employment Agreement not remedied after thirty (30) days' written notice thereof to the Employee;
3. Any conduct of the Employee in violation of any criminal statute (excluding minor traffic offenses) whether prosecuted or not, or any act of moral turpitude;
4. A significant, intentional, or repetitive violation of any law, rule, regulation, constitutional provision, bylaw or interpretation of the University, the Big Ten Conference or the NCAA, which violation may, in the sole judgment of the University, reflect adversely upon the University or its athletic program, including but not limited to any significant, intentional, or repetitive violation which may result in the University being placed on probation by the Big Ten Conference or the NCAA and including any violation which may have occurred during any prior employment of the Employee at another NCAA member institution and for which the NCAA could hold the Coach responsible;
5. A significant, intentional or repetitive violation of any law, rule, regulation, constitutional provision, bylaw or interpretation of the University, the Big Ten Conference or the NCAA by a member of the intercollegiate football coaching staff or any other person under the Employee's supervision and direction, including student athletes in the program, which violation the Employee knew or should have know of and which violation may, in the sole judgment of the University, reflect adversely upon the University and its athletic program, including but not limited to any significant, intentional, or repetitive violation which may result in the University being placed on probation by the Big Ten Conference or the NCAA;
6. Conduct of the Employee prejudicial to the best interests of the University or its athletics program or which violates the University's stated mission;
7. Prolonged absence from duty without the consent of the Director of Athletics;
8. Any cause adequate to sustain the termination of any other University employee of the Employee's University personnel classification;
9. Failure to obtain University's permission (from the Director of Athletics) to enter into an agreement for outside or promotional income; and
10. Failure to maintain an environment in which the coaching staff complies with NCAA rules and regulations.
11. Failure to comply with Article VII of this Agreement regarding Unique

Services;

12. Knowingly misleading the University about any matters related to the football program, its assistant coaches or student athletes;

13. Failure or refusal to recognize and cooperate with the Athletic Director or other University officials;

C. Procedures for Termination for Just Cause. "Just Cause" sufficient to satisfy the provisions of Section 6.02C shall initially be determined by the Director of Athletics. Once such determination is made, the Director of Athletics shall have the administrative authority to order suspension of the Employee from his duties pending termination of this Employment Agreement, provided that notice of any such suspension pending termination shall be delivered to the Employee in writing, detailing the reasons for such suspension and setting forth a reasonable time within which the Employee may respond.

The Employee shall have the procedural right, upon written request, to a review relating to any such suspension ordered by the Director of Athletics pending termination. Such written request shall be sent to the President of the University. The President may consider this request or may appoint one or more delegates to consider the request. The President or his delegate(s) will provide an opportunity to the Employee to discuss and respond to the reasons set forth as the basis for the suspension pending termination. If after such opportunity, the President or his delegate(s) determine that the recommendation of the Director of Athletics is proper, the Employee will be notified in writing of the decision by the President or his delegate(s) and the termination will take effect on the date specified in such notification. That decision will be final.

If the Employee fails to request such review within ten (10) days after receipt of notice of suspension pending termination, this Employment Agreement shall be terminated for the causes cited in such notice.

D. University's Obligations Upon Termination for Just Cause. In the event this Employment Agreement is terminated for just cause in accordance with the provisions of Section 6.02C, all obligations of the University to make further payments including base annual salary, fringe benefits, deferred compensation, public relations and promotional income, supplemental compensation, and income from outside and promotional sources and any other payments required by this Employment Agreement and/or to provide any other consideration hereunder shall cease as of the day on which such termination occurs. In no case shall the University be liable to the Employee for the loss of any collateral business opportunities or outside income or any other benefits, perquisites or income resulting from activities such as, but not limited to, camps, clinics, media appearances, radio, television, internet, marketing and promotional services, apparel or shoe contracts, football or equipment agreements, consulting relationships or from other sources that might produce promotional or outside income.

E. Action by University Without Cause. The parties agree that the University may

end this Employment Agreement prior to its expiration on June 30, 2012, without cause. Termination "without cause" shall mean termination on a basis other than those set forth in Section 6.02C. Termination by the University without cause shall be effectuated by delivering to the Employee written notice of the University's intent to end this Employment Agreement without cause, which notice shall be effective upon the earlier of the date set forth in such notice or ten (10) days after receipt of such notice by the Employee.

F. University's Obligation Upon Termination Without Cause. In the event this Employment Agreement is terminated without cause in accordance with the provisions of Section 6.02E, the University's obligation to the Employee shall depend on the length of time remaining under the Term of the Agreement.

1. If there is more than one (1) year remaining under the Term of the Agreement, the University's sole obligation shall be to pay an amount equal to one year of the then applicable base annual salary, as defined in Section 4.01.
2. If there is less than one (1) year remaining under the Term of the Agreement the University's sole obligation to the Employee shall be to pay an amount equal to the pro rata share of the annual base salary for the number of months and partial months remaining under the Term of the Agreement. For example, if there are five (5) months remaining on the Term of the Agreement, the Employee will be entitled to five-twelfths (5/12) of his then applicable base annual salary as defined in Section 4.01.

These payments, as set forth in Section 6.02F.1 and 6.02F.2, above will be payable in monthly installments with appropriate withholdings and deductions. No other benefits will be paid to the Employee except those to which he is entitled under the terms of any employee benefit programs in which he is enrolled and exist at that time that would be due to any other University employee. In no event shall the University be liable to the Employee for Supplemental Income, Public Relations and Promotional Income, continuing contributions to a deferred compensation plan, or for loss of any promotional or outside income, collateral business opportunities or any other benefits, perquisites or income resulting from activities such as, but not limited to camps, clinics, media appearances, radio, television, internet, marketing and promotional services, apparel or shoe contracts, football or equipment agreements, consulting relationships or from other sources that might produce promotional or outside income or any other payments provided in this Employment Agreement.

G. Mitigation of University's Obligation Upon Termination Without Cause. Employee is required to mitigate University's obligations under Section 6.02.F. by making reasonable and diligent efforts (under the circumstances and opportunities then prevailing) to obtain a comparable employment position (for example, media commentator with a national broadcast or cable company, professional football assistant or head coach, head or assistant football coach of a Bowl Championship Series school.) as soon as practicable following such termination. If Employee is employed elsewhere post-termination in a comparable employment

position (for example, media commentator with a national broadcast or cable company, professional football assistant or head coach, football coach of a Bowl Championship Series school), then University's obligation to pay Employee as set forth in Section 6.02.F. shall be reduced by Employee's total compensation (from all sources directly related to such comparable position (except not including the employee benefits costs associated with such comparable position)). University shall pay such amount (which shall not include employee benefits for the period that Employee is employed in such comparable position) in equal monthly installments after the date of termination for the period defined in Section 6.02.F. If the Employee secures employment other than those described above, any income earned from this employment shall be an offset to the University's obligations under Section 6.02.F. Amounts payable by the University to Employee shall be reduced by any taxes that the University is required by law to withhold. If Employee fails to use his best efforts to mitigate the University's obligation and fails to provide information to the University regarding these efforts when asked by the University, the University will have no further obligation to make payments under this Employment Agreement.

ARTICLE VII.

UNIQUE SERVICES

The parties agree that should another coaching opportunity be presented to the Employee or should the Employee be interested in another coaching position during the Term, the Employee is to notify the Director of Athletics in writing (hard copy, not electronically) of such opportunity or interest before any discussions can be held by the Employee or any agent or intermediary of the Employee with the anticipated coaching-position principals. Failure to do so may be considered a material breach of this Agreement and a reason for termination for just cause under Section 6.02C.

ARTICLE VIII.

MISCELLANEOUS

Section 8.01. Assistant Coaches. The Employee shall have the authority to recommend the hiring and termination of assistant coaches for the University's football program subject to the approval of the Director of Athletics. All assistant coaches shall be University employees. It is understood that assistant coaches are immediately responsible to the Employee, who will assign the duties of each of the assistant coaches, and that the Employee is responsible for the activities of such assistant coaches as those activities relate to the educational purposes and the athletics interests of the University. It is further understood that the Employee is responsible to the Director of Athletics for compliance with the policies of the University, including those of the athletic department, and the constitution, bylaws, rules, regulations and all official interpretations thereof of the NCAA and the Big Ten Conference, as may be in effect from time to time.

Section 8.02. Scheduling. The Director of Athletics will have the final authority and

responsibility with regard to the football team's schedule.

Section 8.03. Withholding and Taxes. Any payments made or benefits provided to Employee by University pursuant to this Employment Agreement shall be subject to normal deductions and withholdings for state, local and federal taxes. Employee shall indemnify and hold the University harmless from and against any and all state, local and federal taxes, including without limitation income and employment taxes, and interest and penalties thereon, with respect to any and all income earned by Employee outside this Employment Agreement and/or as contemplated by Section 4.06. This indemnification shall survive the expiration or termination of this Employment Agreement.

Section 8.04. Requirement of University Signature and Approval. It is understood and agreed that this Employment Agreement shall not be effective until signed by the Director of Athletics and the University President (or designee) on behalf of the University.

Section 8.05. Choice of Law. It is the intent of the parties hereto that this Employment Agreement shall be governed by and construed in accordance with the laws of the State of Indiana, and the laws of the State of Indiana shall govern the validity, performance, interpretation and enforcement of this Employment Agreement.

Section 8.06. Assignment Prohibited. The Employee's rights and interests under this Employment Agreement may not be assigned, pledged or encumbered by the Employee.

Section 8.07. Amendments. This Employment Agreement may be amended at any time only by a written instrument duly approved by the University through its designated representative and accepted by the Employee. Such approval and acceptance is to be acknowledged in writing, except that the foregoing shall not apply to increases in compensation and/or enhancements of fringe benefits which may be accomplished at any time in accordance with the terms and conditions of Article IV hereof. Notwithstanding the foregoing, any NCAA or Big Ten Conference requirements for coaching contracts are hereby incorporated by reference in this Employment Agreement as though set forth herein, and any such requirements hereafter imposed by the NCAA or the Big Ten Conference shall amend this Employment Agreement and be incorporated into this Employment Agreement without further action by the parties to this Employment Agreement.

Section 8.08. Severability. If any provision or provisions hereof shall be deemed invalid or unenforceable, either in whole or in part, this Employment Agreement shall be deemed amended to delete or modify, as necessary, the offending provision or provisions or to alter the bounds thereof in order to render it valid and enforceable.

Section 8.09. No Waiver of Default. No waiver by the parties hereto of any default or breach of any covenant, term or condition of this Employment Agreement shall be deemed to be a waiver of any other default or breach of the same or any other covenant, term or condition contained herein.

Section 8.10. Construction and Entire Agreement. For purposes of resolving any dispute or ambiguity under this Employment Agreement, the parties agree that this Employment Agreement shall be interpreted and treated as though it were drafted without application of any rules of construction construing this Employment Agreement either in favor of or against any party. Any reference in this Employment Agreement to the rules and regulations of the NCAA and/or the Big Ten Conference shall refer to the rules and regulations as in effect on the effective date of this Employment Agreement and as such rules and regulations may be amended from time to time thereafter.

Section 8.11. University Retains All Materials and Records. All materials or articles of information, including, without limitation, personnel records, recruiting records, team information, films, video, statistics or any other material or data, furnished to the Employee by the University or developed by the Employee on behalf of the University or at the University's direction or for the University's use or otherwise in connection with the Employee's employment hereunder are and shall remain the sole and confidential property of the University. University shall retain ownership of all computers made available by University to Employee and University may access any such computers and the data contained thereon at any time and for any reason. The University agrees to provide the Employee reasonable access to such materials, as approved by the Director of Athletics, for personal professional development purposes (not commercial purposes) while this Employment Agreement is in effect. Within seven (7) days of the expiration of the Term or its earlier termination as provided herein, the Employee shall immediately cause any such materials in his possession or control to be delivered to the University.

Section 8.12. Employee Will Not Incur University Indebtedness. It is mutually agreed and understood that the Employee shall not incur any indebtedness for or on behalf of the University without first securing the written approval of the Director of Athletics.

Section 8.13. "Force Majeure" Clause. Neither party shall be considered in default in the performance of its obligations under this Employment Agreement if such performance is prevented or delayed by Force Majeure. "Force Majeure" shall include but not be limited to war, hostilities, revolution, civil commotion, strike, lockout, epidemic, accident, fire, wind or flood or any law, order, proclamation, ruling, regulation or ordinance of any government or subdivision of government or any act of God.

Section 8.14. Employee Solicitation of Donor Funds. The Employee recognizes the overall positive impact to the University and the athletics program of a well-coordinated fundraising effort and agrees that any solicitations or requests for funding will be made only with prior approval from the athletic administration and/or the University's institutional advancement officials.

Section 8.15. Employee Will Not Make Investments Inconsistent With University's Objectives. During the Term, the Employee shall not make or continue to hold any investment in or be associated with any enterprise (e.g., gambling, alcoholic beverages) which could be deemed to be inconsistent with the University's objectives and philosophies or those of the NCAA or the Big Ten Conference, without having first obtained the written approval of the Director of

Athletics and the University President.

Section 8.16. Notices. Any notice, approval or other communication which may or is required to be given under this Employment Agreement shall be in writing and shall be deemed to have been given on the earlier of the date actually received or on the close of business on the fifth business day next following the day when deposited in the United States Mail, postage prepaid, registered or certified, addressed to the party at the address set forth after its/his name below or such other address as may be given by such party in writing to the other: if to the Employee: William M. Lynch, Football Office, Memorial Stadium, East 17th St., Bloomington, IN, 47408; if to the University: Director of Athletics, Indiana University, Assembly Hall, 1001 East 17th Street, Bloomington, IN 47408.

Section 8.17. Employee Acknowledgments.

A. Employee Has Read the Document. The Employee acknowledges that he has carefully read and understands this entire Employment Agreement and has been given sufficient opportunity to discuss this Employment Agreement with the Company before signing, and that the terms and conditions of this Employment Agreement are reasonable and enforceable and he agrees to abide by this Employment Agreement and the terms and conditions set forth herein.

B. Employee Has Had the Opportunity to Consult with Others. The Employee acknowledges that he has been given an adequate opportunity to consult with the Employee's personal lawyer, accountant, tax advisor, spouse and other persons he deems appropriate concerning this Employment Agreement and the terms and conditions hereof.

C. Employee Has a Copy. The Employee has been given a copy of this Employment Agreement.

D. Signing is Acceptance. By signing below, the Employee agrees to accept all of the terms and conditions of this Employment Agreement and understands that the University is relying upon the Employee's stated acceptance of such terms and conditions.

IN WITNESS WHEREOF, the parties hereto have executed this Employment Agreement or caused this Employment Agreement to be executed the day and year first written above.

"UNIVERSITY"

By: *Rick Greenspan* 11-25-07

Printed: Rick Greenspan
Title: Director of Athletics

By: *Mary Frances McCourt* 11-28-07 *dfj/je*

Printed: MaryFrances McCourt
Title: Treasurer

"EMPLOYEE"

By: *William M. Lynch* 11-25-07

Printed: William M. Lynch
Title: Head Football Coach