



REPORT OF SYSTEM STAFF ON A SIGNIFICANT BOARD MATTER

**Amendment to Les Miles' Contract as
LSU A&M Head Football Coach**

To: Members of the Board of Supervisors

Date: April 24, 2008

Pursuant to Article VII, Section 8.E of the Board Bylaws, the following is provided:

1. Significant Board Matter

This matter is a "significant board matter" pursuant to the following provisions of Article VII, section 8 of the Bylaws:

D.4.c Head coach contracts and amendments

2. Summary of the Matter

This is to approve an amendment to Les Miles' contract as Head Football Coach for LSU A&M. The amendment revises one section of the contract by increasing the amount LSU could owe Coach Miles should LSU chose to terminate the contract without cause during its term.

3. Review of Business Plan

N/A

4. Review of Documents Related to Referenced Matter

The proposed contract amendment has been prepared and reviewed by System General Counsel and is consistent with the clarification agreement entered into by the University and signed by Coach Miles.

5. Other

6. Certification of campus (or equivalent) re. Art. VII, § 8.E

The Chancellor's signature on the proposed amendment constitutes an express certification that the information submitted is complete and accurate.

ATTACHMENTS:

1. Proposed amendment to Coach Miles' contract

RECOMMENDATION

It is recommended that the Board authorize the President to sign the proposed amendment to its contract with Les Miles as Head Football Coach for LSU A&M.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College authorizes Dr. John V. Lombardi, LSU System President, or his designee, to sign an amendment to the Board's contract with Les Miles as Head Football Coach increasing the maximum amount of liquidated damages for which the University might be liable under certain conditions from \$15 Million to \$18.75 Million and containing such related terms and conditions as he deems to be in the best interests of LSU.

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

AMENDMENT TO EMPLOYMENT AGREEMENT

THIS AMENDMENT TO EMPLOYMENT AGREEMENT (“Agreement”) made and entered into this _____ of March, 2008, by and between **BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE** (herein “UNIVERSITY”), a body corporate existing under the Constitution and laws of the State of Louisiana, herein represented by John V. Lombardi, its duly authorized President, and **Les Miles** (herein “COACH”):

WITNESSETH

THIS AGREEMENT acknowledges the existence of an employment agreement between the above parties dated July 1, 2006, and amendments thereto, including the last amendment signed the 7th day of December, 2007, which are incorporated by reference in this Agreement. Section references below are to the Amended Employment Agreement dated December 7, 2007, relating to the prior agreements:

1. Employment. (No change.)
2. Term. (No change)
3. Salary. (No change.)
4. Retirement and Fringe Benefits. (No change.)
5. Sports Camps. (No change.)
6. Post-Season. (No change)
7. Radio/Television/Internet Payments. (No change.)

8. Team Academic Achievements. (No change)
9. Additional Revenue. (No change.)
10. Assignment/Retirement Benefits. (No change.)
11. Supplemental Compensation Based on Length of Service. (No change.)
12. Standards. (No change.)
13. Termination. This Agreement may be terminated by the parties as follows:
(Revised.)

A. Termination by UNIVERSITY Without Cause.

The UNIVERSITY shall have the right to terminate this Agreement without cause at any time by giving COACH thirty (30) days prior written notice. In the event the UNIVERSITY terminates this Agreement without cause, the UNIVERSITY shall only be liable to COACH for the payment of liquidated damages as follows, no other sums or damages of any kind whatsoever, shall be paid by UNIVERSITY to COACH.

The obligation of UNIVERSITY to make the payments set forth herein shall be reduced and extinguished by and to the extent of any compensation COACH earns and actually receives from the date of termination without cause. COACH has the good faith duty and obligation to seek to obtain similar or related employment and to collect sums due him in connection with such employment.

In the event COACH obtains such other employment after being terminated by the UNIVERSITY without cause, it shall be the duty and obligation of COACH to notify the UNIVERSITY that he has obtained other employment and provide any and all documentation requested by the UNIVERSITY to determine the amount of compensation received by COACH and the amount of offset the UNIVERSITY is due.

Notwithstanding anything to the contrary herein, if UNIVERSITY terminates this Agreement without cause prior to its expiration, UNIVERSITY shall pay, and COACH agrees to accept as liquidated damages, an amount equal to all sums due COACH under the terms of Sections 3, 6, 7 and 9 for each month remaining on the term of the Agreement, calculated from the first full month immediately following the effective date of termination without cause. The liquidated damages shall be paid to COACH over a period of time equal to twice the number of full months remaining on the contract term in monthly installments commencing on the last day of the month immediately following the month in which the termination date occurs and continuing on the last day of each succeeding month thereafter during the payment period. The monthly payments by UNIVERSITY shall be subject to an offset and reduction as previously specified in this Section and apportioned, as feasible, on a monthly basis.

The offsets, extinguishment and reductions pursuant to this Section 13, if applicable, are not intended to be deferred compensation, but rather a means to mitigate damages in accordance with Louisiana law, and UNIVERSITY will reasonably cooperate with COACH to establish this fact if necessary.

Upon termination of COACH'S employment without cause during the term or extended term of this Agreement, the amount of liquidated damages due COACH shall not exceed Eighteen Million Seven Hundred Fifty Thousand Dollars (\$18,750,000).

B. Termination by COACH. (No change.)

C. Termination of COACH for Cause: (No change.)

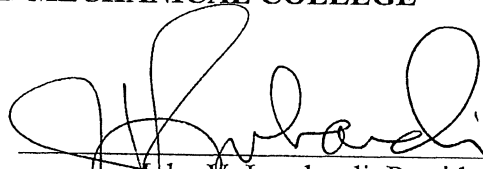
14. Indemnification of UNIVERSITY. (No change.)
15. Entire Contract (Update) The Agreement (contract) of July 1, 2006, along with the Amendment of December 7, 2007, as amended herein (paragraph 13 and this paragraph), and any authorized letter agreements issued pursuant thereto, in addition to the Clarification of Employment Agreement memorandum dated March 12, 2008, constitute the complete agreement concerning the employment of COACH by the UNIVERSITY and shall, upon the effective date hereof, supersede any other oral or written agreements between the parties. The parties agree that neither of them has made any representations with respect to the subject matter of this Agreement (contract) or any representations, including the execution and delivery hereof, except as are specifically set forth herein and each of the parties hereto acknowledges that each has relied solely on his and its own judgment in entering into this agreement with full opportunity to seek advice of competent counsel.
16. Severability. (No change.)
17. Amendments to Contract. (No change.)
18. No Waiver of Default. (No change.)
19. Retention of all Materials, Records, Credit Cards and Keys. (No change.)
20. Sovereign Immunity Not Waived. (No change.)
21. "Force Majeure" Clause. (No change.)
22. Governing Laws. (No change.)

(Amendment to Employment Agreement, Miles and Board)

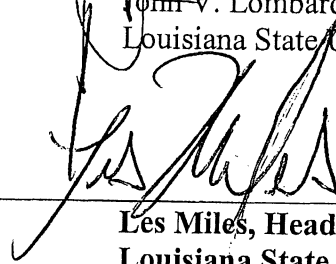
THE PARTIES hereto have executed this Agreement on the day, month and year first above written.

**BOARD OF SUPERVISORS OF LOUISIANA
STATE UNIVERSITY AND AGRICULTURAL
AND MECHANICAL COLLEGE**

By:



John V. Lombardi, President
Louisiana State University System



Les Miles, Head Football Coach
Louisiana State University and
Agricultural and Mechanical College

RECOMMENDED:

William L. Jenkins, Acting Chancellor
Louisiana State University and
Agricultural and Mechanical College

Jerry J. Baudin, Vice Chancellor for
Finance and Administrative Services
Louisiana State University and
Agricultural and Mechanical College

Stanley J. "Skip" Bertman, Athletic Director
Louisiana State University and
Agricultural and Mechanical College



Louisiana State University System
3810 West Lakeshore Drive
Baton Rouge, Louisiana 70808

Office of the President

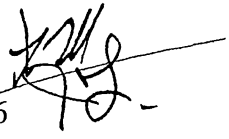
March 12, 2008

225 / 578-2111
225 / 578-5524 fax

MEMORANDUM

TO: Les Miles, Head Football Coach
FROM: John V. Lombardi, President
RE: Clarification of Employment Agreement
DATE: March 12, 2008

This memorandum clarifies your existing employment agreement.

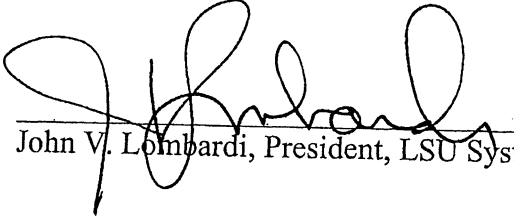
1. In light of the fact that two of the higher paid coaches are at private institutions that do not make publicly available the terms and conditions of their contracts, and that the existing contract is not specific as to whether it includes or excludes consideration of such contracts under these circumstances, and to avoid this uncertainty, we mutually agree to clarify the existing contract relating to ~~Post Season compensation~~ (paragraph 6 D) for the present and future years covered to provide that under the circumstances in paragraph 6D the total annual compensation shall be no less than the highest salary within the SEC, plus \$1,000. 

2. For purposes of determining the comparative salaries in effect provided for in paragraph 6, subparagraphs B, C, and D of your employment agreement, the *date* that will be used will be the date of the BCS National Championship game if it takes place in January (or if not, then January 1) for each of the referenced subparagraphs.

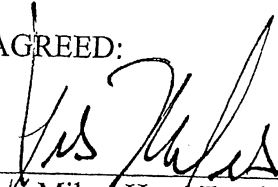
3. In exercising the discretion granted in the employment agreement and amendments as to whether to grant a one-year term extension, the Chancellor will be guided by the following:

- A. Winning eight or more games in a season presumptively will be the basis for a one-year term extension.
- B. A decision by the Chancellor not to grant a one-year term extension for any reason must be concurred in by the President of the LSU System.

4. It is understood that the President and Chancellor will recommend to the Board at its next regular meeting that the provisions of Paragraph 13 of the Amendment to Employment Agreement signed December 7, 2007, be amended to change the amount referenced therein *from* \$15 Million *to* \$18.75 Million.



John V. Lombardi, President, LSU System

AGREED:


Les Miles, Head Football Coach

3-14-08

Date

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

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WITNESSETH

THIS AGREEMENT acknowledges the existence of an employment agreement between the above parties dated July 1, 2006, and amendments thereto, which are incorporated by reference in this Agreement. Section references below are to the Employment Agreement dated July 1, 2006:

1. Employment. (No change.)
2. Term. The term of this Agreement shall commence on January 1, 2008 and end on December 31, 2012, unless terminated sooner in accordance with Section 13 of this Agreement or extended by mutual written agreement of the parties. The Chancellor is authorized to extend the term of this Agreement at his discretion for up to two years to December 31, 2014, subject to the terms and conditions specified herein. In addition, during the term or extended term, in each succeeding year after the 2008 football season, the Chancellor is authorized after the conclusion of the regular intercollegiate football season to extend the term or extended term by one year.
3. Salary. (No change.)
4. Retirement and Fringe Benefits. (No change.)
5. Sports Camps. (No change.)
6. Post-Season. (Addition.)
 - A. (No change.)

B. (No change.)

C. (No change.)

D. (No change.)

Upon increase in compensation pursuant to this Section 6, appropriate adjustments shall be made to increase compensation levels established pursuant to existing Sections 3, 7 and 9, as necessary and without the need for an amendment to this agreement or Board approval.

7. Radio/Television/Internet Payments. (No change.)

8. Team Academic Achievements. (Revised.)

If one of the team academic achievements described below (Academic Performance Rate, Graduation Rate and GPA) is achieved in one academic year (defined as beginning with the summer semester and ending with the spring intersession the following year) during this Agreement, COACH, with the consent of the Chancellor, which consent will not unreasonably be withheld, may direct UNIVERSITY to make a disbursement of One Hundred Fifty Thousand Dollars (\$150,000) payable as one-time supplemental compensation to staff members of the football program, which supplemental compensation is hereby approved by the Board. If two or more of the team academic achievements described below are achieved in one academic year (defined as beginning with the summer semester and ending with the spring intersession the following year) during this Agreement, COACH, with the consent of the Chancellor which consent will not unreasonably be withheld, may direct UNIVERSITY to make a disbursement of Two Hundred Fifty Thousand Dollars (\$250,000) payable as one-time supplemental compensation to staff members of the football program, which supplemental compensation is hereby approved by the Board.

A. Academic Performance Rate "APR" [as defined by the NCAA] for the football team is 950 or higher in years 2007-2008 or 2008- 2009, and 960 or higher in years 2009-2010, 2010-2011 or 2011-2012.

B. Graduation Rate [as defined by the NCAA] for the football team is 75% or higher.

C. GPA for the football team is a 2.80 or higher.

It is expressly understood and agreed that all sums paid by UNIVERSITY pursuant to this Section 8 are not compensation to COACH, but rather limited administrative management rights granted herein as a head coach. COACH has no personal dominion or control over such supplemental compensation paid to staff members of the football program.

9. Additional Revenue. (No change.)

10. Assignment/Retirement Benefits. (No change.)
11. Supplemental Compensation Based on Length of Service. (No change.)
12. Standards. (No change.)
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The obligation of UNIVERSITY to make the payments set forth herein shall be reduced and extinguished by and to the extent of any compensation COACH earns and actually receives from the date of termination without cause. COACH has the good faith duty and obligation to seek to obtain similar or related employment and to collect sums due him in connection with such employment.

In the event COACH obtains such other employment after being terminated by the UNIVERSITY without cause, it shall be the duty and obligation of COACH to notify the UNIVERSITY that he has obtained other employment and provide any and all documentation requested by the UNIVERSITY to determine the amount of compensation received by COACH and the amount of offset the UNIVERSITY is due.

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