

Meeting No. 1,021

THE MINUTES OF THE BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS SYSTEM

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August 28, 2007

Austin, Texas

MEETING NO. 1,021

TUESDAY, AUGUST 28, 2007.--The members of the Board of Regents of The University of Texas System convened this special called meeting via telephone conference call at 5:05 p.m. on Tuesday, August 28, 2007, on the Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman Huffines, presiding (in person)

Vice Chairman Clements

Vice Chairman Krier

Vice Chairman Caven

Regent Barnhill

Regent Camarillo

Regent Craven

Regent Estrada

Regent McHugh

Regent Rowling

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Huffines called the meeting to order.

RECESS TO EXECUTIVE SESSION.--At 5:07 p.m., Chairman Huffines announced the Board would recess to convene in Executive Session pursuant to *Texas Government Code* Sections 551.071 and 551.074 to consider matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION.--At 5:43 p.m., the Board reconvened in open session and took action as follows on the matter discussed in Executive Session.

U. T. Austin: Approval of change in compensation for Head Football Coach William Mack Brown

Prior to calling for a motion, Chairman Huffines remarked that Coach William Mack Brown is one of the most talented, respected, and motivating coaches in college sports. He spoke of the positive impact that Coach and Mrs. Brown have made in the lives of the student athletes, leading by example and devoting their time and energy to making a difference.

Vice Chairman Krier then moved that the Board of Regents,

- acting in recognition of the commitment, motivation, and performance of The University of Texas at Austin Head Football Coach Mack Brown,
- acting with awareness of the significant gains in football-related revenues to U. T. Austin during Coach Brown's term,
- wishing to discourage continued recruitment efforts by other entities and in acknowledgement of the competitive market for one of the few most accomplished and recognized coaches in intercollegiate sports, and
- acting in accordance with Regents' *Rules and Regulations*, Series 20204 regarding determining and documenting the reasonableness of compensation,

approve increasing the share of radio/television and product endorsements paid to Head Football Coach Mack Brown by amending his contract consistent with the parameters discussed in Executive Session and as outlined on the attached summary sheet outlining revisions, to be effective September 1, 2007, with the understanding that the source of funding for the contract payments will come entirely from athletic revenues and that no State-appropriated funds are to be used.

Regent Krier further moved that the Board find, as required by State law, that this proposed contract change is in the best interest of U. T. Austin.

The motion was duly seconded and carried unanimously.

[Note from the General Counsel to the Board of Regents: Following the meeting, the summary of revisions on Page 3 was amended to correct the date to January 15 (instead of January 1) that both retention payments would be vested – with payment to be made by February 1 of the respective year. The correction is noted on the following page in congressional style.]

Summary of Revisions

Amend Contract Term

To provide extension for two years until 12/31/2016

Adjust Total Compensation

2007-2008: from \$2,661,580 to \$2,811,580, by increasing payment for Radio/TV from \$800,000 to \$875,000 and payment for Product Endorsements from \$580,000 to \$655,000

Add Special Payment

\$100,000 Special Payment to be payable 9/1/2007

Add Retention Bonus

\$1,000,000 Retention Bonus if Head Coach on 1/15/2009, to be payable 2/1/2009
~~1/1/2009~~

\$2,000,000 Retention Bonus if Head Coach on 1/15/2010, to be payable 2/1/2010
~~1/1/2010~~

Revise Incentives

Represents Big 12 South in Championship Game	\$50,000
Wins Big 12 Championship	\$100,000
Non BCS Bowl	\$50,000
BCS Bowl	\$100,000
National Championship	\$450,000
2 nd or 3 rd Ranking	\$100,000
4 th or 5 th Ranking	\$50,000
6 th through 10 th Ranking	\$25,000
Graduation Rate Incentives	
50% Graduation Rate	\$20,000
55% Graduation Rate	\$30,000
60% Graduation Rate	\$40,000
65% Graduation Rate	\$60,000
70% Graduation Rate	\$100,000
75% Graduation Rate	\$150,000

Revise Buy-out Provisions

To extend possible payout years consistent with contract extension; payout amounts not changed.

9/1/2007-12/31/2008	\$3,500,000	5 (x \$700,000)
1/1/2009-12/31/2010	\$2,750,000	4 (x \$687,500)
1/1/2011-12/31/2012	\$2,225,000	3 (x \$741,667)
1/1/2013-12/31/2013	\$2,000,000	3 (x \$666,667)
1/1/2014-12/31/2014	\$1,500,000	2 (x \$750,000)
1/1/2015-12/31/2015	\$1,000,000	2 (x \$500,000)

Add Provision on Possible Reassignment

Revise contract to provide that should Coach Brown voluntarily relinquish his duties as Head Football Coach during the term of this agreement, he will be reassigned to another significant position within the University with compensation to be determined consistent with State law.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 5:45 p.m.

/s/ Francie A. Frederick
General Counsel to the Board

September 4, 2007