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University of South Carolina

BOARD OF TRUSTEES

Executive Committee

April 16, 2005

The Executive Committee of the University of South Carolina Board of Trustees met on Saturday, April 16, 2005, at 12:00 p.m. in Osborne Building Room 206B.

Trustees present were: Mr. Herbert C. Adams, Chairman; Mr. James Bradley; Dr. C. Edward Floyd; Mr. Miles Loadholt; Mr. Michael J. Mungo; and Mr. Mack I. Whittle, Jr. Other Trustees present were: Mr. Mark W. Buyck, Jr.; 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; General Counsel Walter (Terry) H. Parham; Director of University Communications, Division of University Advancement, Russ McKinney, Jr.; and members of the media.

Chairman Adams called the meeting to order and asked Secretary Stepp to call the roll in order to identify those members who were participating via telephone; he invited others in attendance to introduce themselves. Mr. McKinney introduced 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.

There was a contractual matter relative to an Athletics contract which was appropriate for discussion in Executive Session. Chairman Adams called for a motion to enter Executive Session. Mr. Bradley so moved. Mr. Mungo seconded the motion. The vote was taken, and the motion carried.

The following persons were asked to remain: President Sorensen, Mr. Stepp, Mr. Parham, Mr. McKinney, Ms. Stone and Ms. Tweedy.

Return to Open Session

I. Contracts Valued in Excess of \$250,000 - Athletics Director's Contract:

Chairman Adams called on President Sorensen who stated that approximately 40 persons had expressed an interest in the position of Athletics Director at the University; most had been referred by other persons. He was very impressed with the quality of the pool of candidates, many of whom were either "sitting" athletics directors or conference commissioners. From that pool, a list of 12 candidates had been selected and interviewed. That number was further reduced to 6 candidates who were each informed of the array of athletics issues and challenges facing the University including the potential purchase of the Farmers Market and concomitant development of that property for athletics facilities; construction of a new baseball stadium; the possible acquisition of a new building for the athletics director's offices; the ongoing NCAA investigation.

Based on these criteria, President Sorensen believed that it was imperative to hire a "sitting" athletics director and especially one in Division 1A. "I believe we are singularly fortunate to have recruited Mr. Eric Hyman, currently athletics director at Texas Christian University and a man of enormous integrity, for this position." Accepting Carolina's offer would be Mr. Hyman's fourth position as an athletics director.

Of further note was the fact that he had been selected as the 2003-2004 National Athletics Director of the Year. In addition, Mr. Hyman had accrued years of experience in South Carolina primarily serving at Furman University beginning as a defensive coordinator for the football team and eventually rising to the rank of Associate Athletics Director. President Sorensen was pleased to recommend Mr. Hyman to the Executive Committee for approval as the University's next athletics director.

Chairman Adams recognized Mr. Parham who outlined the essential terms of the contract. The contract term will cover a period of five years beginning July 1, 2005 and ending June 30, 2010. Base salary and annual supplemental compensation package would total \$375,000 per year. The contract would also contain the opportunity for Mr. Hyman to earn performance based incentive compensation not to exceed \$75,000 per year.

In addition, the University will establish a tax deferred retirement fund for him at the rate of \$50,000 per year; that contribution will be made on June 30th for each year that Mr. Hyman remained as the athletics director during the term of the contract. And, he would receive that benefit only if he remained as athletics director until the termination date of June 30, 2010.

Additional standard provisions included use of two vehicles, a country club membership and a dining club membership. Mr. Hyman would also receive a relocation loan in the amount of \$150,000 to be forgiven at the rate of \$30,000 per year on June 30th of each year during the term of the contract as long as he remained the athletics director.

Termination provisions were as follows: if the University terminated Mr. Hyman's contract "for cause", all obligations to pay additional compensation would immediately cease. Mr. Hyman would be required to repay that portion of the relocation loan which had not been forgiven; he would also waive any claim to the tax deferred retirement plan benefits unless he remained as athletics director for the full five years of the contract.

Both the University and Mr. Hyman could terminate the contract "without cause"; those provisions mirrored each other. If the University terminated "without cause", Mr. Hyman would receive \$325,000 per year for the remaining term of the contract. He would also receive the benefits of the tax deferred compensation plan (i.e., the University would fund the full five year period) and the University would waive his obligation to repay the relocation loan.

Similarly, if Mr. Hyman terminated the contract "without cause", he would be obligated to pay the University \$325,000 per year for the remaining contractual term; he would be required to repay the outstanding balance of the relocation loan; and he would waive any claim to the benefits of the tax deferred retirement plan unless those benefits "had already vested."

Mr. Whittle moved approval of President Sorensen's recommendation to hire Mr. Eric Hyman as the University's athletics director as presented. Mr. Loadholt seconded the motion. Mr. Mungo suggested that the terminology of the motion be that "the Executive Committee approve this contract and send it forward to the full Board for its normal confirmation." Mr. Whittle amended his motion to reflect Mr. Mungo's recommendation. Mr. Loadholt seconded the amended motion. Secretary Stepp called the role on the amended motion. The motion carried.

II. Adjournment: Since there were no other matters to come before the Committee, Chairman Adams declared the meeting adjourned at 12:25 p.m.

Respectfully submitted,

Thomas L. Stepp
Secretary