



ADDENDUM TO EMPLOYMENT AGREEMENT
OF
HEAD COACH CRAIG NEAL

The following additional terms and conditions shall be an Addendum to the standard printed employment contract between the University of New Mexico ("University") and Head Coach/Men's Basketball Craig Neal ("Coach Neal"). Together, this Addendum and Coach Neal's standard printed contract shall be referred to as the "Agreement."

1. **POSITION:** Coach Neal shall be responsible for all aspects of the University's intercollegiate men's basketball program, under the direct supervision of the Vice President for Intercollegiate Athletics ("VPIA"). During the period of this Agreement, Coach Neal shall devote his entire time to the duties of Head Coach/Men's Basketball, and shall not engage in any other employment except as specifically authorized by this Agreement or by the VPIA.
2. **TERM OF AGREEMENT:** The term of this Agreement is for five (5) years, commencing April 8, 2013, and ending March 31, 2018. This Agreement may be extended beyond March 31, 2018, only by mutual, written agreement of the parties. This Agreement shall automatically terminate upon Coach Neal's death or permanent disability ("permanent disability" shall mean a minimum of six (6) consecutive months of incapacity preventing Coach Neal from performing the essential functions of his job). No notice to Coach Neal shall be required for this Agreement, and with it Coach Neal's employment by the University, to end on March 31, 2018.
3. **COMPENSATION:** The compensation obligation of the University under this Agreement shall be in four components: (a) Base Salary and Benefits; (b) Other Compensation; (c) Independent Income; and (d) Incentive Salary.
 - a) **BASE SALARY AND BENEFITS:** For the period commencing on April 8, 2013, and ending on March 31, 2018, Coach Neal shall receive a base salary of Three Hundred Thousand Dollars (\$300,000.00) per contract year. Effective April 1, 2014, and each year thereafter within the Agreement term, Coach Neal's base salary may be adjusted in accordance with the Regents' annual salary policy for staff. Employer-paid fringe benefits shall be paid in addition to the base salary consistent with University policy, provided, however, that Coach Neal may accrue up to one hundred sixty-eight (168) hours of paid annual leave but will not be entitled to payment for unused annual leave upon separation from employment as provided in University Business Policies and Procedures Manual #3400, Annual Leave, Section 7.
 - b) **OTHER COMPENSATION:** Coach Neal shall be allowed the following additional consideration during the term of this Agreement:
 - 1) Coach Neal shall be provided one (1) courtesy car for his personal use, subject to all the insurance, income tax, and other policies and regulations of the car donor program, the University, and the Internal Revenue Service. Coach Neal understands and agrees that the value of the courtesy car is taxable compensation to him;

- 2) Coach Neal's spouse and dependent children will be added to the official University travel party to regular-season away and NCAA-postseason games within the continental United States. Coach Neal understands and agrees that the value of this benefit may be and probably is taxable compensation to him;
- 3) Coach Neal shall receive eight (8) season tickets to home games for each men's basketball season, and the use of a Suite at the Pit for men's basketball home games. Coach Neal understands and agrees that the value of these tickets may be and probably is taxable compensation to him;
- 4) Coach Neal will be provided one (1) membership in a country club designated by the VPIA. The Athletic Department agrees to cover the cost of membership fees, and Coach Neal agrees to pay for all personal expenses incurred in the use of the membership. Membership as contemplated by this paragraph includes golf and other privileges provided by the club selected, typically but not always including tennis and pool privileges. Coach Neal understands and agrees that the value of this membership may be and probably is taxable compensation to him;
- 5) In addition to his regular coaching duties, Coach Neal shall be responsible for promoting the men's basketball program, the University and the University's Athletic Department within the community. These additional duties shall be discharged in coordination with and under the direction of the VPIA and shall include, without limitation, speaking to youth groups, alumni assemblies, service clubs and the like, conducting free basketball camps and clinics to disadvantaged youth, meeting with sponsors and donors, and similar activities as may from time to time be assigned by the VPIA or the Senior Associate Athletic Director. Coach Neal shall not refuse any reasonable community relations assignment from the VPIA or the Senior Associate Athletic Director, and agrees to participate in a minimum of ten (10) public appearances. Coach Neal shall be paid, in twelve approximately equal monthly payments in addition to the base salary described above, the amount of One Hundred Thousand Dollars (\$100,000.00) per contract year in consideration of discharge of the duties described in this paragraph, said amount to be paid directly from funds available to the Athletic Department. Coach Neal understands and agrees that payments to him pursuant to this paragraph constitute taxable compensation to him;
- 6) The University may enter into agreements with radio and/or televisions station(s) under which the University will receive revenue subject to conditions and terms negotiated between the University and third parties. The University will pay to Coach Neal the additional sum of Two Hundred Fifty Thousand Dollars (\$250,000.00) per contract year, in addition to the foregoing, to make appearances as a representative of the University and/or which will otherwise fulfill the obligations of the University with regard to those third-party contacts or other arrangements. The University will pay the Two Hundred Fifty Thousand Dollars (\$250,000.00) described in this paragraph in twelve approximately equal installments during the contract year, as part of Coach Neal's monthly compensation. Coach Neal shall assist the University in obtaining contracts and arrangements as described in this paragraph, and will not unreasonably withhold any appearance which is necessary to meet the University's contractual and other obligations under this paragraph. Coach Neal will not enter into any individual



agreements which conflict with the rights of the University as described in this paragraph. Coach Neal understands and agrees that payments to him pursuant to this paragraph constitute taxable compensation to him; and

- 7) The University may enter into promotion, use and/or endorsement agreements with shoe and/or apparel and/or athletic equipment companies. Coach Neal shall assist the University as required in obtaining such agreements. The University will pay Coach Neal the sum of One Hundred Thousand Dollars (\$100,000.00) per contract year, in addition to the foregoing, to wear and equip his team with shoes, other apparel and equipment as directed by the University. Coach Neal will not enter into individual endorsement or any other agreements with third parties which require him to endorse, wear or equip his team with shoes and/or apparel and/or equipment which would conflict with agreements between the University and third parties. The VPIA shall decide whether there is any conflict, and the VPIA's decision shall be final and binding on Coach Neal. The University will pay the compensation described in this paragraph on a pro-rated monthly basis during the contract year, as part of Coach Neal's monthly compensation. Coach Neal understands and agrees that payments to him pursuant to this paragraph constitute taxable compensation to him.
- c) INDEPENDENT INCOME: Subject to compliance with Athletic Department, UNM, the Mountain West Conference and NCAA policies, as currently in force and from time to time amended, and with the advance written permission of the VPIA to be requested in writing, Coach Neal may earn other athletics-related income during the period of this Addendum. The required written permission of the VPIA shall be requested prior to the commencement of each contract year, or with seven (7) days' written notice prior to accepting the income-earning activity, and the VPIA's decision shall be final. Such activities are independent of his University Employment, shall not conflict with any University or Athletic Department Sponsor, and the University shall have no liability or responsibility for any claims arising therefrom. Coach Neal shall indemnify the University and hold it harmless from any claims arising out of his independent contractual arrangements with third parties. Coach Neal's advance written requests pursuant to this paragraph shall include the sources and amounts of any independent income contemplated by this paragraph.

With the written permission of the VPIA, Coach Neal may organize and conduct a camp, clinic, lessons, or sports league pursuant to the Athletic Department's summer camp policy (Camp/Clinic Manual), and may retain the net proceeds therefrom. These activities are performed in addition to Coach Neal's assigned duties and responsibilities, and shall not interfere with those assigned duties and responsibilities. Coach Neal shall receive no compensation from the University in connection with these activities.

- d) INCENTIVE SALARY: In addition to the compensation set forth above, Coach Neal may earn incentive salary according to the following schedule, which shall be reviewed and may with mutual agreement of the parties be adjusted annually:

1.	Conference Championship	\$20,000.00
2.	Conference Tournament Championship	\$20,000.00
3.	NCAA Berth (only if no Tournament win in #2 above)	\$10,000.00
4.	Mountain West Coach of the Year	\$ 5,000.00

5.	Win over a Top-25 Team (defined by USA Today Coaches Poll)	\$ 1,000.00
6.	Team GPA above 2.7	\$ 5,000.00
7.	APR of 950 (4-year average)	\$ 5,000.00
8.	Sweet 16 Appearance	\$25,000.00
9.	Elite 8 Appearance	\$30,000.00
10.	Final 4 Appearance	\$40,000.00

Except as provided above, Coach Neal will be eligible for such incentive payments within sixty (60) days after the end of each contract year in which the incentive is earned. No incentive payments will be paid in any contract year where the team either exceeds its approved budget or, for any academic incentives payable to Coach Neal, has any academically ineligible players after summer school.

4. AVAILABILITY OF FUNDS: This Agreement is subject and subordinate to a determination by the Board of Regents as to the availability of funds for the support of the intercollegiate men's basketball program. In the event such funds are determined to be insufficient by the Board of Regents and the men's basketball program is indefinitely terminated, this Agreement shall also be terminated at the end of the fiscal year in which such a finding is made. Upon such termination, all rights and obligations due from each party to the other under the provisions of this Agreement shall cease for lack of funds to support the men's basketball program. The University represents that to the best of its knowledge, there is currently no intent, nor has there been an expression of the desire, to terminate the men's basketball program within the term of this Agreement by the University administration or the Board of Regents, nor has the New Mexico legislature enacted any measure suggesting that the University's men's basketball program should be terminated.
5. TERMINATION OF AGREEMENT FOR CAUSE: The University reserves the right to terminate this Agreement for "adequate cause" at any time. "Adequate cause" includes violation of any material obligation of Coach Neal under this Agreement or any amendments; insubordination; neglect of duty; malfeasance; conduct involving moral turpitude; any criminal conviction; major or repeated minor violation of policies, rules, or regulations of the University; major or repeated secondary infractions of the Mountain West Conference or NCAA rules (including any similar infraction which may have occurred at Coach Neal's prior employment); violation of his duty to make diligent, good faith efforts to ensure such compliance by his staff or student-athletes in the men's basketball program; willful or grossly incompetent conduct injurious to the intercollegiate basketball program at the University, or conduct which substantially harms the reputation of the University or the program. If this Agreement is terminated for adequate cause, the University shall have no further liability except for base salary and fringe benefits accrued to the date of termination.
6. TERMINATION BY REQUEST OF COACH NEAL: Coach Neal may terminate this Agreement at any time upon fifteen (15) days' notice to the VPIA. In the event that Coach Neal voluntarily terminates this Agreement, the University shall have no further liability except for prorated base salary, as described in paragraph 3.a. above, and benefits accrued to the date of termination, and a pro rata share of the Other Compensation described in paragraph 3.b.5, above. Coach Neal understands and agrees that his termination of this Agreement pursuant to this paragraph prior to expiration of the term of this Agreement will cause irreparable harm to the reputation and athletic programs of the University in an amount not capable of precise calculation or quantification. Therefore, Coach Neal agrees to pay to the University, as liquidated damages and not as penalty, a sum of One Million Dollars (\$1,000,000.00) in the event that he terminates this Agreement pursuant to this paragraph at any time prior to the expiration of the term of this Agreement.

If, during the term of this Agreement, Coach Neal (or any of his representatives) wishes to enter into discussions with another school about employment opportunities, Coach Neal shall first notify the VPIA of such discussions. Failure to make such notification will be deemed a material violation of Coach Neal's obligations under this Agreement and may subject Coach Neal to termination by the University for cause under paragraph 5 of this Agreement.

7. TERMINATION BY REQUEST OF THE UNIVERSITY: The University may voluntarily terminate this Agreement by giving written notice to Coach Neal not later than March 31 of each Agreement year. No notice from the University to Coach Neal shall be required for the Agreement to expire by its terms on March 31, 2018. In the event of termination of this Agreement by the University other than for cause as defined in paragraph 5, the University shall pay to Coach Neal his prorated base salary, as described in paragraph 3.a. above for the remainder of the contract year in which such notice is given, and the additional sum of One Million Dollars (\$1,000,000.00) in the event notice is given during the first four (4) full contract years, such additional sum to be reduced to zero in the event notice is given in the final contract year. The sums described in this paragraph will be paid in monthly payments to Coach Neal over a period of two (2) years, with New Mexico and federal tax withholdings, until paid in full. Except as otherwise expressly provided in this paragraph, all rights and obligations due from each party to the other under the provisions of this Agreement shall cease upon the effective date of termination set forth in the written notice. The parties expressly understand and agree that in the event of termination of this Agreement by the University pursuant to this paragraph, the University's sole obligation to Coach Neal following the effective date of termination is to pay the amounts described in this paragraph.

In the event Coach Neal obtains other employment during the period for which the University is obligated to continue payments pursuant to this paragraph, Coach Neal shall immediately notify the VPIA of his new employment and all annual compensation to be paid to him pursuant to a written contract of employment, including any addenda or amendments associated with that contract. Pursuant to this paragraph, the University's financial obligation to Coach Neal will be offset by all compensation paid pursuant to the new written contract of employment, including any addenda or amendments, including but not limited to, base salary, deferred compensation, shoe and equipment contracts, public relations, and bonuses and incentive salary.

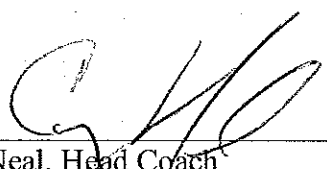
8. CONDUCT OF ATHLETICS PERSONNEL: Coach Neal, hired to administer, conduct or coach intercollegiate athletics, shall act with honesty and sportsmanship at all times in promoting the honor, dignity, fair play and high standards associated with competitive sports.
9. UNETHICAL CONDUCT: Coach Neal shall refrain from unethical conduct. Unethical conduct by a prospective, current or former University employee may include, but is not limited to, the following examples of misconduct:
- a) Refusal to furnish information relevant to an investigation of a possible violation of an NCAA regulation when requested to do so by the NCAA or the University;
 - b) Knowing involvement in arranging for fraudulent academic credit or false transcripts for a prospective or an enrolled student-athlete;


- c) Knowing involvement in offering or providing a prospective or an enrolled student-athlete an improper inducement, extra benefit or improper financial aid;
- d) Knowingly furnishing the NCAA or the University false or misleading information concerning an employee's involvement in or knowledge of matters relevant to a possible violation of an NCAA regulation; or,
- e) Receipt of benefits by the employee for facilitation or arranging a meeting between a student-athlete and an agent, financial advisor, or a representative of an agent or advisor (e.g., a "runner").

10. COMPLIANCE WITH RULES AND REGULATIONS: Coach Neal shall be responsible for maintaining complete knowledge of and full compliance with the policies, rules and regulations of the University (particularly those described in the Athletic Department's Policies and Procedures Manual), the Mountain West Conference or any other conference with which the University may elect to affiliate, and the NCAA (all as currently in force and as amended from time to time). Coach Neal shall immediately report any apparent or real violations of the above policies, rules and regulations occurring in the Department to the Associate Athletic Director/Administration. Coach Neal may be suspended for a period of time without pay or his employment may be terminated if he is found to be involved in deliberate and serious violations of conference or NCAA rules or regulations, whether the violation occurred at the University or during previous employment at another NCAA member institution.
11. ARBITRATION: To the fullest extent permitted by law, any dispute or controversy arising out of or relating to this Agreement or the breach thereof, including the rights, duties, obligations and liabilities of the parties hereunder, shall be determined by binding arbitration. The duty to arbitrate shall survive and include the cancellation or termination of this Agreement and shall include all disputes or questions regarding interpretation and enforceability of this Agreement. Arbitration shall be conducted, upon request of either party, before a single arbitrator chosen by the parties by alternately striking names from a list of seven names submitted by the American Arbitration Association of individuals who shall be attorneys knowledgeable in the field of employment contracts and, to the greatest extent possible, collegiate athletics, and who shall make his/her award in conformity with the rules of said Association and in accordance with the laws of the State of New Mexico as applied to the facts found by him/her. The expense of arbitration proceedings conducted hereunder shall be borne equally by both parties hereto, and all arbitration proceedings hereunder shall be conducted in Albuquerque, New Mexico. If the arbitrator determines that the University did not have adequate cause for any termination under paragraph 5, damages shall be calculated based upon sums that the University would be required to pay under the compensation provisions of this Agreement. No other compensatory, consequential or exemplary damages may be awarded to Coach Neal.
12. MISCELLANEOUS: The waiver by either party of a breach of any provision of this Agreement shall not operate or be construed as a waiver by that party of any subsequent breaches. All agreements and covenants in this Agreement are severable, and if a court of competent jurisdiction or arbitrator declares any such provision to be invalid, the remainder of this Agreement shall be enforced to the maximum practicable extent.

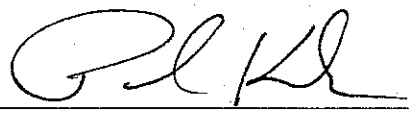


13. ENTIRE AGREEMENT: The University standard printed employment contract and this Addendum to that contract together constitute the entire agreement between the parties. Coach Neal affirmatively states and warrants that he does not, in entering into this Agreement, rely upon any representations made to him by any employee, representative, or agent of the University which are not set forth in this Agreement. Any amendments or further addenda hereafter agreed to by both parties shall be in writing and executed with the same formality.
14. STATUTORY OVERSIGHT: This Agreement and any other amendments or addenda shall be governed by and construed in accordance with the laws of New Mexico and policies of the University's Board of Regents.

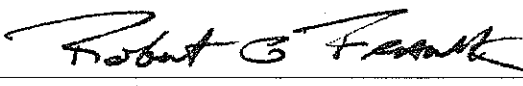
By: 
Craig Neal, Head Coach

Date:  5-1-13

UNIVERSITY OF NEW MEXICO

By: 
Paul Krebs
Vice President of Intercollegiate Athletics

Date: 5/6/13

By: 
Robert G. Frank
President

Date: 5/8/13



THE UNIVERSITY OF NEW MEXICO
ALBUQUERQUE, NM 87131

Date: Wednesday, May 01, 2013

Neal, Craig D.

UNM ID: 101278800 Position Number: S01717 Job Suffix: 00

Athletics Men's Basketball - 925D

After consultation with appropriate University authorities, it has been determined that your appointment status will be

Head Coach/Men's Basketball - Y7020

for the period of service from 4/8/2013 to 3/31/2018.

ANNUAL SALARY	MONTHS OF SERVICE	PERCENT TIME	PERIOD DURING WHICH PAYMENTS ARE MADE		INSTALLMENTS	
			BEGINNING	ENDING	AMOUNT	NO.
\$300,000.00	59.77	100	4/8/2013	3/31/2018	\$25,000.00	59.77

This appointment is governed by applicable policies as stated in the University's Regents Policy Manual and The University Business Policies and Procedures Manual, as they are amended from time to time, published and distributed by the University, and by relevant federal and state laws and regulations. In conformance with UNM Policy 3240, the University reserves the right to renew or not renew this contract.

Please sign, and forward the original of this contract to the Division of Human Resources, 1700 Lomas Boulevard NE, Suite 1400, and keep a copy for your records.

I accept the appointment described above.

Craig Neal

Date

5-1-13

Paul Krebs
Vice President
Athletics

Date

5/6/13

