

AMENDMENT TO EMPLOYMENT AGREEMENT

This is a contractual amendment to the Employment Agreement between the University of Minnesota, a constitutional educational corporation (the "University"), on behalf of its Department of Intercollegiate Athletics on the Twin Cities campus ("the Department"), and Orlando (Tubby) Smith ("Coach"), dated March 22, 2007 ("Employment Agreement"). The University and Coach do now mutually desire to amend certain terms of the Employment Agreement by entering into this Amendment to the Employment Agreement ("Amendment"), effective July 1, 2012.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Amendment, and such other good and valuable consideration the receipt and sufficiency of which the parties hereby acknowledge, the parties agree to amend their Employment Agreement as follows:

I. EMPLOYMENT TERM AND DUTIES

1. Section 1.1 is amended to provide as follows:

1.1. Term. Subject to the terms and conditions of this Amendment, the University hereby employs Coach as the head coach of its intercollegiate men's basketball team at the University's Twin Cities campus, and Coach agrees to be so employed by the University, for a term commencing on March 22, 2007 and ending on April 30, 2017 ("Term of Employment").

II. COMPENSATION

2. Section 2.1 is amended to provide as follows:

2.1.2. Supplemental Compensation. Subject to the terms of this Amendment, beginning on July 1, 2012, the University shall pay Coach, in equal biweekly installments, annualized supplemental compensation of One Million Two Hundred Thousand and no/100 Dollars (\$1,200,000) in recognition of Coach's efforts on behalf of the University for media, fundraising, community involvement, endorsements, and apparel, shoes, and equipment arrangements. The University will receive and control all outside payments relating to endorsements, media appearances, and apparel, equipment, and shoes arrangements.

3. **Section 2.3 is amended to provide as follows:**

2.3. Incentive Compensation. Each year, the University shall pay Coach incentive compensation as provided in the amended Schedule of Incentives, a copy of which is attached hereto as Amended Exhibit A and incorporated herein by reference. The University shall deliver to Coach the payment of such incentive compensation for a year promptly after the University has determined the amount of such payment and whether the conditions of payment have been met, but not later than May 1 for competition bonuses and not later than July 1 for academic performance bonuses.

4. **Section 2.4 is amended to provide as follows:**

2.4. Summer Camp Supplement; Space Availability. Subject to space availability and other program needs of the Department, Coach shall have the right to hold up to four weeks of basketball camp per summer in University facilities beginning in June, in accordance with Governing Association rules and University policies, and may use University facilities at other times of year to conduct clinics and other educational and instructional programs.

5. **Section 3.2 is amended to provide as follows:**

3.2. University's Right to Terminate Without Just Cause. The University may terminate this Employment Agreement without just cause upon ninety (90) days' written notice to Coach. In such event, the University shall pay Coach a termination fee, subject to withholding for applicable federal and state income taxes, federal social security taxes, and all other applicable taxes and deductions, in accordance with the provisions in this paragraph below. If the University pays the termination fee under this paragraph, Coach waives any right to seek additional compensation or damages from the University in connection with the termination. The University agrees not to terminate Coach under this provision during the basketball season, which shall be deemed to commence on the date of the first scheduled pre-season game of a season and conclude on the date of the last game played that season.

- a) If the effective date of termination is on or between July 1, 2012 and April 30, 2016, the University will pay Coach one-half of the base salary and supplemental compensation payable to Coach under Section 2.1.1 and Section 2.1.2. of the Employment Agreement for the remainder of the Term of Employment, including the guaranteed annual increases provided herein; provided, however, that in no event will the amount paid pursuant to this paragraph exceed Two Million Five Hundred Thousand and no/100 Dollars (\$2,500,000).
- b) If the effective date of termination is on or after May 1, 2016, the University owes Coach no termination fee, but the University will pay Coach his base salary and supplemental compensation through the end of the Employment

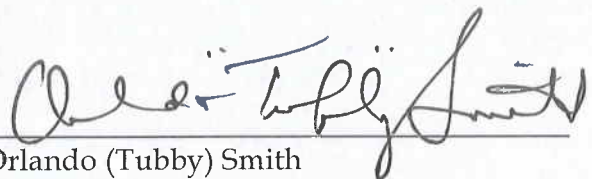
Agreement; provided, however, that in no event will the amount paid pursuant to this paragraph exceed Two Million Five Hundred Thousand and no/100 Dollars (\$2,500,000).

6. The parties agree that at the conclusion of the 2012-13 basketball season they shall review and discuss the terms of this Amendment.

7. Except as expressly provided in this Amendment, each and every term and condition of the Employment Agreement shall remain unchanged.


IN WITNESS WHEREOF, the undersigned have caused this Amendment to be effective as of the date first shown above.

Date: 7/30/12

By: 
Orlando (Tubby) Smith
Head Men's Basketball Coach

REGENTS OF THE UNIVERSITY OF
MINNESOTA

Date: 7/31/12

By: 
Amy Phenix
Chief of Staff

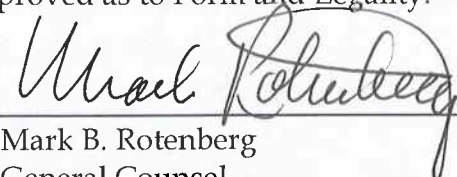
Recommended for Approval:

Date: 7/30/12

By: 
Norwood Teague, Director
Intercollegiate Athletics

Approved as to Form and Legality:

Date: 8.1.12

By: 
Mark B. Rotenberg
General Counsel

AMENDED EXHIBIT A (effective July 1, 2012)

SCHEDULE OF INCENTIVES

In lieu of any other performance based bonus plan the University may adopt for sports coaches or other University employees, the University shall pay Coach the following incentive Bonuses, consistent with the requirements of all other terms of this Agreement:

I. NCAA Tournament. For each year the Team shall play in the NCAA Championship Tournament during the Term of Employment, the University shall pay Coach as follows:

- a. Winning the National Championship, One Million, Five Hundred Thousand and No/100 Dollars (\$1,500,000);
- b. Playing in the National Championship Game, One Million and No/100 Dollars (\$1,000,000);
- c. Playing in the Final Four, Six Hundred Thousand and No/100 Dollars (\$600,000);
- d. Playing in the Elite Eight, Three Hundred Thousand and No/100 Dollars (\$300,000);
- e. Playing in the Sweet Sixteen, Two Hundred Thousand and No/100 Dollars (\$200,000);
- f. Playing in the Second Round, One Hundred Fifty Thousand and No/100 Dollars (\$150,000);
- g. An invitation to play in the NCAA Championship Tournament, One Hundred Thousand and No/100 Dollars (\$100,000).

Coach shall receive the highest single bonus amount achieved under this schedule I. Bonus amounts on this schedule I are not cumulative.

II. Big Ten Finish. The University shall pay Coach a bonus based upon the Team's Big Ten finish that concludes during each year of the Term of Employment, as follows:

	<u>Finish</u>	<u>Amount of Bonus</u>
a.	Big Ten Regular Season Champion	\$250,000
b.	Not lower than Big Ten Regular Season 2 nd Place or tied for 2 nd Place	\$150,000

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| c. | Not lower than Big Ten Regular Season 3 rd Place
or tied for 3 rd Place | \$100,000 |
| d. | Not lower than Big Ten Regular Season 4 th Place
or tied for 4 th Place | \$50,000 |
| e. | Big Ten Tournament
Champion | \$250,000 |

Bonus amounts on this schedule II are not cumulative except for the Big Ten Tournament Championship.

III. Academic Performance. The University shall pay Coach a bonus based on the Annual Academic Progress Rate ("APR") for the Team as established each year by the NCAA, Beginning at the end of FY 2008, as follows:

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| a. | APR greater than or equal to 930 | \$25,000 |
| b. | APR greater than or equal to 940 | \$50,000 |
| c. | APR greater than or equal to 950 | \$100,000 |
| d. | APR greater than or equal to 970 | \$150,000 |

Coach shall receive the highest single bonus amount achieved under bonus schedule III. Bonus amounts on this schedule III are not cumulative.

IV. Graduation Rate. Each year, beginning at the end of the 2007-2008 academic year, the University shall pay Coach a bonus of One Hundred Thousand and No/100 Dollars (\$100,000) if the four-year average of the Team's six-year graduate rate, as determined by the University consistent with NCAA rules, is equal to or higher than 50%. The four-year average shall be based on the rates of the just-completed academic year and the three previous academic years.

V. Coach of the Year Honors

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| a. | Big Ten Coach of the Year | \$100,000 |
| b. | National Coach of the Year | \$100,000 |

Coach is eligible to receive either or both amounts under this schedule V.

VI. Annual Team Cumulative Grade Point Average ("GPA").

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|----|-------------------------------------|-----------|
| a. | Cumulative Team GPA of 2.9 or above | \$100,000 |
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- b. Cumulative Team GPA of 3.25 or above \$150,000

Coach shall receive the highest single bonus amount achieved under this bonus schedule VI. Bonus amounts on this schedule VI are not cumulative.

VII. Contract Extension. The University agrees to extend the Employment Agreement and its Amendment for one year in the following circumstances:

- a. Winning the Big Ten Regular Season Championship; or
- b. Winning the Big Ten Tournament Championship; or
- c. Playing in the NCAA Tournament Sweet Sixteen or better.

In each year, the contract extension shall be for a maximum of one additional year. Additional one year extensions may be earned in other years. The extension shall be from May 1 following the end of the existing Term of Employment through April 30 of the following calendar year, and all other terms and conditions of the existing Employment Agreement shall apply to the extension period.