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BOARD OF TRUSTEES

Executive Committee

July 17, 2007

The Executive Committee of the University of South Carolina met on Tuesday, July 17, 2007, at 2:00 p.m. in Room 206D of the Osborne Building.

Members 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.

Others present were: President Andrew A. Sorensen; Secretary Thomas L. Stepp; Executive Vice President for Academic Affairs and Provost Mark P. Becker; Vice President and Chief Financial Officer Richard W. Kelly; Vice President for Information Technology and Chief Information Officer William F. Hogue; Vice President for Advancement Brad Choate; General Counsel Walter (Terry) H. Parham; Director of Athletics Eric C. Hyman; Associate Athletics Director Charles Waddell; Chief Financial Officer, Department of Athletics, Jeff Tallant; Executive Associate Athletics Director for External Affairs Kevin O'Connell; Director of the Office of Business, Division of Business and Finance, Helen Zeigler; Director of Government Affairs and Legislative Liaison Johnny D. Gregory; Public Information Coordinator for the Office of Media Relations, Division of University Advancement, Bond Nickles; and Board staff members Terri Saxon and Karen Tweedy.

Mr. Adams called the meeting to order and invited Secretary Stepp to call the roll because of telephone participation. Mr. Nickles introduced the members of the media 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.

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

A. Lamont Digital Systems, Inc. d/b/a Campus Televideo:

Chairman Adams called on Mr. Parham who explained that in 2002, University Technology Systems contracted with Lamont Digital Systems to provide cable television programming to all University and Greek housing, and other select campus locations. The contract had been renewed annually. In FY 2006-2007 Lamont was paid \$170,655.

The USC Student Residential Hall Association recently voted to request the Board of Trustees amend the contract to add premium movie and country music channels. The FY 2007-2008 contract included the additional channels at a cost of \$295,721.40.

Mr. Bradley moved approval of the contract as distributed. Mr. Mungo seconded the motion.

Dr. Floyd asked how much the new contract would increase students' housing costs. Mr. Parham responded that according to the USC Housing office, the increase would be minimal.

Secretary Stepp conducted a roll call vote, and the motion carried.

B. Airplane Lease Agreement:

Chairman Adams called on Mr. Kelly who explained that the University's contract for use of the same plane they currently used, which had been upgraded during the prior contract, had expired. The contract was re-bid and only one bid was received. The five-year all-inclusive contract between the University and the University Development Foundation was for lease of the King Air 350 airplane at the rate of \$1,373 per hour. The contract was based on a proposed 400 hours of use for an estimated total of \$537,200. The State Joint Bond Review Committee and the Budget and Control Board's approval would be required, following Executive Committee approval.

Dr. Floyd moved approval of the contract as distributed. Mr. Whittle seconded the motion.

Mr. Mungo asked for clarification of the all-inclusive rate of \$1,373 per hour. Mr. Kelly explained that the hourly rate was for flight time, hanger and maintenance costs. The two pilots were salaried USC employees, therefore their salaries and expenses were paid by the University, and not a part of the contract amount.

Chairman Adams asked if anyone was assigned to routinely assess the aircraft to determine if and when upgrades were needed. Mr. Kelly explained that the University's pilots and other University officials conducted ongoing assessments.

Secretary Stepp conducted a roll call vote, and the motion carried.

C. Delta Airlines - USC Athletics Football Charter Agreement:

Chairman Adams called on Mr. Parham who explained that the contract would provide charter flights to four University away football games: Louisiana Southern University, University of North Carolina, University of Tennessee, and the University of Arkansas. The new contract amount of

\$366,699 was a slight increase over last year's contract amount of \$342,040 for the same number of flights.

Mr. Mungo moved approval of the contract as distributed. Mr. Whittle seconded the motion.

Dr. Floyd asked specific questions about the planes that would be used and Mr. Tallant responded to his questions.

Secretary Stepp conducted a roll call vote, and the motion carried.

D. Employment Agreement - Head Women's Soccer Coach: Mr. Parham stated that the five-year employment contract was for the University's Head Women's Soccer Coach, Shelly Smith, who had been in that position since January 2002. The contract would extend her employment through February 28, 2012, at a base salary of \$84,000. It also included an incentive package. The only change was in the "buy-out provision" clause.

Dr. Floyd moved approval of the contract as distributed. Mr. Loadholt seconded the motion.

Mr. Hyman answered questions from the Committee regarding details of the incentives package.

Secretary Stepp conducted a roll call vote, and the motion carried.

E. Modification of Amendment #2 - Head Football Coach Employment Agreement:

Mr. Parham explained that on December 2, 2006, the Executive Committee approved Amendment #2 of Head Football Coach Steve Spurrier's contract. The amendment increased his compensation package. The request was to change the effective date of that amendment from July 31, 2007 to January 1, 2007.

Mr. Mungo moved approval of the modification of Amendment #2 of the employment contract as distributed. Mr. Bradley seconded the motion. There were no questions or discussion. Secretary Stepp conducted a roll call vote, and the motion carried.

Mr. Whittle requested a status report be provided at the next Executive Committee meeting on the Innovista financing.

II. Adjournment: Since there were no other matters to come before the Committee, Chairman Adams declared the meeting adjourned at 2:25 p.m.

Respectfully submitted,

Thomas L. Stepp
Secretary