

STATE OF SOUTH CAROLINA     )  
  )  
COUNTY OF RICHLAND         )

EMPLOYMENT AGREEMENT

This Employment Agreement is made and entered into as of December 7, 2015, by and between the University of South Carolina, an educational institution and an agency of the State of South Carolina ("University"), and William L. Muschamp ("Employee").

**WITNESSETH:**

In consideration of the mutual covenants and conditions contained herein, the parties mutually agree as follows:

**1.     Employment Status.**

1.01: Position. Employee shall be employed to perform the duties and responsibilities of Head Football Coach as assigned by the Director of Athletics.

1.02: Reporting Relationship. Employee shall report to the Director of Athletics. The Director of Athletics and Employee shall meet to formally discuss all aspects of the operation of the football program within forty five (45) days following the conclusion of each Contract Year (as defined in Paragraph 3.01 herein).

1.03: Unclassified State Employee. Employee shall be an unclassified state employee with the terms of his employment restricted solely to this Employment Agreement.

1.04: Grievance Rights. Employee is exempt from the provisions of the South Carolina State Employee Grievance Procedure Act pursuant to Section 8-17-370 of the *Code of Laws of South Carolina* (1976), as amended, and hereby waives any and all grievance rights under the University's grievance procedure. Employee's grievance rights shall be solely as set forth in Paragraph 12.01(b) herein.

1.05: Employee Not Entitled to Tenure. Employee's employment under this Employment Agreement is not a tenure track position and will not lead to tenure.

**2.     Duties and Responsibilities.**

2.01: Best Efforts. Employee agrees to be a loyal employee of the University and to devote his best efforts full time to the proper and efficient performance of the duties of Head Football Coach as assigned by the Director of Athletics.

2.02: Conduct. Employee agrees to act at all times in a manner consistent with good sportsmanship and with the high moral, ethical and academic standards of the University.

Employee shall exercise due care that all personnel and student-athletes under Employee's supervision or subject to Employee's control or authority shall comport themselves in like manner.

2.03: Public Relations. Employee agrees to use his best efforts to maintain good relations with the public, media, University administration, faculty, staff and alumni.

2.04: Compliance with University Rules. Employee agrees to comply with all rules, regulations, policies and decisions established or issued by the University, to adhere to, respect and follow the academic standards and requirements of the University in regard to the recruiting and eligibility of prospective and current student-athletes for the football program, and to use his best efforts to ensure that all assistant coaches, staff and student-athletes subject to his control or authority similarly comply. In the event Employee becomes aware, or has reasonable cause to believe, that violations of such rules, regulations, policies and decisions may have taken place, he shall report the same promptly to the Director of Athletics.

2.05: Compliance with NCAA and SEC Rules. Employee agrees to abide by and comply with the constitution, bylaws, rules, regulations and interpretations (collectively "Legislation") of the National Collegiate Athletic Association ("NCAA") and the Southeastern Conference ("SEC") relating to the conduct and administration of the football program, including recruiting and eligibility rules, as now constituted or as any of the same may be amended during the term hereof, and to use his best efforts to ensure that all assistant coaches, staff and student-athletes subject to his control or authority similarly comply with NCAA and SEC Legislation. In the event Employee becomes aware, or has reasonable cause to believe, that violations of such Legislation may have taken place, he shall report the same promptly to the Associate Athletics Director of Compliance Services or the Director of Athletics.

2.06: Head Coach Responsibilities. Employee shall perform and administer to the reasonable satisfaction of the Director of Athletics the duties and responsibilities ordinarily associated with and performed by a head football coach at a major university that participates at the NCAA Division I – Football Bowl Subdivision level, including, without limitation:

- (a) directing and managing the football program in keeping with the educational purpose of and the traditions, values, integrity and ethics of the University;
- (b) developing, implementing and supervising effective plans and strategies to recruit academically qualified student-athletes who possess the talent necessary to ensure the football program is competitive and the personal characteristics necessary to be well-regarded representatives of the University;
- (c) evaluating, training, conditioning, instructing, supervising, and coaching student-athletes to prepare them to consistently compete successfully

against major college competition in a quality football program; disciplining, in consultation with the Director of Athletics, and holding student-athletes accountable for their actions;

- (d) monitoring and encouraging the academic success and progress of student-athletes recruited for the football program toward graduation in defined degree programs;
- (e) planning and supervising practices, games, and off-field and off-season training and activities;
- (f) planning and developing a budget for the football program, in consultation with the Director of Athletics, and administering the approved budget in accordance with University policies and procedures;
- (g) selecting for employment, and terminating, qualified assistant football coaches and staff, subject to budgetary limitations of the Athletics Department and the prior approval of the Director of Athletics; training, supervising, and holding assistant coaches and staff accountable for their actions and for compliance with NCAA and SEC Legislation.

**3. Term of Employment.**

3.01: Term. The term of this Employment Agreement shall begin on December 7, 2015 (“Commencement Date”) and shall terminate without further notice from the University on December 31, 2020, subject to prior termination in accordance with the provisions of Paragraphs 11 and 12 herein. For purposes of this Employment Agreement, each twelve-month period beginning January 1 and ending December 31 during the term of this Employment Agreement shall be considered a “Contract Year”; provided, however, it is understood that the first Contract Year of this Employment Agreement shall begin on the Commencement Date and end December 31, 2016.

3.02: Extension of Term. The term of this Employment Agreement may be extended for additional periods upon such written terms and conditions as may be mutually agreed upon by the parties. In the event the term of Employee’s employment with the University is so extended, this Employment Agreement shall continue in full force and effect to the extent it is not inconsistent with such subsequent written agreements.

**4. Base Salary; Fringe Benefits; Incentive-Based Supplemental Compensation.**

4.01: Base Salary. In consideration for services and satisfactory performance of the terms and conditions of this Employment Agreement, Employee shall be paid an annual base salary from the University of One Million One Hundred Thousand Dollars (\$1,100,000.00) payable in installments in accordance with customary University payroll procedures. The base

salary shall be subject to normal deductions and withholdings for state, local and federal taxes, and for any retirement or other benefits to which Employee is entitled or in which he participates.

4.02: Fringe Benefits. Employee shall be entitled to participate in the standard University employment benefits programs, subject to any eligibility requirement, normally provided by the University to its exempt, unclassified, non-faculty full-time employees, including, but not limited to, annual leave, sick leave, insurance programs, deferred compensation programs, and the State of South Carolina retirement program. If any benefit is based in whole or in part upon the salary paid to Employee, such consideration shall be made based exclusively upon Employee's base salary.

4.03: Incentive-Based Supplemental Compensation.

(a) In each Contract Year during the term of this Employment Agreement, Employee shall earn and receive incentive-based supplemental compensation from the University as follows:

(1) SEC Championship Game.

(i) Employee may earn the greater of the following: \$100,000 if the football team plays in the SEC Championship football game, or \$150,000 if the football team wins the SEC Championship football game.

(ii) It is understood that Employee must be employed by the University on the date of the SEC Championship football game and coach the football team during the SEC Championship football game in order to be eligible to earn the incentive-based supplemental compensation under this Paragraph 4.03(a)(1).

(2) Post-Season Bowl/Playoff Games.

(i) Employee may earn the greater of the following: \$50,000 if the football team plays in a non-Big 6 bowl game, or \$100,000 if the football team plays in the Capital One bowl game, or \$250,000 if the football team plays in a Big 6 bowl game, or \$300,000 if the football team wins a Big 6 bowl game; or \$300,000 if the football team plays in an NCAA post-season playoff game. As used herein, it is understood that the Big 6 bowl games are as follows: Sugar Bowl, Rose Bowl, Orange Bowl, Cotton Bowl, Peach Bowl and Fiesta Bowl.

- (ii) Employee may earn the greater of the following: \$300,000 if the football team plays in the NCAA National Championship game, or \$400,000 if the football team wins the NCAA National Championship game.
- (iii) For purposes of clarity of this Paragraph 4.03(a)(2), it is understood that if the football team wins the NCAA National Championship game, Employee shall earn a total of \$700,000 in post-season-game incentive compensation. If the football team plays in the NCAA National Championship game but does not win, Employee will earn a total of \$600,000 in post-season-game incentive compensation. If the football team plays in a NCAA post-season playoff game but does not win, Employee will earn a total of \$300,000 in post-season-game incentive compensation.
- (iv) It is understood that Employee must be employed by the University on the date of the post-season bowl/playoff game and coach the football team during the post-season bowl/playoff game in order to be eligible to earn the incentive-based supplemental compensation under this Paragraph 4.03(a)(2).

(3) Coach of the Year.

- (i) Employee may earn either or both of the following: \$50,000 if Employee is selected as SEC Coach of the Year (as recognized by the SEC), and \$75,000 if Employee is selected as the AFCA Coach of the Year.
- (ii) For purposes of clarity of this Paragraph 4.03(a)(3), it is understood that Employee shall earn a total of \$125,000 in coach-of-the-year incentive compensation if Employee is selected as both the SEC Coach of the Year and the AFCA Coach of the Year.

(4) Academic Performance Rate ("APR").

- (i) Employee may earn the greater of the following: \$50,000 if the football team has a multi-year APR of 950 to 964, or \$75,000 if the football team has a multi-year APR of 965 to 974, or \$100,000 if the football team has a multi-year APR of 975 or higher.

- (ii) For purposes of clarity of this Paragraph 4.03(a)(4), it is understood that “multi-year APR” shall mean the Academic Progress Rate calculated in accordance with method prescribed by the NCAA using a rolling four-year cohort.
- (b) Any incentive-based supplemental compensation due under this Paragraph 4.03 shall be paid by the University to Employee within forty-five (45) days after Employee earns such incentive-based supplemental compensation. In no event shall any supplemental compensation paid to Employee pursuant to this Paragraph 4.03 be considered part of Employee’s base salary.

5. **Outside Income.**

5.01: **Television and Radio Shows; Commercial Endorsements.**

- (a) The University reserves the exclusive right to produce and market or contract for the production and marketing of television and radio shows in connection with the football program. Employee agrees to appear on and make reasonable efforts to make successful such television and radio shows. The University, or other producer or broadcast rights holder of such shows by separate agreement, shall pay Employee compensation for his services as set forth in Paragraph 5.01(c) herein. The University shall have no responsibility for amounts due and owing by producers or broadcast rights holders other than the University except as set forth in Paragraph 5.01(c) herein. The University shall own all rights in and to the programs.
- (b) The University reserves the exclusive right to market or contract for the marketing of Employee’s services to promote commercial endorsements, including but not limited to apparel, athletics shoes and equipment, in connection with his position as Head Football Coach, and Employee shall not otherwise engage in such commercial endorsements without the prior consent of the Director of Athletics. The parties agree that such commercial endorsements shall be mutually agreed upon; provided, however, Employee shall not unreasonably refuse to make such commercial endorsements. The University, or other marketing company or rights holder by separate agreement, shall pay Employee compensation for his services as set forth in Paragraph 5.01(c) herein. The University shall have no responsibility for amounts due and owing by marketing companies or other rights holders other than the University except as set forth in Paragraph 5.01(c) herein.

(c) In each full Contract Year that Employee is employed under this Employment Agreement, Employee shall receive compensation for his services in connection with television and radio shows and commercial endorsements, collectively, as set forth in Paragraphs 5.01(a) and 5.01(b) herein, as follows, or a pro rata amount thereof for any partial Contract Year Employee is employed under this Employment Agreement:

(i) December 7, 2015 to December 31, 2016: \$1,900,000.00,  
payable as follows:

April 1:	\$475,000.00
July 1:	\$475,000.00
October 1:	\$475,000.00
December 31:	\$475,000.00

(ii) January 1, 2017 to December 31, 2017: \$2,000,000.00,  
payable as follows:

April 1:	\$500,000.00
July 1:	\$500,000.00
October 1:	\$500,000.00
December 31:	\$500,000.00

(iii) January 1, 2018 to December 31, 2018: \$2,100,000.00,  
payable as follows:

April 1:	\$525,000.00
July 1:	\$525,000.00
October 1:	\$525,000.00
December 31:	\$525,000.00

(iv) January 1, 2019 to December 31, 2019: \$2,200,000.00,  
payable as follows:

April 1:	\$550,000.00
July 1:	\$550,000.00
October 1:	\$550,000.00
December 31:	\$550,000.00

(v) January 1, 2020 to December 31, 2020: \$2,300,000.00,  
payable as follows:

April 1:	\$575,000.00
July 1:	\$575,000.00
October 1:	\$575,000.00

December 31:           \$575,000.00

Payment shall be made to Employee directly from outside rights holders, collectively, selected by the University. In the event that Employee does not receive the specified amount in any full Contract Year he is employed under this Employment Agreement, or a pro rata amount thereof for any partial Contract Year Employee is employed under this Employment Agreement, directly from outside rights holders, collectively, selected by the University, for his services in connection with television and radio shows and commercial endorsements, the University agrees to pay Employee the difference between the amount received by Employee from such outside rights holders, collectively, and the specified amount, or a pro rata amount thereof for any partial Contract Year Employee is employed under this Employment Agreement. Such payment by the University, if required herein, shall be made within forty-five (45) days after the conclusion of such Contract Year. It is understood and agreed that any such payment from outside rights holders or the University shall not be considered to be part of Employee's base salary as set forth in Paragraph 4.01 herein.

5.02: Use of Employee's Name and Likeness. While he is employed as the Head Football Coach, Employee hereby grants the University the non-exclusive right to reasonably use, and the right to grant to others the reasonable use of, his name, nickname, initials, autograph, facsimile signature, voice, video or film portrayals, photographs, likenesses, images, facsimile images, logos or trademarks (collectively, his "Name") in connection with the activities described in Paragraphs 5.01(a) and 5.01(b) herein or the promotion of the University, the Athletics Department, or football team or program, and regardless of whether such use of Employee's Name results in a financial or other benefit to the University. This permission will terminate upon the termination or expiration of this Employment Agreement; provided, however, to the extent necessary for the University or its outside rights holders to complete the terms and conditions of existing agreements with sponsors or to sell existing inventory utilizing Employee's Name, Employee agrees that the University or its outside rights holders may continue to use Employee's Name or endorsement, on a non-exclusive basis, and continue to receive compensation arising from such use or endorsement after the termination or expiration of this Employment Agreement; provided, further, however, that the University agrees to terminate or cause to be terminated such use as promptly as possible after such termination or expiration of the Employment Agreement. In addition, Employee acknowledges and agrees that while Employee is the Head Football Coach and after the termination or expiration of this Employment Agreement, the University may use, and may grant to others the right to use, Employee's Name for factual, historical, archival or documentary purposes. The University agrees that Employee is and will remain the sole and exclusive owner of his Name and all proprietary and potentially proprietary rights relating thereto except as otherwise set forth in this Employment Agreement.



5.03: Internet Web Site. The University reserves the exclusive right to create, manage and market or contract for the creation, management and marketing of an internet web site regarding University athletics programs, including but not limited to the football program. Notwithstanding anything contained in this Employment Agreement to the contrary, Employee agrees that he shall not create, operate, manage, market or otherwise participate in any internet web site regarding or featuring intercollegiate athletics, including but not limited to University athletics programs, analysis and contest results, without the prior written consent of the University, which consent may be withheld in the University's sole discretion.

5.04: Annual Report. Pursuant to NCAA Bylaw 11.2.2, Employee shall provide to the President annually on or before January 15 a written detailed account of all athletically related income and benefits received by Employee from sources outside the University during the previous twelve (12) month period, including but not limited to the following sources: income from annuities; sports camps; housing benefits; country club memberships; complimentary ticket sales; television and radio programs; and endorsement or consultation contract with athletics shoe, apparel or equipment manufacturers. The University shall have access to all records of Employee necessary to verify such report.

## **6. Automobiles.**

The University shall provide Employee on a loan basis two (2) automobiles for his use while he is employed as the University's Head Football Coach, the type and model of the vehicles to be determined by the University after consultation with Employee. The parties acknowledge that the University may provide one or both vehicles to Employee by purchasing, leasing or arranging for the use of the vehicle(s) through a dealer or dealers of the University's choosing. The University shall further provide reasonable and ordinary maintenance of the vehicle, taxes (as related to the business use of the vehicle), and appropriate liability and comprehensive automobile insurance covering the use and operation of the vehicles.

## **7. Football Tickets.**

7.01: Home Games. The University shall provide Employee with the use of one (1) suite at Williams-Brice Stadium containing sixteen (16) seats, plus eight (8) additional tickets, for each University regular season home football game.

7.02: Away Games. The University shall provide Employee with twelve (12) tickets for each University regular season away football game. It is understood that Employee's spouse and children will be allowed to travel with the team to such away football games.

7.03: Post-Season Bowl Games. The University shall provide Employee twenty-four (24) tickets to any post-season bowl game in which the University football team participates. It is understood that Employee's spouse and children will be allowed to travel with the team to such post-season bowl games.

**8. Insurance.**

8.01: Life Insurance. While Employee is employed as the University's Head Football Coach, the University agrees to secure on Employee's behalf and to promptly pay the annual premium associated with a term life insurance policy, which policy shall name a beneficiary of Employee's choosing, and shall feature a death benefit equal to \$2,000,000. Employee acknowledges, understands and agrees that he shall be responsible for complying with any requirements (i.e., physical exam, etc.) necessary to bind and secure such policy. Further, the parties agree that the University shall not be required to secure said insurance policy should Employee not be insurable at standard or better rates by national insurance companies.

8.02: Disability Insurance. While Employee is employed as the University's Head Football Coach, the University agrees to secure on Employees behalf and to promptly pay the annual premium associated with a disability insurance policy, which policy shall feature a disability benefit equal to \$250,000. Employee acknowledges, understands and agrees that he shall be responsible for complying with any requirements (i.e., physical exam, etc.) necessary to bind and secure such policy. Further, the parties agree that the University shall not be required to secure said insurance policy should Employee not be insurable at standard or better rates by national insurance companies.

**9. Club Memberships.**

The University shall make arrangements for Employee's use of membership privileges at a mutually agreed upon golf or country club, and a dining club, located in or adjacent to Richland County, South Carolina. The University shall pay the monthly membership dues. Employee shall be responsible for payment of all personal expenses and costs associated with the use of such memberships, such as food and beverage charges.

**10. Moving Expenses.**

The University shall reimburse Employee for actual moving expenses incurred in relocating to Columbia, South Carolina, in accordance with the terms and conditions of University Business and Finance Policy BUSF 1.08, "Relocation Expenses." (See <http://www.sc.edu/policies/busf108.pdf>.)

**11. NCAA Enforcement Procedures.**

Pursuant to NCAA Bylaw 11.2.1, Employee understands and agrees that if he is found in violation of NCAA Legislation, he shall be subject to disciplinary or corrective action as set forth in the provisions of the NCAA enforcement procedures, including suspension without pay or termination of employment for significant or repetitive violations. Any such disciplinary or corrective actions shall be in addition to and in no way limit or restrict any actions the University may take pursuant to Paragraph 12 herein.

12. Termination.

12.01: Termination by University for Cause.

- (a) University May Terminate for Cause. The University shall have the right to terminate this Employment Agreement prior to its expiration date if there is cause for terminating Employee's employment. In addition to and as examples of its normally-understood meaning in employment contracts, the term "termination for cause" shall be understood to include, but not be limited to, any of the following:
- (1) substantial neglect of any duty or responsibility outlined in this Employment Agreement or otherwise properly assigned, or refusal or unwillingness to perform any such duty or responsibility in good faith and to the best of Employee's abilities;
  - (2) conduct of Employee prejudicial to the interests of the University and its mission and/or that is adverse to or has a significantly negative impact upon the University or its athletics department;
  - (3) conviction of or entry into pre-trial intervention as a result of a criminal act that constitutes a felony or a misdemeanor, excluding minor traffic offenses not involving alcohol or drugs;
  - (4) committing a major violation of NCAA Legislation (as determined by the University or the NCAA), or a series or pattern of secondary violations of NCAA Legislation (as determined by the University or the NCAA), while employed at the University; or knowingly committing any violation of NCAA Legislation;
  - (5) committing a major violation of NCAA Legislation, or a series or pattern of secondary violations of NCAA Legislation, while employed at another NCAA member institution, as determined by such institution or the NCAA;
  - (6) failing to report to the Associate Athletics Director of Compliance Services or the Director of Athletics in a timely manner any violation of NCAA Legislation of which Employee is aware;
  - (7) failing to report to the Director of Athletics any material violation of University rules and regulations of which Employee is aware;
  - (8) substantial physical or mental incapacity lasting in excess of forty-five (45) consecutive days which cannot reasonably be

accommodated by the University and which interferes with Employee's ability to perform essential functions of the duties and responsibilities of his position;

(9) violation of any material provision of this Employment Agreement not corrected by Employee within ten (10) days following receipt of written notification of such violation from the University; or failure to take immediate and reasonable action to remedy within a reasonable period of time any such violation which is incapable of correction within ten (10) days after written notification from the University;

(10) violation of any material University rule, regulation, policy or procedure sufficient to sustain the for cause termination of any other University employee.

(b) Pre-Termination Meeting. Any termination of this Employment Agreement for cause must be preceded by a pre-termination meeting held by the President or his designee after not less than five (5) days prior written notice to Employee, which notice shall include a statement of the University's reasons for the termination. The meeting shall consist of an explanation of the University's cause for termination and an opportunity for Employee to present the reasons he believes termination is not justified. Present at the meeting shall be the President or his designee, Athletics Director, General Counsel and/or any other persons deemed appropriate by the President. Employee shall be permitted to have an attorney present to represent him if he so desires. The decision of the President or his designee following such meeting shall be the final University decision. Employee may waive his right to the meeting by so notifying the President in writing.

(c) University's Obligation Upon Termination for Cause. In the event this Employment Agreement is terminated for cause, the University's sole obligation to Employee shall be as follows:

(1) to pay Employee's base salary as set forth in Paragraph 4.01 herein through the effective date of termination;

(2) to pay Employee any incentive-based supplemental compensation earned pursuant to Paragraph 4.03 herein through the effective date of termination;

(3) to pay Employee any amounts pursuant to Paragraph 5.01(c) herein necessary to ensure that Employee receives a pro rata

share of any compensation due to him for the then current Contract Year not otherwise paid directly by outside rights holders for television and radio shows and commercial endorsements, through the effective date of termination.

Payment shall be made no later than thirty (30) days after the effective date of termination. In no case shall the University be liable to Employee for the loss of any collateral business opportunities or any other benefits, perquisites, income, supplemental compensation, or any form of consequential damages, resulting from or associated with Employee's employment or termination.

- (d) Employee's Right to Challenge Termination for Cause Decision. In the event this Employment Agreement is terminated for cause, Employee may challenge such decision by asserting a claim for actual damages only in a state or federal court of competent jurisdiction in Richland County, State of South Carolina; provided, however, if the court determines that the University breached this Employment Agreement by terminating Employee without cause, then the liquidated damages provision set forth in Paragraph 12.02(b) herein shall apply and shall be Employee's sole and exclusive remedy for any cause of action based on this Employment Agreement.

12.02: Termination by University Without Cause.

- (a) University May Terminate Without Cause. The University shall have the right to terminate this Employment Agreement prior to its expiration date without cause upon ten (10) days written notice to Employee.
- (b) University's Obligation Upon Termination Without Cause. In the event this Employment Agreement is terminated by the University without cause, the University shall pay to Employee liquidated damages, as his exclusive remedy in lieu of any and all other legal remedies or equitable relief available to Employee, in an amount equal to seventy (70%) of (i) Employee's base salary as set forth in Paragraph 4.01 herein, pro rata, for the remaining term of this Employment Agreement, and (ii) the compensation due (and unpaid) to Employee for television and radio shows and commercial endorsements pursuant to Paragraph 5.01(c) herein, pro rata, for the remaining term of this Employment Agreement.

For purposes of clarity of this Paragraph 12.02(b), and by way of example only, if the University terminates the Employment Agreement without cause effective as of the close of business on December 31, 2018, the University would owe Employee liquidated damages equal to \$4,690,000

(i.e., 70% of \$3,300,000 plus 70% of \$3,400,000), assuming the athletics department's outside rights holders have paid in full the amounts due Employee through the effective date of termination.

The University shall pay such liquidated damages in equal monthly installments over the remaining term of this Employment Agreement until December 31, 2020, or as otherwise mutually agreed upon by the parties. The payment of liquidated damages shall be subject to applicable state and federal tax reporting and withholding requirements, with the first payment due on or before the last day of the month following the effective date of termination.

- (c) Acknowledgement of Parties. The parties have bargained for and agreed to the foregoing liquidated damage provision, giving consideration to the fact that termination of this Employment Agreement by the University without cause prior to its natural expiration may cause Employee to lose certain income, supplemental compensation, fringe benefits, perquisites, and collateral business opportunities to earn outside compensation relating to his employment at the University, or to incur other consequential damages, which losses and damages are extremely difficult to determine fairly or with certainty. The parties further agree that the payment of such liquidated damages by the University shall constitute adequate and reasonable compensation to Employee for the damages and injury suffered by him because of such termination by the University. The parties acknowledge that the foregoing is not, nor should it be construed to be, a penalty.

12.03: Termination by Employee.

- (a) Employee May Terminate. Employee shall have the right to terminate this Employment Agreement prior to its expiration date without cause upon ten (10) days written notice to Employee.
- (b) Employee's Obligation Upon Termination. In the event this Employment Agreement is terminated by Employee, Employee shall pay the University liquidated damages, as its exclusive remedy in lieu of any and all other legal remedies or equitable relief available to the University, as follows:
- (i) \$7,000,000 if termination notice is given during the period of December 7, 2015 to December 31, 2016; or
- (ii) \$6,000,000 if termination notice is given during the period of January 1, 2017 to December 31, 2017; or

- (iii) \$5,000,000 if termination notice is given during the period of January 1, 2018 to December 31, 2018; or
- (iv) \$4,000,000 if termination notice is given during the period of January 1, 2019 to December 31, 2019; or
- (v) \$3,000,000 if termination notice is given during Contract Year January 1, 2020 to December 31, 2020.

Employee shall pay such liquidated damages in lump sum within sixty (60) days after the effective date of termination of this Employment Agreement.

- (c) Acknowledgement of Parties. The parties have bargained for and agreed to the foregoing liquidated damage provision, giving consideration to the fact that termination of this Employment Agreement by Employee prior to its natural expiration will cause the University to sustain damages to the stability, management, continuity and reputation of the football program and the athletics department, including loss of recruits, and to incur, among other things, administrative, recruiting and resettlement costs in obtaining a replacement for Employee, in addition to potentially increased compensation costs, which losses and damages are extremely difficult to determine fairly or with certainty. The parties further agree that the payment such liquidated damages by Employee shall constitute adequate and reasonable compensation to the University for the damages and injury suffered by it because of such termination by the Employee. The parties acknowledge that the foregoing is not, nor should it be construed to be, a penalty.

### 13. Miscellaneous.

13.01: Headings. The paragraph and subparagraph headings of this Employment Agreement are for convenience only and are in no way intended to affect the meaning or interpretation of any provision of this Employment Agreement.

13.02: Merger Clause. Upon the effective date hereof, this Employment Agreement constitutes the sole, full and complete understanding and agreement of the parties with respect to the employment of Employee by the University and supersedes all prior understandings and agreements, oral or written, regarding such matters.

13.03: Amendments to Employment Agreement. No amendments, changes, additions, deletions or modifications to or of this Employment Agreement shall be valid unless reduced to writing, signed by the parties and attached hereto.

13.04: Governing Law. This Employment Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina, and the laws of the State of South Carolina shall govern the validity, performance and enforcement of this Employment Agreement.

13.05: Jurisdiction; Venue. Any cause of action, suit or proceeding brought by the University or Employee with respect to, concerning, relating or affecting this Employment Agreement shall be filed only in a state or federal court of competent jurisdiction located in Richland County, State of South Carolina, and each party hereby irrevocably waives any objection which it may now or hereafter have to the personal jurisdiction or venue of any suit, action, or proceeding arising out of, or relating to, this Employment Agreement being in Richland County. The parties further irrevocably waive any claim that such suit, action, or proceeding brought in such court has been brought in an inconvenient forum.

13.06: Sovereign Immunity. Any act by the University regarding this Employment Agreement is not a waiver of either the University's sovereign immunity or the University's immunity under the Eleventh Amendment of the United State's Constitution.

13.07: Assignment. Employee's rights and interests under this Employment Agreement may not be assigned, pledged or encumbered by Employee.

13.08: Severability. In the event one or more words, phrases, clauses or provisions in this Employment Agreement are determined to be invalid, illegal, void or otherwise unenforceable, in whole or in part, in a court of law, the parties agree that the remaining portions of the Employment Agreement shall be deemed valid and remain in full force and effect.

13.09: No Waiver of Default. No waiver by the parties hereto to any default or breach of any covenant, term or condition of this Employment Agreement shall be deemed to be a waiver of any other default or breach of the same or any other covenant, term or condition contained herein.

13.10: Acknowledgments. Employee acknowledges that:

- (a) he has had adequate opportunity to review this Employment Agreement, that he has had the opportunity to retain legal representation of his choosing to review this Employment Agreement;
- (b) he understands the provisions contained in this Employment Agreement, that such provisions are reasonable, and that he agrees to abide by the terms and conditions set forth herein; and
- (c) no other agreement to which he is a party prohibits his execution of and performance under this Employment Agreement.



13.11: Interpretation. Employee and the University acknowledge that they have jointly, with the advice and assistance of their respective legal counsel, participated in the negotiation and drafting of all of the terms and provisions of this Employment Agreement, and, accordingly, no term or provision of this Employment Agreement shall be construed in favor of or against any party to this Employment Agreement by virtue or authorship or purported authorship thereof by any party.

13.12: University Retains all Materials and Records. All materials or articles of information, including without limitation, personnel records, recruiting records, team information, films, statistics, or any other material or data, furnished to Employee by the University or developed by Employee on behalf of the University or at the University's direction or for the University's use or otherwise in connection with Employee's employment hereunder are and shall remain the sole and confidential property of the University. On or before the expiration of the term of this Employment Agreement or its earlier termination as provided for herein, Employee shall immediately cause any such materials in his possession or control to be delivered to the University.

13.13: Return of University-Issued Property. Not later than the effective date of termination or expiration of this Employment Agreement, Employee shall return to the Athletics Director or his designee any University issued automobile, computer equipment or other equipment, cell phone, cash advance, credit cards, telephone calling cards, University keys and other items, unless otherwise agreed to in writing by the University. Employee agrees that the University shall be authorized to deduct the value of any and all such un-returned items from his final University payroll check, annual leave payment (if any), or liquidated damage payment.

13.14: Notices. Any notice or other communication which may be or is required to be given under this Employment Agreement shall be in writing and shall be deemed to have been given on the earlier of the day actually received or on the close of business on the fifth (5<sup>th</sup>) business day next following the day when deposited in the United States Mail, postage prepaid, registered or certified, return receipt requested, or sent via overnight delivery service, addressed to the party at the address set forth after its name below or such other address as may be given by such party in writing to the other:

(a) If to Employee: William L. Muschamp  
Head Football Coach  
Williams Brice Stadium  
University of South Carolina  
Columbia, SC 29208

With a copy to: Joseph E. (Rick) Landrum  
401 Commerce Street  
Nashville, TN 37219

(b) If to the University: D. Ray Tanner, Jr.  
Director of Athletics  
Rice Athletics Center  
University of South Carolina  
Columbia, SC 29208

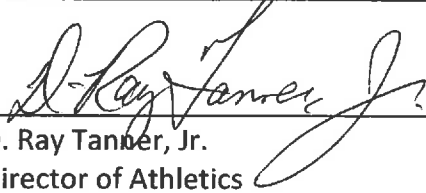
With a copy to: Walter H. (Terry) Parham  
General Counsel  
Osborne Administration Building, Suite 109  
University of South Carolina  
Columbia, SC 29208

IN WITNESS WHEREOF, the parties have executed this Employment Agreement on the dates below indicated.

**UNIVERSITY OF SOUTH CAROLINA**

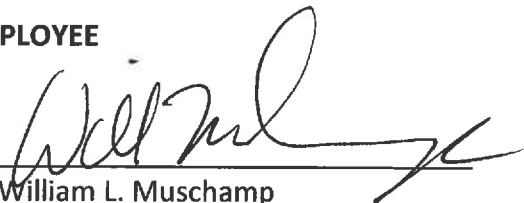
By:   
Amy E. Stone, Secretary  
Board of Trustees

Date: 2-22-16

And:   
D. Ray Tanner, Jr.  
Director of Athletics

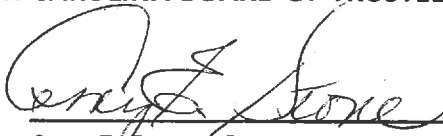
Date: 2/22/16

**EMPLOYEE**

By:   
William L. Muschamp  
Head Football Coach

Date: 2-11-16

APPROVED BY THE UNIVERSITY OF SOUTH CAROLINA BOARD OF TRUSTEES ON DECEMBER 7, 2015.

  
Amy E. Stone, Secretary  
USC Board of Trustees