

Department of Athletics

June 29, 2012

Siegel Center
1200 West Broad Street
P.O. Box 843013
Richmond, Virginia 23284-3013

804 828-4000
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Mr. Shaka D. Smart
Department of Intercollegiate Athletics
Virginia Commonwealth University
Stuart C. Siegel Center
1200 W. Broad Street
P.O. Box 843013
Richmond, VA 23284-3013

Dear Mr. Smart:

We are pleased to offer you a non-tenured professional faculty appointment at Virginia Commonwealth University pursuant to the terms of this employment contract. This appointment is a full-time position as Head Men's Basketball Coach for the Department of Intercollegiate Athletics for the period from May 1, 2012 through April 30, 2020. Subject to the other provisions of this appointment, and upon the first anniversary of your contract begin date, and for three additional years thereafter, your contract automatically will be extended for an additional period of one year beyond the stated termination date. Your annual base salary beginning May 1, 2012 will be \$450,000 subject to annual merit increases as appropriate. Your annual base salary will not be subject to reduction unless mandated by action at the State level.

By signing below you agree and hereby accept employment in this position and agree to faithfully and diligently devote your efforts to the performance of the duties of this position and such other duties as are assigned by the University pursuant to this contract and Addendums A - D, incorporated by reference herein.

1. Duties Related Specifically to the Basketball Program

You will be responsible for supervising, planning and coordinating the activities of the Virginia Commonwealth University men's basketball program. More specifically, you shall:

- (a) encourage academic progress in conjunction with the faculty and University of student-athletes toward graduation;
- (b) teach the mechanics and techniques of basketball to team members;
- (c) coach student-athletes, analyze their performance, and instruct them in areas of deficiency;
- (d) develop the basketball team for competition and oversee daily practice of student-athletes;
- (e) promote the University, the Athletic Department and the men's basketball program through the Athletics Communications Office, and through such other activities as are assigned pursuant to Paragraph 1(m) and Addendum B;

- (f) recruit talented student-athletes for the men's basketball program;
- (g) cooperate with Student Athlete Support Services for the benefit of student-athletes;
- (h) maintain responsibility for administrative duties pertaining to the men's basketball program;
- (i) supervise the conduct of assistant coaches and staff, and their activities, including compliance with Atlantic 10 Conference ("A-10") and National Collegiate Athletic Association ("NCAA") regulations, and provide annual evaluations thereof;
- (j) maintain responsibility for the fiscal and budgetary functions associated with the men's basketball program, subject to the commitment on the part of the administration of the Athletic Department to utilize all reasonable efforts to maintain the budget for the men's basketball program, including the budget for assistant coaches, at current levels or better;
- (k) conduct yourself and the men's basketball program in accordance with the Constitution and Bylaws of the A-10 and NCAA;
- (l) abide by all applicable Board of Visitors' policies and University rules and regulations;
- (m) perform other duties as head coach reasonably related to the improvement of the basketball program as may be assigned by the President of the University ("President") or Director of Athletics ("Director of Athletics" or "Athletic Director"); and
- (n) coordinate scheduling of men's basketball games in consultation with and subject to the approval of the Athletic Director.

2. License to Operate Camp

The University hereby grants you (or to Shaka Smart Basketball Camps) a license to operate basketball camps during the summer months using University facilities beginning with the 2012 summer basketball camp season and continuing through the summer basketball camp season prior to the termination of this agreement. The camps will cover a period of three weeks per summer (total), subject to the advance approval of the Athletic Director and subject to commitments for the utilization of University facilities/Siegel Center. At the University's option, you may also operate three additional weeks of camp in the summer after the termination of this agreement, subject to the same terms of this agreement, even though such camp will occur beyond the term of this agreement, in order to assure the continued orderly functioning of the basketball program or the Athletic Department. Prior to the use of the University facilities, you (or Shaka Smart Basketball Camps) shall be required to enter into a facility use agreement in substantially the form as set forth in Addendum D.

You shall be entitled to own all rights to the basketball camp, shall be entitled to control its operation, and shall be solely responsible for the payment of all camp expenses, including the salaries and other fees of safekeeping of all funds, the cost of supplies, insurance, advertising and similar expenses. You may identify this camp as the "Shaka Smart Basketball Camp at VCU" but may not otherwise utilize the University's name or assets without its prior written consent.

3. University Records

All materials or articles of information including, without limitation, personnel records, recruiting records, team information, films, statistics or any other material or data furnished to you by the University or developed by you on behalf of the University or at the University's direction or for the University's use or otherwise in connection with your employment hereunder are and shall remain the property of the University. In the event of your termination as provided herein, you shall immediately cause any such materials to be delivered to the University. Subject to legal requirements, you may be allowed to retain copies of any such materials delivered to the University.

4. Termination by the University for Cause

This contract may be terminated by the University for cause upon one or more of the following grounds:

- (a) demonstrated dishonesty by you;
- (b) persistent substantial refusal or unwillingness to perform the duties outlined in Paragraph 1 of this agreement;
- (c) personal conduct that substantially impairs fulfillment of your assigned duties and responsibilities as determined by the University;
- (d) substantial physical or mental incapacity to perform assigned duties;
- (e) conviction of a criminal act that constitutes either a felony, a misdemeanor involving moral turpitude, or that otherwise reflects adversely on your fitness to serve as head basketball coach; and/or
- (f) action or inaction by you (thus excluding independent conduct by others with respect to which you either had no knowledge or had no reasonable cause to acquire knowledge) which constitutes a material violation of:
 - (i) the Code of Conduct or other Board of Visitors' or University policies governing athletics or Athletic Department employees;
 - (ii) conflict of interests laws;
 - (iii) NCAA or A-10 regulations (excluding secondary violations under NCAA Bylaw 19.02.2);
 - (iv) any provision of this contract.

Failure on the part of the men's basketball team to win a particular or sufficient number of games will not constitute cause for termination.

In the event of a termination under this Paragraph, the University's sole obligation to you shall be payment of your annual base salary, as set forth on page 1, herein, to the date of such termination, any semi-monthly installments of the supplemental salary described in Addendum B earned by you to the date of such termination, any incentives earned by you to the date of such termination, and reimbursement of any job related expenses, except that the University also shall reimburse you for substantiated expenses you may have incurred, prior to termination, toward presentation of a basketball camp undertaken pursuant to Paragraph 2 if such camp is scheduled to occur in the summer immediately following termination. The University shall not be liable to you for any collateral business opportunities or other benefits associated with your position as Head Men's Basketball Coach. Prior to termination for cause, the University shall provide timely notice of the charges asserted against you and a reasonable opportunity to defend against the charges. If termination is because of those charges listed in 4(b) or (f) above, or any other

grounds that reasonably could be subject to remediation by you, you shall be given a reasonable opportunity of at least 30 days to remedy or cure the grounds for termination, subject to such reasonable time limitations as may be identified by the University. In the event a termination for cause ultimately is overturned by a court of competent jurisdiction, then the liquidated damage provision in Paragraph 5 shall apply.

5. Termination by the University Without Cause; Liquidated Damages

This contract may be terminated by the President on behalf of the University at any time without cause. In such event, the University shall pay to you as liquidated damages and in lieu of any and all other legal remedies or equitable relief: (1) any amounts earned as of the date of termination; (2) all deferred compensation amounts accrued as of the termination date pursuant to Paragraph 7 of this agreement; and (3) if termination occurs during the first year of the contract, the sum of \$1,150,000, payable in accordance with the University's normal payroll practices over 12 months following the termination of your employment. Subject to the limitations identified below, and after the first full year of this contract, the University also will pay you an annual amount of \$1,150,000 for each year of the remainder of the then-existing term of the contract, except that, subject to the requirements of Section 409A of the Internal Revenue Code, the University's obligation to make such additional payments beyond the initial twelve month period following termination will cease or be reduced upon your securing a position as a head or assistant basketball coach at the collegiate level, any coaching position at the professional level, or any other bona fide position of employment in athletics or in an athletically related field, such as a position in sports broadcasting, sports commentary and analysis and/or employment with an athletic apparel company (collectively, your "New Position"). In such event, if the salary in the New Position is equal to or greater than, \$1,150,000, the University's obligation for any further payments will end after the initial 12-month period following termination. In the event the salary in your New Position is less than \$1,150,000, then the University's obligation for further payments for the remainder of the term of this agreement will be limited to the difference between \$1,150,000 and the salary for your New Position (the "Compensation Difference"). The University will continue to pay such amounts as may be due under this liquidated damages clause in equal monthly installments for the initial twelve months following termination. After the initial twelve months following termination, any further amounts that may be due and payable, including, but not limited to, any Compensation Difference, similarly will be paid in monthly installments on an annualized basis throughout the remainder of the term of this contract. Any Compensation Difference that becomes due and payable will be subject to recalculation on an annual basis. Following any termination without cause by the University, you agree to make all reasonable efforts to secure alternative employment and to report to the University, within a reasonable time, your acceptance of any such alternative employment and the financial terms thereof.

In the event of a termination under this Paragraph, the University shall not be liable to you for any other University benefits, except as may be required by law, or for any collateral business opportunities or other benefits associated with your position as Head Men's Basketball Coach. The parties have bargained for this liquidated damages provision, giving consideration to the fact that this is a contract for personal services. The parties recognize that a termination of this contract by the University prior to its natural expiration may cause you to lose certain benefits or outside compensation relating to your employment at the University, which damages are difficult to determine with certainty. Accordingly, the parties agree to this liquidated damages provision.

6. Termination by Coach

Should you wish to terminate this contract for any reason during the term of this agreement and within twelve months of resignation accept a position of head basketball coach at another institution of higher education or a head basketball coaching position within a professional or semi-professional league, you or your new employer shall be obligated to pay the University liquidated damages in lieu of all other legal remedies in the amount of \$700,000, should such termination by you occur during the first year of this contract term. Should such termination occur during subsequent years of this contract term, the liquidated damages sum would be reduced by \$100,000 per year for each year over the term of the agreement. You shall not be obligated to pay liquidated damages to the University if you terminate this contract for any reason other than the one cited above. For purposes of this provision of the contract, the first year of the contract will be deemed to run through and end on April 30, 2013. For succeeding years of this contract, the ending date of each contractual year similarly will run through and end on April 30, of each succeeding year.

The parties acknowledge that the University will incur administrative, recruiting and resettlement costs in recruiting and relocating a replacement coach, in addition to potentially increased compensation costs and loss of ticket revenues, which damages are difficult to determine with certainty. Accordingly, the parties agree to this liquidated damage provision.

In addition to the liquidated damages payment set forth above, in the event that you terminate this agreement in order to accept a head coaching position at any institution, you shall cause such institution, as a condition to your employment at such institution, to enter into contract with the University providing for a two-year, home and home basketball series between such institution and the University and to schedule the home and home series to commence at the University's venue within one year of the resignation; provided, however, said contract shall grant the institution the right to buy out the two game series from the University for the sum of \$250,000.

7. Deferred Compensation

The parties have negotiated in good faith a deferred compensation arrangement for you, the terms of which are set forth in the 457(f) Deferred Compensation Agreement (the "Deferred Compensation Agreement") between you and the University. The basic terms of the Deferred Compensation Agreement, as covered in greater detail in the Deferred Compensation Agreement, are as set forth herein. The University has established a bookkeeping record on your behalf, referred to as the "Deferred Compensation Account," for the sole purpose of measuring your benefit under the Deferred Compensation Agreement. As of each July 1 (beginning July 1, 2009 and ending July 1, 2015), so long as you remain employed as the University's Head Men's Basketball Coach, the University shall credit this Deferred Compensation Account with \$60,000. The University shall adjust the Deferred Compensation Account to reflect earnings or losses based on the performance of investment allocations of amounts credited to the Deferred Compensation Account based on the performance of one or more funds selected by you from a list of funds approved by the University. If you are terminated "without cause," die, or if your employment terminates due to your "disability" (as such terms are defined in the Deferred Compensation Agreement) you will be entitled to all amounts reflected in the Deferred Compensation Account (as adjusted for any earnings or losses thereon) at the time of such

termination or death. If you resign prior to April 15, 2016 or are terminated for "cause," you would forfeit those amounts in a manner consistent with the Deferred Compensation Agreement. If you resign after April 15, 2012, but before April 15, 2013, you would forfeit all but the lesser of \$90,000 or the Deferred Compensation Account balance (as adjusted for any gains or losses) as of April 15, 2012 (the "First Distribution"). If you resign on or after April 15, 2013, but before April 15, 2014, you would forfeit all but the sum of the First Distribution and the lesser of \$90,000 or the Deferred Compensation Account balance (as adjusted for any gains or losses) as of April 15, 2013. If you remain employed with the University until April 15, 2014, you would be entitled to the balance in your Deferred Compensation Account as of April 15, 2014 (as adjusted for any gains or losses) which, for the avoidance of doubt, would not include the amounts to be credited to the Deferred Compensation Account as of July 1, 2014 and July 1, 2015 provided that you remain employed as the University's Head Men's Basketball Coach. If you remain employed with the University until April 15, 2016, you would be entitled to all proceeds from the Deferred Compensation Account (as adjusted for any gains or losses).

In addition to the Deferred Compensation Account to which reference is made immediately above, the parties will negotiate an additional deferred compensation account (or an amendment to the existing deferred compensation account), the terms of which shall be covered in greater detail in a separate Deferred Compensation Agreement ("Deferred Compensation Agreement #2"). The University will establish a bookkeeping record on your behalf with respect to Deferred Compensation Agreement #2 for the purpose of measuring this additional deferred compensation benefit. As of each July 1 (beginning July 1, 2016 and ending on July 1, 2018), the University will credit this record with \$60,000. If you are terminated "without cause," you will be entitled to all amounts reflected in this record (including earnings thereon) through and including the effective date of such termination "without cause." If you resign prior to April 15, 2019, or are terminated for "cause," you would forfeit those amounts in a manner consistent with the Deferred Compensation Agreement #2. If you were to resign after April 15, 2019, you would be entitled to all of the proceeds from this record.

8. Additional Provisions

In consideration for your signing this contract, you will be entitled to receive an annual Supplemental Income Payment of \$800,000, which shall be payable in a mutually agreeable manner. You and the University agree that payment of such Supplemental Income Payment is conditioned on your remaining continuously employed as the University's Head Men's Basketball Coach for the Department of Intercollegiate Athletics through the applicable payment date.

The terms and conditions of your appointment are set forth in Addendum A, the *Virginia Commonwealth University Terms and Conditions of Employment*, which are incorporated herein by reference. During the term of your contract as Head Men's Basketball Coach, you will receive annual notification of any increase in your salary and other compensation upon approval of the University's Board of Visitors.

Addendum B, which sets forth supplemental compensation, also is incorporated herein by reference and made a part of this contract.

Addendum C, which sets forth contract incentive pay, also is incorporated herein by reference and made a part of this contract.

Virginia Commonwealth University is a member institution of the National Collegiate Athletic Association ("NCAA"). Your signature evidences that VCU Department of Athletics has provided you with access to the NCAA Manual and the VCU Athletic Department Policy Manual and that you acknowledge your obligation to read, understand and abide by these policies and procedures. In addition, you are required to promote adherence to the NCAA requirements to the athletes and your staff. The NCAA regulations specifically restrict the terms and conditions of your employment as follows:

- may
unreasonably
limited to,
- (a) You are required to receive, annually, prior written approval from the President of Virginia Commonwealth University, and will be subject to such conditions as be imposed by the President, with respect to all athletically related income and benefits from sources outside the University, such approval not to be withheld or delayed. Sources of such income shall include, but are not limited to, the following:
 - (i) income from annuities;
 - (ii) sports camps;
 - (iii) housing benefits (including preferential housing arrangements);
 - (iv) country club memberships;
 - (v) complimentary ticket sales;
 - (vi) television and radio programs; and
 - (vii) endorsement or consultation contracts with athletic shoe, apparel or equipment manufacturers.
 - (b) You shall not directly or by implication use the University's name or logo in the endorsement of commercial products or services for personal gain without the prior approval from the University, which approval will not be unreasonably withheld. Additionally, you shall not directly or by implication use the NCAA's name or your affiliation with the NCAA in the endorsement of products or services.
 - (c) You shall not accept compensation or gratuities of any kind whatsoever, either directly or indirectly, for scheduling athletic contests or individual meet participation with another institution or sponsor of athletic competitions. This specifically precludes the acceptance of compensation or gratuities from other institutions, schedule brokers or agents, and television networks or syndicates.
 - (d) You may be suspended for a period of time, without pay or your employment terminated, consistent with the provisions of Paragraph 4, supra, of this agreement if you are found, following reasonable notice and an opportunity to rebut such charges, to be engaged in significant or repetitive violations of NCAA regulations.

9. Section 409A of the Internal Revenue Code

This agreement (including the Addendums) is intended to comply with the requirements of section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"). Accordingly, all provisions herein, or incorporated by reference, shall be construed and interpreted to comply with Section 409A and if necessary, any provision shall be held null and void to the extent such provision (or part thereof) fails to comply with Section 409A or regulations thereunder. You and the University agree that, for purposes of the limitations on nonqualified deferred compensation under Section 409A, each payment of compensation under this agreement shall be treated as a separate payment of compensation for purposes of applying the Section 409A deferral election rules and the exclusion from Section 409A for certain short-term deferral amounts. You and the University also agree that any amounts payable solely on account of your involuntary separation from service within the meaning of Section 409A shall be excludable from the requirements of Section 409A, either as involuntary separation pay or as short-term deferral amounts (e.g., amounts payable under the schedule prior to March 15 of the calendar year following the calendar year of involuntary separation) to the maximum possible extent. Notwithstanding anything to the contrary in this agreement, all reimbursements and in kind benefits provided under this agreement shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during the period of time specified in this agreement; (ii) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year; (iii) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred; and (iv) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit.

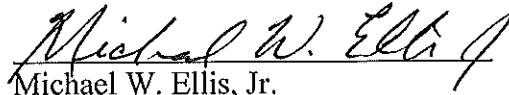
It is the policy of the VCU Athletic Department that all persons holding full-time coaching positions are encouraged, to the extent possible, to use their annual leave in the year in which it accumulates and in no event will you be compensated for any unused leave balances upon the termination of this contract or at the time your employment ends. Your signature below reflects, among other things, your understanding and acceptance of this policy.

If this appointment, including all terms and conditions, is acceptable to you, please sign and return one copy of the employment contract, which includes Addendums A – D.

Sincerely,



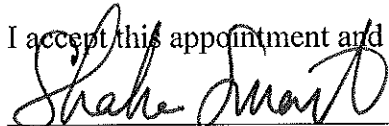
David Benedict
Interim Director of Athletics



Michael W. Ellis, Jr.
Deputy Director of Athletics

I acknowledge that the Department of Athletics has made available to me the NCAA Manual and the VCU Athletic Department Policy Manual. I further acknowledge my obligation to read, understand and abide by these policies and procedures.

I accept this appointment and agree to the terms and conditions of this employment contract.



Shaka D. Smart

6/29/12

Date

ADDENDUM A

VIRGINIA COMMONWEALTH UNIVERSITY TERMS AND CONDITIONS OF EMPLOYMENT

1. **CODE OF ETHICS, FACULTY HANDBOOK AND UNIVERSITY POLICIES**

Virginia Commonwealth University's Code of Ethics, the provisions of the Faculty Handbook, and any future modifications to it, as well as all University policies, procedures and regulations pertaining to faculty, are incorporated into this contract by reference and constitute part of this contract.

2. **CONDITIONS**

As a condition of your faculty appointment at VCU, you are subject to all applicable policies and procedures of the University. Significant policies and procedures include, but are not limited to, University statements which address promotion and tenure, conflict of interests, outside professional activity, intellectual property and code of ethics. It is your responsibility to be aware of these policies and procedures as well as all others which may apply to you. University policies and procedures are subject to change and further information regarding those which may be applicable to you, in addition to information concerning your privileges and duties as a faculty member, may be obtained by contacting your department chair and by visiting the VCU web site at: <http://www.vcu.edu/provost/vcupolicies.html>.

Additionally, please be aware that as a faculty member at VCU, you are an employee of the Commonwealth of Virginia and subject to the laws of the Commonwealth including but not limited to the provisions of the Virginia State and Local Government Conflict of Interests Act. Also, you may, in the course of your employment, have access to confidential information regarding employees, students, patients, the public, or to proprietary or other confidential information belonging to or in the possession of VCU. This information is to remain confidential and may be disclosed only in strict accordance with federal or state law and/or University regulations and policy.

FOR INITIAL FACULTY APPOINTMENTS, TRANSFERS, AND PROMOTIONS: This offer of employment is conditional upon job-related background checks and your consent to a criminal history records check. Criminal conviction investigations also will be conducted in connection with certain transfers and promotions as described within the Criminal Conviction Investigation policy. As required by Virginia state law, the employment offer also is conditional upon U.S. citizens' verifying that they have registered for the Selective Service or providing documentation from the Selective Service System that their requirement to register has been "terminated or become inapplicable." Also, VCU is required by Virginia state law to ask each new faculty member if he/she has an income withholding order for child support payments. An affirmative response will not adversely affect your employment with Virginia Commonwealth University. Also, verification of eligibility for employment in the United States via the U.S. Department of Homeland Security Form I-9 and E-Verify system must be completed on or before the date employment begins. Verification of employment eligibility is required for current faculty working on federal contracts that include the E-Verify clause.

ADDENDUM A (continued)

3. TERMS OF APPOINTMENT

Your appointment with the University is binding after approval of the President and/or Board of Visitors of the University. Renewal of tenure eligible collateral, administrative and professional appointments shall be at the option of the University, subject to the non-renewal notice requirements contained in the Faculty Handbook, Faculty Promotion and Tenure Policies and Procedures, the provisions of the University Policy for Administrative and Professional Faculty and Faculty Holding Administrative Appointments and/or any applicable policies of schools or units of the University. To be valid, an extension or renewal of an appointment must be in writing and signed by the President, Vice President or appropriate designee of the University.

4. BENEFITS AND LEAVE

Each person employed by Virginia Commonwealth University who is eligible for benefits and paid leave in addition to salary is responsible for making all benefits decisions and for taking all actions relating to such benefits and leave reporting within established deadlines and according to applicable policies.

5. GENERAL LIMITATIONS

This Contract is subject to the acts of the General Assembly of Virginia, the Governor's consolidated salary authorization of faculty positions, executive orders of the Governor, and the policies and regulations adopted by the Board of Visitors of Virginia Commonwealth University.

6. ACADEMIC YEAR

12-Month Faculty	July 1 through June 30
9-Month Faculty	August 16 through May 15

7. PAYMENT OF EARNINGS

<u>Dates of Appointment</u>	<u>Contract Pay Cycle</u>	<u>Pay Dates</u>
12-month Faculty (July 1 – June 30)	July 1 – June 30	July 16 – July 16
9-month Faculty (August 16 – May 15)	August 10 – May 9	September 1 – August 16

Salary is paid in semi-monthly installments over 12 months on the 1st and 16th of the month. There is a one-week lag between the end of the payroll period and receipt of the related pay. Payroll periods are the 10th through the 24th (paid on the first of the subsequent month) and the 25th through the 9th (paid on the 16th of the month). New 12-month faculty appointed on July 1 will receive a partial paycheck on July 16 for the July 1-9 pay cycle and their first full paycheck on August 1 for the July 10-24 pay cycle. New 9-month faculty appointed at the beginning of the academic year will receive their first full paycheck on September 1 for the August 10-24 pay cycle. VCU faculty are required to receive their pay by direct deposit.

ADDENDUM B

VIRGINIA COMMONWEALTH UNIVERSITY CONTRACT OF EMPLOYMENT SUPPLEMENTAL TERMS AND CONDITIONS

The following Supplemental Terms and Conditions will be applicable to the contract of employment between Virginia Commonwealth University ("VCU") and you upon your appointment as Head Men's Basketball Coach ("Coach") for Virginia Commonwealth University:

1. VCU will provide a car for Coach's use for University related business and will reimburse Coach for business-related fuel cost for the vehicle and parking on VCU's campus during the duration of Coach's employment as Head Men's Basketball Coach. Provision also will be made for routine maintenance and insurance for the car.
2. Subject to advance approval of the Director of Athletics and President of the University, Coach will be entitled to enter into a contract with an athletic apparel manufacturer/supplier, and be entitled to retain all compensation, apparel benefits or other benefits that will accrue to him under such contract, recognizing that Coach will attempt to negotiate arrangements that are most favorable to the University.
3. VCU also requires that you participate as directed by the University in such sponsorship or advertising programs as the University deems beneficial to the University with all proceeds therefrom to be retained by the University. You also shall, if directed by the University, enter such agreements with third parties as the University deems necessary, which relate to the marketing and promotion of you, the basketball program or the University. Except as permitted at Paragraph 8.1. of this contract, the University shall retain all proceeds arising from or related to such agreements.
4. VCU will provide Coach a clothing allowance of \$10,000 per year. Purchase of goods/services will be administered consistent with VCU's policies for procurement of the items.
5. VCU requires that you assist, promote and participate in radio and television programs or shows sponsored, owned, produced by or otherwise affiliated with the University and which directly or indirectly promote the purposes or further the interest of the University (such programs or shows hereinafter referred to as "Radio and Television Programs") as requested by the University. You will be entitled to receive an additional \$25,000 per year for this responsibility, payable in a mutually agreeable manner. Such amount will be subject to withholdings for federal and state taxes and the like but will not be subject to any additional benefit payments, accruals or other entitlements. Notwithstanding the foregoing, your obligations under this provision shall only extend to:
 - (a) Radio and Television Programs before or after University men's basketball games; and

ADDENDUM B (continued)

- (b) The number of Radio or Television Programs which you participate in pursuant to these provisions shall not exceed 50 programs in any twelve month period and shall not interfere with your duties associated with the men's basketball program.

6. VCU requires that you participate as a speaker or otherwise attend events or functions which are sponsored by the University, the University Development Office, the University Alumni Association, or other affiliated organizations, or which otherwise benefit the University directly or indirectly as requested by the University. You shall also be a speaker or otherwise attend functions or events sponsored by groups or entities not affiliated with the University as requested by the University. You will be entitled to receive an additional \$25,000 per year for this responsibility, payable in a mutually agreeable manner. Such amount will be subject to withholdings for federal and state taxes and the like but will not be subject to any additional benefit payments, accruals or other entitlements.

The number of events or functions which the University requires you to attend shall not exceed 26 such events in any twelve month period and shall not interfere with your duties associated with the men's basketball program.

Name and Likeness: You hereby grant to the University permission to use your name and likeness during the term of your employment with the University. The permission granted by you pursuant to this Paragraph will terminate or expire upon the termination or expiration of your employment with the University. The University will not associate your name and likeness with any person, thing or activity that, in your reasonable judgment, may be deemed to be lewd, immoral, tasteless, lascivious, grotesque, or otherwise similarly offensive. The University agrees not to solicit, without your advance approval, sponsorships or advertisements for you from any entities that are affiliated with "sin" products, including without limitation, alcohol, tobacco, gambling, sex, and firearms. Subject to earlier provisions of this Paragraph, the University agrees that you otherwise will remain the sole and exclusive owner of your name and likeness and all proprietary and potentially proprietary rights relating thereto.

ADDENDUM C

VIRGINIA COMMONWEALTH UNIVERSITY CONTRACT OF EMPLOYMENT SUPPLEMENTAL TERMS AND CONDITIONS

In addition to the annual base salary and supplemental compensation set forth in Addendum B, the Athletic Director may recommend to the University that the Coach be recognized for exemplary performance. Upon receipt of such recommendation, the University may award appropriate recognition and "incentive pay" to the Coach. VCU and Coach agree to the following incentive amounts to be received for accomplishing certain goals and exemplary performance. In the event such incentive pay is awarded, it would be due and paid on the last business day of the fiscal year and would be payable in a lump sum, subject to the necessary withholdings for federal and state taxes and the like.

<u>Regular Season Conference Champions</u>	\$ 3,500
<u>Post Season Play</u>	
NIT tournament (cumulative payments)	
NIT appearance	\$ 2,000
NIT-first win	\$ 1,000 additional
2nd win	\$ 3,000 additional
3rd win	\$ 5,000 additional
4th win	\$ 8,000 additional
NIT Championship	\$12,000 additional
NCAA appearance	1 and 1/2 month base salary
NCAA-first win	1 month salary
2nd win	1 month salary
3rd win	1 month salary
4th win	1 and 1/2 month base salary
5th win	1 and 1/2 month base salary
6th win	2 months' base salary
7th win	2 months' base salary
<u>Major Victories Over:</u>	
Atlantic Coast Conference teams	\$ 5,000
Old Dominion University	\$ 2,000
<u>Season Ticket Sales (noncumulative)</u>	
Over 2,000	\$ 3,000
Over 2,500	\$ 4,000
Over 3,000	\$15,000
Over 3,500	\$20,000

ADDENDUM C (continued)

Average Home Attendance (announced, noncumulative)

Over 5,500	\$ 3,000
Over 6,000	\$ 4,000
Over 6,500	\$15,000
Over 7,000	\$20,000

Academic Performance

Graduates by summer of completion of eligibility	\$ 4,000
Graduate within one year after completion of eligibility	\$ 2,000

Note: Includes all athletes joining program after Coach Smart was named Head Coach. Any athletes not recruited by Coach Smart are not included.

Team Television Appearances

National appearance	\$ 6,500
Regional appearance outside VCU or A-10 package	\$ 3,500

National appearance defined as a regular season game broadcast on major over-the-air network or cable network broadcast nationally such as ESPN or ESPN2 and available in at least 50% of homes nationwide. Regional appearance is defined as those broadcast beyond the market of both teams. Games aired on regional sports networks would be included if VCU or A-10 are not responsible for funding a portion of the broadcast cost and are available in at least 10% of homes nationwide.

Coaching Awards

A-10 Coach of the Year	\$ 6,000
AP Coach of the Year	\$20,000

Winning Record

20 Wins or More Per Season	\$20,000
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Disincentives

In the event the VCU Men's Basketball Team is found guilty of a major NCAA violation, the University reserves the right to seek reimbursement of any incentive payments made during the period of the violation.

ADDENDUM D

VIRGINIA COMMONWEALTH UNIVERSITY FACILITY USE AGREEMENT

This agreement is made by and between Virginia Commonwealth University ("VCU") and Shaka Smart Basketball Camps.

Now, therefore, in the consideration of these premises and the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **VCU agrees to the use of the Stuart C. Siegel Center as follows:**

Shaka Smart Basketball Camps will use the Verizon Wireless Arena for the dates listed below. Shaka Smart Basketball Camps may not assign the use of this space(s) or any part thereof to any other person or organization. The space may not be used for purposes other than those specified in this agreement.

June 23, 2012 - June 29, 2012
July 9, 2012 - July 13, 2012
July 30, 2012 - August 3, 2012

All direct out of pocket expenses of the Stuart C. Siegel Center as billed by the Director of the Stuart C. Siegel Center ("Director") shall be the responsibility of the Shaka Smart Basketball Camps. The Director will arrange at Shaka Smart Basketball Camps expense any event personnel and house services that are deemed fitting and necessary. Volunteer staff may be used in certain areas as agreed upon by the Director and the event promoter.

3. **CONCESSIONS/CATERING:** VCU reserves the right to operate/authorize all concessions/catering for the sale of food and beverage in the facility and within Stuart C. Siegel Center boundaries. All concessions arrangements (e.g., types of merchandise, expected revenues, concession employees, and inventory control) must have prior approval from VCU.

4. **MERCHANDISE:** VCU waives the right to control all merchandise for the sale of novelty items in the building and within the Stuart C. Siegel Center boundaries. Shaka Smart Basketball Camps agrees that only event-related apparel will be sold at said event by outside vendors. The Director must approve all outside vendors.

5. **PROMOTION/PUBLICITY:** Shaka Smart Basketball Camps agrees to withhold all publicity until a contract is fully executed. The Director reserves the right to review and approve all advertising and announcements that relates to the use of the Stuart C. Siegel Center. Any partnership agreements or sponsorship arrangements with individuals not associated with VCU must have prior approval of the Director of Athletics. All advertising and publicity announcements for events in the arena area of the facility must specify that the event is to be held in the "Verizon Wireless Arena at the VCU Stuart C. Siegel Center."

ADDENDUM D (continued)

6. **COPYRIGHTS/PERMITS/LICENSES:** Shaka Smart Basketball Camps is responsible for obtaining all licenses and permits necessary and paying all fees including city, state, and federal taxes associated therewith to conduct the operations specified by this agreement. Shaka Smart Basketball Camps will assume all costs arising from Shaka Smart Basketball Camps use of all patented, trademarked, franchised, or copyrighted music, materials, devices, processes, or dramatic pieces used on or incorporated in this event. Shaka Smart Basketball Camps agrees to indemnify, defend, and hold harmless VCU and the Commonwealth of Virginia from any claims or costs, including legal fees, which might arise from the use by Shaka Smart Basketball Camps of any such material.

7. **PARKING:** VCU Parking Services will handle all parking. Contact Stephanie Wood at 828-6585 or woodsa@vcu.edu, or www.bsv.vcu.edu/vcupark/.

8. **LIABILITY INSURANCE:** Shaka Smart Basketball Camps shall be responsible for obtaining liability insurance coverage in amounts acceptable to VCU. The insurance policy must be written by a company authorized to do business in the Commonwealth of Virginia and name VCU as an additional insured. A certificate of insurance evidencing such coverage must be made available to the Director at least 10 days prior to the commencement of the event. The minimum accepted amount will be \$1 million per person per incident.

9. **REPRESENTATIVE:** At the time of the execution of this contract, Shaka Smart Basketball Camps will submit to the Director the name, address, and phone number of Shaka Smart Basketball Camps representative. This person will be the sole person authorized to make decisions or to negotiate with the Director. This person will be the sole person authorized to resolve problems and conflicts or to negotiate any alterations in performance procedure with the Director. This person will be fully authorized to act for and execute documents on behalf on Shaka Smart Basketball Camps.

10. **ACCEPTS AS IS:** No representations or promises with respect to the Stuart C. Siegel Center or premises have been made by VCU, its agents or its employees except as herein expressly set forth. The first possession of the Stuart C. Siegel Center by Shaka Smart Basketball Camps shall be conclusive evidence, as against Shaka Smart Basketball Camps that equipment within the Stuart C. Siegel Center was in good and satisfactory condition.

11. **CONCURRENT USE:** VCU reserves the right to keep open other parts of the Stuart C. Siegel Center at the same time as this Facility Use Agreement indicates. The use of the lobby, vestibules, hallways, box offices, lounges, recreation portion, and other public rooms that may be made available to Shaka Smart Basketball Camps, at the discretion of the Director, shall be concurrent with the use of such others as the Director may determine, provided that such use by others shall not unreasonably interfere with this agreement.

12. **DELIVERY OF GOODS:** Materials belonging to Shaka Smart Basketball Camps and delivered prior to the contracted time will be accepted by the Director with prior arrangement. The Director makes no guarantees that space will be available to receive materials arriving early. Furthermore, the Director will not accept any deliveries C.O.D.

ADDENDUM D (continued)

13. **SECURITY:** All security arrangements will be made by the Director and will be billed to Shaka Smart Basketball Camps as a reimbursable expense. Firearms of any kind may not be carried, displayed, or used by any person other than police personnel authorized by the Director. The Director will work with the Shaka Smart Basketball Camps representative on security staffing issues.

14. **FIRE/SAFETY CODES:** All sets, props, laser lighting equipment, and any other materials used by Shaka Smart Basketball Camps must conform to all existing fire and safety codes of the city of Richmond and the Commonwealth of Virginia. The provisions of the fire prevention code that prohibits smoking, flammable decorations, open flames, and explosive or flammable fluids, gases, and compounds must be observed. There will be no smoking at any time in the Stuart C. Siegel Center.

15. **PUBLIC SAFETY:** Shaka Smart Basketball Camps shall neither encumber nor obstruct the sidewalks, entrances, halls, stairs, lobbies, and audience chambers of the Stuart C. Siegel Center, nor allow the same to be obstructed or encumbered in any manner. Shaka Smart Basketball Camps further agree not to bring onto the premises any material, substance, equipment, or object which is likely to endanger the life of, or cause bodily injury to, any person on the premises or which is likely to constitute a hazard. The Director shall have the right to refuse to allow any such material, substance, equipment, or object to be brought onto the premises and the further right to require its immediate removal.

16. **EVACUATION OF FACILITY:** Should it become necessary in the judgment of the Director to evacuate the premises because of a bomb threat, or for any other reasons of public safety, Shaka Smart Basketball Camps will retain possession of the premises. Sufficient time to complete the presentation without additional charge will be provided, as long as such time does not interfere with another scheduled event. If, at the discretion of the Director, it is not possible to complete the presentation, fees shall be forfeited, prorated, or adjusted at the discretion of the Director based on the situation. Shaka Smart Basketball Camps hereby waives any claim for damages or compensation from VCU.

17. **INTERRUPTION OR TERMINATION:** The Director shall retain the right to cause the interruption of the Shaka Smart Basketball Camps in the interest of public safety. The Director may likewise cause the termination of such performance when, in the sole judgment of the Director, such act is necessary in the interest of public safety.

18. **DAMAGE TO FACILITY:** VCU will not be responsible for any damage or loss to Shaka Smart Basketball Camps' property or the property of agents, employees, or invitees of Shaka Smart Basketball Camps no matter what the cause of such damage or loss. Shaka Smart Basketball Camps shall not damage, nor mar, nor in any manner deface said premises, and shall not cause or permit anything to be done whereby the said premises shall be in any manner damaged, marred or defaced; and will not drive or permit to be driven without limitations nails, hooks, tacks, screws into any part of the said building and/or any furniture or fixtures and will not make nor allow to be made any alterations of any kind therein. The use of tape of any kind, on or in the said premises must be authorized and approved by the Director or designee. If said

ADDENDUM D (continued)

premises or any portion of the said building shall be damaged during the period covered by this agreement by an act, default, or negligence of Shaka Smart Basketball Camps, or Shaka Smart Basketball Camps' agents, employees, or patrons, Shaka Smart Basketball Camps shall pay to the Director, upon demand, such sum as shall be necessary to restore said premises to their condition immediately prior to Shaka Smart Basketball Camps use of the premises.

19. **CANCELLATION BY SHAKA SMART BASKETBALL CAMPS:** Should Shaka Smart Basketball Camps desire to cancel this agreement, and if notification is given in writing to the Director at least 60 days prior to the date of the scheduled performance, the Director shall retain the deposit and Shaka Smart Basketball Camps shall be responsible for any additional expenses, including cancellation notices by all commercial means necessary. VCU shall be relieved of any further obligation under this Agreement.

20. **CANCELLATION BY VCU:** Should VCU desire to cancel or be unable to perform this agreement, and if notification is given in writing to Shaka Smart Basketball Camps at least 60 days prior to the scheduled date of use, the Director shall return any deposits, and Shaka Smart Basketball Camps and VCU will be relieved of any further obligation under this Agreement.

21. **FORCE MAJEURE:** Should events beyond the reasonable control of either the Stuart C. Siegel Center or Shaka Smart Basketball Camps occur, including, but not limited to acts of God, war (declared or undeclared), governmental regulation, civil disturbance, terrorism, disaster, fire, earthquakes, hurricanes, unreasonable extreme inclement weather, curtailment of transportation facilities, public utility failure, declaration of a "High" or "Severe" risk of terrorist attack by the U.S. Department of Homeland Security, issuance of a travel advisory for the Stuart C. Siegel Center by the World Health Organization, or an other comparable condition, making it inadvisable, illegal or impossible for either the Stuart C. Siegel Center or Shaka Smart Basketball Camps to perform their obligations hereunder, the affected party may cancel this Agreement without liability for any one or more such reasons upon written notice to the other. In addition, all deposits and pre-payments made by Shaka Smart Basketball Camps, its guests or exhibitors shall be promptly refunded.

22. **THIS AGREEMENT:** This Agreement constitutes the entire arrangement between the parties as contemplated by paragraph 2 of the employment contract of Mr. Shaka D. Smart dated June ___, 2012 ("Employment Contract"). Any amendments or further addenda hereafter made shall be in writing and executed with the same formality and consistent with the Employment Contract of which this Agreement is a part.

23. **COMPLIANCE WITH LAWS:** Activities in violation of Federal, State, or Local laws, ordinances, rules, or regulations of the Commonwealth of Virginia or VCU shall not be permitted on VCU and/or the Stuart C. Siegel Center premises. It shall be the responsibility of Shaka Smart Basketball Camps while under the terms and period of this agreement to enforce the terms of this provision as to its agents and employees.

ADDENDUM D (continued)

24. **SUSPECTED ABUSE OR NEGLECT OF CHILDREN:** Shaka Smart Basketball Camps represent and warrant that all employees and agents thereof (whether an employee of VCU or not) have read Chapter 698 of the 2012 Acts of the Virginia General Assembly and shall report any abuse or neglect of any child as required therein.

25. **EXCLUSIVITY:** Due to long-term arrangements and contracts between VCU and other vendors, Shaka Smart Basketball Camps will also be responsible for adhering to all such outstanding agreements. Examples are PEPSI beverage products, Verizon wireless service, Siegel Center Catering, and Soundlab Inc.

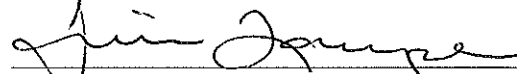
FOR: Shaka Smart Basketball Camps



By: Shaka D. Smart
VCU Head Men's Basketball Coach

Date: 6/29/12

FOR: Virginia Commonwealth University



By: Mr. Tim Lampe
Director, Stuart C. Siegel Center

Date: 7/5/12