

HEAD BASKETBALL COACH CONTRACT CHECKLIST

University of Nevada, Las Vegas

Name: Christopher Michael Beard

Head Men's Basketball Coach

Check all that apply to this contract and fill in the blanks.

There are no changes from the approved coach contract template.

The language in the approved coach contract template has been changed in the following Paragraphs:
(attach detailed explanation and justification for the changes) (**See Attachment A**).

Description of search diversity efforts attached (**See Attachment B**).

Article 3—TERM OF EMPLOYMENT

Par. 3.1 Term of Employment: April 8, 2016 through June 30, 2021.

(For terms longer than 4 years, attach justification and source of funding analysis for all potential payments (**See Attachment C**).

Article 4—POSITION

Par. 4.2.b Head Coach Subject to/Not Subject to Reassignment:

Coach will be subject to reassignment.

Coach will not be subject to reassignment.

Par. 4.2.c.8 Academic Performance.

NCAA requirement (currently 930) Minimum Academic Performance Rate (APR)

Article 5—COMPENSATION

Par. 5.1 Base Salary per Fiscal Year:

\$ 400,000.00 (2016-17; 2017-18; 2018-19)

\$ 500,000.00 (2019-20; 2020-21)

Par. 5.5 Season Tickets and Membership:

12 Men's Basketball Season Tickets

4 All Other Varsity Sports Home Game Tickets

Par. 5.6.a Media and Public Appearances:

Minimum appearances (on and off season):

10 Radio

10 Television/Internet

5 Public/Donor Events

\$500,000.00 Fiscal Year 2016-17

\$550,000.00 Fiscal Year 2017-18

\$600,000.00 Fiscal Years 2018-19; 2019-20; 2020-21

Equal Monthly Installments Date of Payment

Par. 5.6.c Additional Compensation—Revenue Enhancement Payment:

2016-2017, 2017-2018 and 2018-2019 seasons:

\$3,400,000.00 Threshold Program Ticket Revenue per Season (50% of ticket revenue exceeding \$3.4M)

\$100,000.00 Maximum Revenue Enhancement Payment

2019-2020 and 2020-2021 seasons:

\$3,600,000.00 Threshold Program Ticket Revenue per Season (50% of ticket revenue exceeding \$3.6M)

\$200,000.00 Maximum Revenue Enhancement Payment

June 1 Date of Revenue Enhancement Payment

Par. 5.6.c Additional Compensation—Retention Payment:

July 1, 2018 - \$300,000

July 1, 2019 - \$300,000

July 1, 2020 - \$100,000

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Par. 5.6.c Additional Compensation—Hosting Account:

\$15,000 per year

Par. 5.7 Supplemental Compensation—Athletic Performance Payment:

Conference Performance:

\$10,000.00 Winning or Tying the Conference Regular Season Championship

\$10,000.00 Tournament Championship

\$5,000.00 Coach of the Year Award or Co-Coach of the Year Award

NCAA Tournament:

\$10,000.00 Advancing in Each Round

\$25,000.00 Playing in the Final Four

\$50,000.00 Winning the NCAA Championship

NIT Post Season Tournament:

\$5,000.00 Advancing in Each Round

\$10,000.00 Playing in the Final Four

\$25,000.00 Winning the NIT Championship

\$160,000.00 Total Maximum Athletic Performance Payment

May 1 Early Termination Cutoff Date

Source of funds for all compensation: See Attachment C

Article 6—TERMINATION

Par. 6.1.a.1 Termination for Convenience by Institution

Anytime during Term Remaining Base Salary Paid to Employee if Terminated by this Date

Par. 6.2.a.2 Liquidated Damages Paid by Employee if Terminates for Convenience:

\$1,000,000.00 Paid to Employer if Employee Terminates on or before 2nd Anniversary of Effective Date.

\$750,000.00 Paid to Employer if Employee Terminates after 2nd and on or before 4th anniversary of Effective Date.

Lower of: \$500,000.00 or Remaining Base Salary Paid to Employer if Employee Terminates after 4th anniversary of Effective Date.

April 8, 2016 Effective Date of Contract.

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ATTACHMENT A

JUSTIFICATION FOR TEMPLATE CHANGES

ARTICLE 3 - TERM OF EMPLOYMENT

- **Par 3.4 Employee's Certification Of Truth And Accuracy Of Materials And Representations**
 - Clarifying language.

ARTICLE 4 - POSITION

- **Par 4.2.b General Duties And Responsibilities Of Employee**
 - Clarifying language.
- **Par 4.2.c Duties And Responsibilities While Employed As Head Coach**
 - Clarifying Language.
- **Par 4.3.b Discipline/Corrective Action**
 - Clarifying language.
- **Par 4.4 Reporting Relationship**
 - Clarifying language.
- **Par 4.5 Annual Personnel Evaluations**
 - Employee is being asked, and expected, to lead a significant turnaround in the University's men's basketball program. It is entirely possible this turnaround could take more than two years to accomplish.

While Competitiveness – as measured by wins and losses -- is an important evaluation tool, it is only one measure of the overall health of a program. For example, a team could lose 10 games in a season by four points or less but still be highly competitive.

Given that Competitiveness is 40% of the performance evaluation criteria, and given the expectations the University has for a turnaround in its men's basketball program and the time required to properly deliver this turnaround, it was agreed that an "unsatisfactory" rating in three consecutive evaluation periods, rather than two, would be fair to Employee in order to support termination for cause by the University.

ARTICLE 5 - COMPENSATION

- **Par 5.2 Fringe Benefits**
 - Clarifying language.

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- **Par 5.6.a Other Compensation**

- Revised to indicate Media and Public Appearance Fee shall be paid in equal monthly installments, rather than at the end of the fiscal year in which it is earned. The Media and Public Appearance Fee is a core element of the overall compensation package and therefore, should be paid monthly.

Further, if Employee does not meet his appearance obligations, the University has the authority to impose disciplinary and corrective action, including financial penalties of up to \$10,000 per occurrence, pursuant to Section 4.3.b of the Agreement.

- **Par 5.6.c Additional Compensation – Revenue Enhancement Payment**

- 5.6.c.1: Revised to indicate that Employee will forfeit the Revenue Enhancement Payment if he is terminated with cause on or before May 1st of that year (but not if University terminates without cause and not if Employee terminates for convenience). It is our view that Employee would have earned and is entitled to such payments unless he is terminated for cause.

In addition, the basis for setting the ticket revenue threshold at \$3,400,000 (even though last year's ticket revenue was almost \$3,500,000) reflects two factors: (1) declines over the last four seasons of approximately \$200,000 per year in individual and season ticket revenue; and (2) the difficulty of making significant changes and turning around the program in the early years of the Agreement. This provision incentivizes Employee to actively engage in marketing the program in order to reverse this trend. Further, in four of the last ten seasons, the ticket revenue did not reach the \$3,400,000 threshold.

- **Par 5.6.d Additional Compensation – Retention Payment**

- Added Retention Payment at the beginning of Years 3, 4 and 5. It is the University's view that it is appropriate to add an incentive for Employee to remain at UNLV and forgo other coaching opportunities, should they arise.

Employee is well-respected and regarded as one of the fastest-rising coaches in men's college basketball. If successful, given his reputation, Employee will undoubtedly receive employment offers from other Universities; therefore, it is in the best interest of the University for Employee to have an incentive to remain at UNLV.

- **Par 5.6.e Hosting Account**

- Added annual hosting account. This is a standard feature in most head coach agreements.

- **Par 5.7 Supplemental Compensation – Athletic Performance Payment**

- Removed Athletic Performance Payment for achieving minimum APR.

It is the University's view that attainment of a satisfactory APR score should be a core requirement for Employee and not be linked to supplemental compensation, but instead, be fundamental each year in annual evaluations in considering whether

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or not to continue with Employee in subsequent years. Further, the University believes that directly linking APR scores to financial incentives may create unhealthy motivations or practices in achieving APR scores, much like in University fundraising where the national trend is to not tie achievement of fundraising goals to fundraiser compensation.

- Removed minimum requirement for the Program's single-year APR for the immediately preceding season in order for Employee to be eligible for Athletic Performance Payments.

The NCAA and the Conference use a four-year APR average score (930 minimum) to determine eligibility for post-season competition, not a single-year score. Given that the Athletic Performance Payments in the Agreement are tied principally to post season play, using the NCAA's four-year average as the metric (rather than a single year APR score that is more than eighteen months old) is a valid measure for such payments. Of the maximum possible Athletic Performance Payments of \$160,000, \$135,000 is contingent upon the Program achieving the minimum APR required by the NCAA in order to be eligible for post-season competition.

It is also expected that, with a coaching change, some student-athletes will elect to transfer, which could lead to a single-year APR score that is low. It is the University's view that it is not fair to penalize a new coach for such in the event of an inherited, low APR, particularly given that the University chose a turn-around coach for just such a situation.

- Revised to indicate that Employee will forfeit the Athletic Performance Payment if he is terminated with cause on or before May 1st of that year (but not if University terminates without cause and not if Employee terminates for convenience). It is our view that Employee would have earned and is entitled to such payments unless he is terminated for cause.

ARTICLE 6 - TERMINATION

- **Par 6.1 Termination by University**

- **Par 6.1.a Termination Without Cause**

- 6.1.a.1: Clarifying language
- 6.1.a.3: Added provision where University's payment obligation to Employee in the event of termination without cause is offset by Employee's salary from new employment. This offset provision provides fair protection for both UNLV and Employee and is common in head coach agreements. Employee sought a minimum level of assurance tied to his base compensation for the entirety of the term. It is the University's view that it is equitable for both Employee and UNLV to share in that responsibility.

- **Par 6.1.c**

- Clarifying language.

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- **Par 6.2.a.1 Written Notice Of Termination**

- Revised provision to restrict Employee's termination for convenience to the period after the Program's final game of the applicable playing season. Limiting this separation period to the playing season is a significant restriction that provides adequate protection for UNLV and is common in head coach agreements.

- **Par 6.2.a.2 Liquidated Damages**

- Removed Base Salary as part of liquidated damages, but the University is protected with significant financial payments for early termination by the Employee during each year of the Agreement.

Liquidated damages have been set at levels that provide sufficient protection for the University and have been established for each year of the five year term (rather than just in the early years of the Agreement). In each of years 1 and 2, Employee would owe the University \$1,000,000 if he terminated the Agreement for convenience. In each of years 3 and 4, Employee would owe the University \$750,000.000, and in year 5, he would owe the lesser of \$500,000 or an amount equivalent to the Base Salary remaining for the term.

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ATTACHMENT B

Search Diversity Efforts

- Of the 35 candidates considered for the position of UNLV Men’s Basketball Head Coach, eight (8) candidates had diverse backgrounds:
 - two (2) had in-person interviews with the selection committee,
 - two (2) others had in-person interviews with the Athletics Director, and
 - the remaining four (4) had phone interviews with the Athletics Director.

- Our Selection Committee consisted of the members below
 - Robert Smith – African-American male and former UNLV basketball player
 - Tina Kunzer-Murphy – Caucasian female and UNLV Athletics Director
 - Dr. Len Jessup – Caucasian male and UNLV President

- The open position and job specifications were posted publicly for three weeks through the following sources:
 - HigherEdJobs.com
 - Nevada Job Connect
 - UNLV Website
 - NCAA Market

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ATTACHMENT C

Justification for Five (5) Year Term

1. Justification for five (5) year term:

- a. To rebuild a program, student-athletes and community supporters need to know the coach will remain at the institution for an extended term.
- b. Recruiting now encompasses asking student-athletes to compete and stay at our institution for five (5) years.
- c. Contracts for successful men's basketball head coaches typically exceed four years and reflect a long-term commitment on the part of the university.

2. Sources of Funding

- a. The current Program operating budget allocates \$750,000 for the head coach's salary.
- b. The Runnin' Rebel Club has pledged \$300,000.00 for each of the next five (5) years.
- c. The University has received additional private funding commitments of \$150,000.00 per year for the next five (5) years; private fundraising efforts will continue.
- d. The combined \$1,200,000 in funding compares favorably to an anticipated \$1,000,000 in salary (Base Salary, Media and Public Appearance Fee and Revenue Enhancement Payment) for the Employee in 2016-17; \$1,050,000 in 2017-18; and \$1,100,000 in 2018-19.
- e. As the Program improves, coupled with a more ambitious approach to marketing, it is anticipated revenue will grow (through increased ticket sales) for the final years of the Agreement.
- f. There is anticipated savings of approximately \$350,000 per year in travel expenses due to donor-provided private air travel for the team and coaching staff. These savings are being used to fulfill a portion of the University's existing contractual obligations (which will cease in years 4 and 5 of the Agreement).

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