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University of South Carolina

BOARD OF TRUSTEES

Executive Committee

February 1, 2008

The Executive Committee of the University of South Carolina Board of Trustees met on Friday, February 1, 2008, at 1:00 p.m. in the 1600 Hampton Street Board Room.

Members present were: Mr. Herbert C. Adams, Chairman; Mr. James Bradley; Dr. C. Edward Floyd; Mr. Miles Loadholt; and Mr. Michael J. Mungo. Mr. Mack I. Whittle, Jr. was absent. Other Trustees present were: Mr. Arthur S. Bahnmuller; Mr. William L. Bethea, Jr.; Mr. Mark W. Buyck, Jr.; Mr. John W. Fields; Mr. Samuel R. Foster II; Mr. William C. Hubbard; Mr. William W. Jones, Jr.; Mr. Toney J. Lister; Mr. M. Wayne Staton; Mr. John C. von Lehe, Jr.; Mr. Eugene P. Warr, Jr.; and Mr. Othniel H. Wienges, Jr.

Others present were: President Andrew A. Sorensen; Secretary Thomas L. Stepp; Executive Vice President for Academic Affairs and Provost Mark P. Becker; Vice President for Research and Health Sciences Harris Pastides; Vice President and Chief Financial Officer Richard W. Kelly; Vice President for Student Affairs and Vice Provost for Academic Support Dennis Pruitt; Dean of the School of Medicine Donald J. DiPette; Vice President for Human Resources Jane M. Jameson; Vice President for Information Technology and Chief Information Officer William F. Hogue; Vice President for Advancement Brad Choate; General Counsel Walter (Terry) H. Parham; Chancellor of USC Aiken Thomas L. Hallman; Dean of USC Lancaster John Catalano; Dean of USC Union Hugh C. Rowland; Vice Provost for Academic Affairs William T. Moore; Vice Provost for Faculty Development Christine Curtis; USC Campus Dean of the South Carolina College of Pharmacy Randall C. Rowen; Dean of the College of Arts and Sciences Mary Ann Fitzpatrick; Director of Athletics Eric Hyman; Associate Vice President of Economic Development and Director of Innovista, Division of Health Research and Sciences, John Parks; Assistant Treasurer Susan D. Hanna; Executive Director of the USC Alumni Association Marsha A. Cole; Director of the Department of Internal Audit Alton McCoy; Executive Assistant to the President for Equal Opportunity Programs Bobby Gist; Dr. Robert Best, Chair of the Faculty Senate; Executive Associate Athletics Director for External Affairs Kevin O'Connell; Chief Financial Officer, Department of Athletics, Jeff Tallant; Sports Marketing Director, Department of Athletics, Jeff Crane; Special Assistant to the

President and Athletics Director John D. Gregory; Associate Director of Governmental Affairs and Legislative Liaison Casey Martin; Chair of University Athletics Advisory Committee Manton Matthews; Athletics Academic Advisor for Basketball Al Daniels; Associate Athletics Director Charles Waddell; Director of USC Media Relations, Athletics Administration, Steve Fink; Assistant Athletics Director for Compliance Jennifer Stiles; Director of University Communications, Division of University Advancement, Russ McKinney, Jr.; University Technology Service Production Manager Justin Johnson; Board staff members Terri Saxon, Vera Stone, and Karen Tweedy; and members of the media.

Chairman Adams called the meeting to order and asked Mr. McKinney to introduce members of the media who were in attendance. Chairman Adams stated that notice of the meeting had been posted and the press notified as required by the Freedom of Information Act; the agenda and supporting materials had been circulated to members of the Committee; and a quorum was present to conduct business.

Chairman Adams stated that there were contractual and personnel matters which were appropriate for discussion in Executive Session. Mr. Bradley moved to enter Executive Session. Mr. Mungo seconded the motion. The vote was taken, and the motion carried.

Chairman Adams invited the following persons to remain: Dr. Sorensen, Secretary Stepp, Dr. Becker, Mr. Kelly, Dr. Pastides, Mr. Choate, Ms. Jameson, Dr. Pruitt, Dr. Hogue, Dr. Plyler, Mr. Parham, Mr. Gregory, Ms. Mills, Ms. Martin, Mr. O'Connell, Mr. Crane, Mr. Daniel, Mr. Tallant, Mr. Parks, Mr. Hyman, Mr. McCoy, Mr. McKinney, Mrs. Saxon, Ms. Stone, and Ms. Tweedy.

Return to Open Session

Chairman Adams called for a moment of silence in memory of long-time Carolina Sports Information Director, Mr. Tom Price, who had suffered a massive stroke several days ago and passed away moments ago.

I. Contracts Valued in Excess of \$250,000:

A. Multimedia Rights Agreement: Chairman Adams called on Mr. Parham who requested Secretary Stepp to read a proposed motion on behalf of the Board.

Secretary Stepp stated, for purposes of discussion, the following motion was requested:

To authorize the University to proceed with the issuance of a Notice-of-Intent-to-Award a multimedia rights agreement to the vendor selected pursuant to the competitive solicitation process in the South Carolina Consolidated Procurement Code. Following the completion of the procurement process, the Executive Committee would consider for its approval a formal contract between the University and the selected vendor.

Mr. Bradley moved approval as presented. Dr. Floyd seconded the motion. The vote was taken, and the motion carried.

B. Amendment to Head Football Coach Employment Contract: Chairman Adams called on Mr. Parham who presented on behalf of Mr. Hyman, Amendment #3 to Head Football Coach Steve Spurrier's employment agreement. The provision would create a tax-deferred retirement plan. The retirement plan would be funded by annual contributions of \$250,000 per year from the Athletics Department beginning December 2008 and ending December 31, 2011.

Mr. Parham presented the termination provisions in the agreement as follows:

- If Coach Spurrier remained as the Head Football Coach at USC through December 31, 2011, he would be vested and would receive the benefits of the plan.
- If the University terminated Coach Spurrier's employment agreement for cause prior to December 31, 2011, Coach Spurrier would forfeit any rights to the retirement plan.
- If the University terminated Coach Spurrier's employment agreement without cause prior to December 31, 2011, Coach Spurrier would be entitled to the balance (including earnings) in the retirement plan as of the effective date of termination.
- If Coach Spurrier terminated his employment agreement prior to December 31, 2011, he would forfeit any rights to the retirement plan.

All other provisions in Coach Spurrier's employment agreement remained in full force and effect.

Mr. Mungo moved approval of Amendment #3 to Head Football Coach Steve Spurrier's employment agreement as distributed in the materials for this meeting. Dr. Floyd seconded the motion. The vote was taken, and the motion carried.

C. Athletics Department Employment Contract - Raymond J. Rychleski:

Mr. Parham presented on behalf of Mr. Hyman, a proposed employment agreement for Assistant Football Coach Raymond Rychleski.

The term of the agreement was January 4, 2008, through March 31, 2010. Coach Rychleski would be paid \$160,000 for the period of January 4, 2008, through March 31, 2009 and \$170,000 from April 1, 2009, through March 31, 2010.

In addition, Coach Rychleski would be provided the use of one vehicle.

Mr. Parham stated the termination provisions of the contract as follows:

- The contract would terminate automatically 90 days after the effective date of the resignation or termination of the Head Football Coach. Thereafter, USC would have no obligation to compensation to Coach Rychleski.
- USC could terminate the contract for cause. If so, USC would have no obligation to compensate Coach Rychleski after the effective termination.
- USC could terminate the contract without cause upon 10 days notice. If so, USC would pay Coach Rychleski his base salary for the remaining term of the Employment Agreement. If Coach Rychleski found other employment, USC's obligation to pay liquidated damages would be reduced by an amount equal to the compensation Coach Rychleski received from such new employment.
- Coach Rychleski could terminate the contract upon 10 days notice. If so, Coach Rychleski would pay USC \$25,000.

Chairman Adams called for a motion for approval of the employment agreement as submitted in the materials for this meeting. Mr. Mungo so moved. Mr. Loadholt seconded the motion. The vote was taken, and the motion carried.

D. Employment Contract for Defensive Coordinator Ellis Johnson: Mr. Parham presented on behalf of Mr. Hyman a proposed employment agreement between the Athletics Department and Assistant Football Coach Ellis Johnson.

The term of the agreement was three years commencing January 28, 2008, and ending December 31, 2010.

Coach Johnson would receive annual compensation totaling \$350,000 per year and payable as follows: The base salary of \$200,000 per year would be paid through the University and \$150,000 per year would be paid quarterly directly from the multimedia rights holder to the University's Athletics Department.

There were four incentive provisions in the contract. Mr. Johnson could earn \$10,000 in any year if the football team finished as one of the top six teams in the SEC in total defense; \$10,000 in a contract year if the football team finished as one of the top three teams in total defense in the SEC; \$25,000 in any year if the football won the eastern division of the SEC; and \$50,000 if the team won the entire SEC championship.

The incentive based supplemental compensation payments would be made 45 days after the end of the football season in any year that the incentives were earned.

Coach Johnson would be provided moving expenses in accordance with the University's policy. Additionally, he would have use of one automobile.

The termination provisions in the agreement were as follows:

- USC could terminate the contract for cause. If so, USC would have no obligation to compensation to Coach Johnson after the effective date of termination.
- USC could terminate the contract without cause. If so, USC would pay his base salary for the remaining term of the Employment Agreement.
- If Coach Johnson terminated the contract, he would owe USC the same amount as the value of his base salary for the remaining term of the contract. However, Coach Johnson's liquidated damage obligation would be waived if he left USC to immediately assume a head coaching job in intercollegiate athletics.

In closing, Mr. Parham stated that Coach Johnson would be provided moving expenses in accordance with the University's policy; he would also have use of one automobile.

Chairman Adams called for a motion to approve Assistant Football Coach Ellis Johnson's employment agreement. Mr. Mungo so moved. Mr. Loadholt seconded the motion. The vote was taken, and the motion carried.

Since there were no other matters to come before the Committee, Chairman Adams declared the meeting adjourned at 1:45 p.m.

Respectfully submitted,

Thomas L. Stepp
Secretary