STATE OF SOUTH CAROLINA	)	**AMENDMENT #1 TO**
	)	**EMPLOYMENT AGREEMENT**
COUNTY OF RICHLAND	)	**DATED DECEMBER 7, 2015**

THIS AMENDMENT #1 TO EMPLOYMENT AGREEMENT DATED DECEMBER 7, 2015 ("Amendment #1") is made and entered into as of January 12, 2018, by and between the University of South Carolina, an educational institution and agency of the State of South Carolina ("University"), and William L. Muschamp ("Employee").

WHEREAS, effective December 7, 2015, the parties entered into an employment agreement ("Employment Agreement") pursuant to which Employee was hired to perform the duties of Head Football Coach for a term beginning December 7, 2015 and ending December 31, 2020; and

WHEREAS, the parties now desire to amend the Employment Agreement, as follows: (1) to amend Paragraph 3.01 to extend the term of the Employment Agreement for a period of three years; (2) to amend Paragraph 4.03(a) regarding Employee's opportunity to earn incentive-based supplemental compensation; (3) to amend Paragraph 5.01(c) to increase the outside compensation Employee shall receive for his services in connection with television and radio shows and commercial endorsements; (4) to amend Paragraph 12.02(b) regarding the University's obligation upon terminating the Employment Agreement without cause; and (5) to amend Paragraph 12.03(b) regarding Employee's obligation upon terminating the Employment Agreement;

NOW, THEREFORE, in consideration of the Employment Agreement, the relationship between the parties, and the mutual covenants and conditions set forth herein, the parties hereto mutually agree as follows:

1. <u>**Term**</u>. Paragraph 3.01 of the Employment Agreement is hereby amended to provide that the term of the Employment Agreement is extended for a period of three (3) years and shall terminate without further notice from the University on December 31, 2023, subject to prior termination in accordance with the provisions of Paragraphs 11 and 12 of the Employment Agreement.

2. <u>**Incentive-Based Supplemental Compensation**</u>. Paragraph 4.03(a) of the Employment Agreement is hereby amended and replaced, in its entirety, as follows:

(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 (Maximum - $250,000).

(i) Employee may earn the greater of the following:

- $100,000 if the football team plays in the SEC Championship football game; or
- $250,000 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/College Football Playoff ("CFP") Games (Maximum -$400,000).

(i) Employee may earn the greater of the following:

- $50,000 if the football team plays in the Birmingham Bowl or Independence Bowl; or
- $100,000 if the football team plays in any non-CFP game other than the Birmingham Bowl, Independence Bowl or Citrus Bowl; or
- $200,000 if the football team plays in the Citrus Bowl; or
- $300,000 if the football team plays in a CFP New Year's Big 6 bowl; or
- $400,000 if the football team wins a CFP New Year's Big 6 bowl; or
- $400,000 if the football team plays in a CFP Playoff game.

For purposes of clarify of this Paragraph 4.03(a)(2), 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) It is understood that in order to be eligible to earn post-season bowl/CFP game incentive-based supplemental compensation under this Paragraph 4.03(a)(2), Employee must be employed by the University on the date of the post-season bowl/CFP game and coach the football team during the post-season bowl/CFP game, and the football team must win not less than fifty percent (50%) of its regular season games (i.e., 6 wins and 6 losses, or better), regardless of whether the football team is selected to participate in a post-season bowl/CFP game.

(3) National Championship Game (Maximum - $500,000).

(i) Employee may earn the greater of the following:

- $300,000 if the football team plays in the CFP National Championship game; or
- $500,000 if the football team wins the CFP National Championship game.

(ii) It is understood that Employee must be employed by the University on the date of the National Championship game and coach the football team during the National Championship game in order to be eligible to earn the incentive-based supplemental compensation under this Paragraph 4.03(a)(3).

(4) Coach of the Year (Maximum - $150,000).

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
- $100,000 if Employee is selected as National Coach of the Year (as recognized by any of the following nationally-recognized organizations: American Football Coaches Association, Associated Press, Walter Camp Foundation, or National Sports Media Association).

(5) Academic Performance Rate ("APR") (Maximum - $100,000).

(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)(5), 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.

3. Outside Compensation. Paragraph 5.01(c) of the Employment Agreement is hereby amended and replaced, in its entirety, as follows:

(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:

(1)	January 1, 2018 – December 31, 2018:	$3,100,000
(2)	January 1, 2019 – December 31, 2019:	$3,300,000
(3)	January 1, 2020 – December 31, 2020:	$3,500,000
(4)	January 1, 2021 – December 31, 2021:	$3,700,000
(5)	January 1, 2022 – December 31, 2022:	$3,900,000
(6)	January 1, 2023 – December 31, 2023:	$4,100,000

Payment shall be made to Employee directly from outside rights holders, collectively, selected by the University, in equal quarterly installments on April 1, July 1, October 1 and December 31 of each Contract Year. 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.

4. Termination by University Without Cause. Paragraph 12.02(b) of the Employment Agreement is hereby amended and replaced, in its entirety, as follows:

(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 (i) seventy-five percent (75%) of Employee's base salary as set forth in Paragraph 4.01 herein, pro rata, for the remaining term of this Employment Agreement, and (ii) seventy-five percent (75%) of 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 $18,000,000 (i.e., 75% of remaining base salary totaling $5,500,000, plus 75% of remaining outside compensation totaling $18,500,000), 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 (i.e., through December 31, 2023), 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.

5. **Termination by Employee.** Paragraph 12.03(b) of the Employment Agreement is hereby amended and replaced, in its entirety, as follows:

(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) $4,000,000 if termination notice is given during the period of January 16, 2018 to December 31, 2018; or

(ii) $3,500,000 if termination notice is given during the period of January 1, 2019 to December 31, 2019; or

(iii) $3,000,000 if termination notice is given during the period of January 1, 2020 to December 31, 2020; or

(iv) $1,000,000 if termination notice is given during the period of January 1, 2021 to December 31, 2021; or

(v) $1,000,000 if termination notice is given during Contract Year January 1, 2022 to December 31, 2022; or

(vi) $0 if termination notice is given during Contract Year January 1, 2023 to December 31, 2023.

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

6. **Effective Date.** This Amendment #1 to Employment Agreement shall be effective as of January 16, 2018.

7. **Full Force and Effect of Employment Agreement.** All other terms, conditions and provisions set forth in the Employment Agreement not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment #1 to Employment Agreement on the dates below indicated.

UNIVERSITY OF SOUTH CAROLINA

By:____________________________
J. Cantey Heath, Jr., Secretary
USC Board of Trustees

Date: MAR 12 2018

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

Date: 3/5/'18

EMPLOYEE

By:____________________________
William L. Muschamp
Head Football Coach

Date: 2-28-18

APPROVED BY THE UNIVERSITY OF SOUTH CAROLINA BOARD OF TRUSTEES ON JANUARY 12, 2018.

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J. Cantey Heath, Jr., Secretary
USC Board of Trustees