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University of South Carolina

BOARD OF TRUSTEES

Executive Committee

December 2, 2006

The Executive Committee of the University of South Carolina Board of Trustees met on Saturday, December 2, 2006, at 1:00 p.m. in the Colonial Center Conference Room.

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. The Chairman of the Intercollegiate Activities Committee, Mr. Othniel H. Wienges, Jr., was present by special invitation. Other Trustees present were Mr. John W. Fields and Mr. Samuel R. Foster, II.

Others present were: President Andrew A. Sorensen; Secretary Thomas L. Stepp; Director of Athletics Eric C. Hyman; General Counsel Walter (Terry) H. Parham; Vice President and Chief Financial Officer Richard W. Kelly; Director of University Communications, Division of University Advancement, Russ McKinney, Jr.; Board staff member Karen Tweedy; and members of the media.

Chairman Adams called the meeting to order and asked Secretary Stepp to call the roll because of telephone participation. 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 had been circulated to members of the Committee; and a quorum was present to conduct business.

Chairman Adams stated that there was a contractual matter relative to an athletics contract which was 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.

The following persons were invited to remain: President Sorensen, Secretary Stepp, Mr. Hyman, Mr. Parham, Mr. Kelly, Mr. McKinney, and Ms. Tweedy.

Return to Open Session

I. Proposed Contractual Matter: Athletics Contract: Chairman Adams

called on President Sorensen who offered the following comments:

Mr. Chairman and members of the Executive Committee, this is another exciting day in the life of Carolina athletics and the University of South Carolina.

I am pleased to present to you today a proposal to amend Coach Steve Spurrier's contract with the University. This proposal is being made for two purposes. First, to reward Coach Spurrier for the outstanding manner in which he has represented the University during the past two years both on and off the football field. His competitive spirit and considerable coaching skills have energized our fans and made our team believe it can achieve greatness in the toughest football conference in the country. Last week's exciting victory over Clemson has only whetted our appetite for the possibilities next year presents.

Second, the financial package we are proposing today is designed to bring Coach Spurrier's compensation in line with the other top coaches in the SEC. Simply put, we believe Coach Spurrier is the best coach in the SEC and though we are mindful of escalating salaries and costs in intercollegiate athletics, we believe Coach Spurrier's pay should reflect his stature amongst his peers.

I also want to emphasize that the action we are proposing today is not the result of a concern that Coach Spurrier was contemplating leaving USC for another coaching position. As I have explained to reporters, some of whom are present, that has never been the case. Even before we began speaking with Coach Spurrier about amending his contract, Coach Spurrier consistently and unequivocally stated his commitment to USC and his intent to remain here for many years to come.

We are not surprised that other schools want Coach Spurrier, but he wants to be here and for that, all Gamecock fans are grateful.

President Sorensen asked University Counsel Terry Parham to present the specifics of the amendments to Coach Spurrier's contract.

Mr. Parham presented the following proposed amendments to Coach Spurrier's contract:

A. The term of the contract will be extended one year through December 31, 2012; currently his 7 year contract would expire December 31, 2011.

B. Coach Spurrier's current contract provided for an annual guaranteed compensation of \$1,275,500 consisting of a base salary of \$257,500; a \$500,000 guarantee for television and radio shows and commercial endorsements; and a \$500,000 guarantee for athletics shoes, equipment and coaching apparel. The proposed amendment would raise the total annual guaranteed compensation to \$1,750,000.

C. Coach Spurrier's current contract contained several incentive based supplemental compensation opportunities. The proposed amendments would add 2 additional events to that list: (1) if he won 9 games in a regular season or post season, he would receive a one time bonus of \$50,000; (2) if he won 10 or more games in the regular season or post season, he would earn \$100,000.

In connection with this item, Paragraph 4.03 of his current contract provided for certain annual guaranteed compensation increases. Specifically, if Coach Spurrier won 8 games or more, he would receive a \$50,000 increase, and if he won 9 games or more, he would receive a \$100,000 increase; those increases under the

current contract were applied to his total annual guaranteed compensation package and were recurring. That section will be deleted because the two above proposed opportunities will be placed in the incentive based supplemental compensation section.

D. Buyout provisions were also modified. Under the current contract, the buyout provisions were reciprocal; that is, if the University terminated without cause or if Coach Spurrier terminated without cause, either party were required to pay the other \$250,000 per year for the remaining term of the contract.

Under the proposed amendment, the buyout provisions would remain reciprocal but would increase to \$500,000 per year for both parties.

E. The effective date of the proposed contract will be July 1, 2007.

Mr. Mungo moved approval of the modifications to Coach Spurrier's contract as presented. Mr. Loadholt seconded the motion. Mr. Stepp conducted a roll call vote, and the motion carried. Mr. Whittle had left the meeting for business reasons before the roll was called.

II. Adjournment: Since there were no other matters to come before the Committee, Chairman Adams declared the meeting adjourned at 1:40 p.m.

Respectfully submitted,

Thomas L. Stepp
Secretary