

Agenda Item: Stoops, Robert, Head Football Coach, Athletic Department, review of compensation and contract of employment.

Motion: I move that the employment contract of Robert Stoops, Head Football Coach ("Coach"), be modified effective July 1, 2007 as follows:

1. Extend his employment contract to December 31, 2013.
2. Continue his current Compensation for Base Salary.
3. Change the annual increase in compensation from unrestricted private funds for personal services performed by the Coach for the University from \$100,000 annually to \$150,000 pro rated for the remainder of the 2007 contract year effective July 1, 2007.
4. Provide that the source of funds for these contract modifications be from unrestricted, private funds.
5. Authorize the President and Athletic Director, with the assistance of the General Counsel, to negotiate and execute the final terms of the agreement.

CONTRACT OF EMPLOYMENT

I. INTRODUCTION

This Contract of Employment ("Contract") is effective this 1st day of January, 2005 between the University of Oklahoma ("University") and Robert Anthony Stoops ("Coach"). For and in consideration of the mutual promises and covenants set forth in this Contract, the parties agree as follows:

II. TERM

A. Subject to the terms and conditions of this Contract, the University will employ Coach as Head Football Coach for the men's intercollegiate football program for a term beginning January 1, 2005 and ending December 31, 2011.

B. The Oklahoma Constitution, Article X, Section 23, limits the power of the Board of Regents to make a contract that provides remuneration for more than one fiscal year. Therefore, it is understood that this Contract, which sets forth an employment term, is contingent upon the appropriation of funds for the position of Head Football Coach. The University shall fund the Head Football Coach's position before any other position or item or expense for the University of Oklahoma Football Program.

III. AUTHORITY, DUTIES, AND RESPONSIBILITIES OF HEAD COACH

A. Coach is hereby employed by the University as Head Football Coach with all of the duties, responsibilities, and obligations normally associated with the position of Head Football Coach at a major university. In such capacity and under the direction of the Athletic Director, Coach shall devote such time and attention as are necessary to satisfy the responsibilities for the position of Head Football Coach. Throughout the term of this Contract, Coach shall use his best energies and abilities for the benefit of the University.

B. Coach shall be subject to the rules and regulations of the University as established by the President and the Board of Regents. In order to emphasize the importance of compliance with the rules of the National Collegiate Athletic Association and any Conference of which the University is a member, the University of Oklahoma Board of Regents has adopted a policy that generally states that any Athletics Department staff member who knowingly violates an NCAA or Conference rule or who conceals or attempts to cover up the violation of an NCAA or Conference rule will be fired immediately, and all contract rights terminated. This provision is included in all Athletics Department employment contracts, including this Contract. It is specifically noted that Paragraph V.C.(2) of this Contract provides for the contractual consequences for violation of this Regents' policy.

(1) During the term of this Contract, Coach shall perform his duties as Head Football Coach of the University in a manner which, in all material respects, complies with all NCAA rules and regulations. A coach who is found in violation of NCAA rules or regulations shall be subject to disciplinary or corrective action as set forth in the provisions of the NCAA enforcement procedures.

(2) Coach shall use his best efforts to cause all assistants or any other person associated with the football program to comply with NCAA and University rules, regulations, and policies.

(3) Coach will cooperate with the NCAA or University staff in the investigation of possible violations of NCAA rules and regulations when requested to do so by the University.

C. Outside Activity.

(1) Coach shall perform certain personal services in addition to his duties as Head Football Coach. Under the direction of the Athletic Director, Coach shall use his best efforts and devote such time and attention necessary to fund-raising, promotional, public relations, recruitment, and other activities benefiting the University as directed by the Athletic Director. These activities include, but are not limited to: radio and television programs; Internet; "chat-room" conversations; speaking engagements; endorsements; shoe, equipment, and apparel consulting agreements; and all other athletic related activities.

(2) Any television, radio, camp/clinic, shoe and apparel, consultant, endorsement, speaking engagement, or other athletic related income or outside employment contracts or agreements of any nature as well as all other activities relating to Coach's involvement in University athletics will be under the supervision, direction, and control of the Athletic Director. All such arrangements and activities must first be approved in writing by the President and the Athletic Director and shall not conflict with the best interests of the University. Approval for such outside activities will not be unreasonably withheld.

(3) Coach must annually report through the Athletic Director to the President all athletic-related income from sources outside the institution, including but not limited to income from gifts from donors or friends of the Athletic Department; annuities; sports camps/clinics; housing benefits (including preferential housing arrangements); country club memberships; complimentary ticket sales; television and radio programs; and endorsements or consultation contracts with athletic shoe, apparel or equipment manufacturers. The annual report must be submitted by Coach to the Athletic Director by July 15 of each year.

(4) The University recognizes the value and benefits received directly by the University for equipment, public relations, promotions, recruitment of students and other benefits as a result of Coach's outside activities. As provided in Paragraph IV.B.(1)

of this Contract, the University will provide the sum of One Million Six Hundred Thousand Dollars (\$1,600,000), per annum, payable to Coach on a monthly basis. Additionally, this annual total sum shall increase by the amount of \$100,000 annually for each remaining year of the term. Such annual increase is subject to the terms of Paragraph II.B. of this Contract. The University recognizes the values and benefits received directly by the University from prospective students of all ages attendance at camps and clinics held on its campus and in its facilities. It is agreed that Coach will conduct such camps/clinics subject to all other provisions of this Contract, but that Coach may receive additional revenue from the operation by Coach of such camps/clinics; however, Coach may not solicit sponsors for such camps/clinics. It is further agreed that when conducting such camps/clinics on University facilities and in recognition of the value and benefit received by the University from such camps/clinics, Coach will only be charged for actual operational overhead charges associated with Coach's use of University facilities, not for the ordinary operational costs not directly associated with the camp/clinic. Coach may enter into agreements with other parties for compensation and retain all compensation as long as such services can be performed within the limits permitted by the Conference, National Collegiate Athletics Association (NCAA), state law and provided that such services do not interfere with Coach's obligations under this Contract. Coach shall obtain advance written approval of the President before entering into such agreements. Approval shall not be unreasonably withheld.

D. The University assigns a high priority to the academic achievement of the students who participate in its athletic programs. It is the expectation of the President and the Board of Regents that Coach will emphasize the importance of academic achievement to the students who are athletes at the University, and to the coaches and other employees under Coach's supervision.

E. Recognizing that the athletic programs at the University receive nationwide coverage that reflects upon the University, Coach and all members of Coach's staff will continue efforts under the direction of the Athletic Director to assure that Coach's actions and statements, as well as those of his players and staff, will reflect favorably upon the University, the Athletic Department, and the Football Program.

F. In order to comply with NCAA rules and regulations, coaches, staff members, and others employed by the athletics program who have knowledge of a student-athlete's use of a substance on the NCAA list of banned drugs must follow University procedures dealing with drug abuse and report such knowledge to the Athletic Director.

G. Coach will not contact or hold discussions with any potential employer, other than through the University, regarding job opportunities without first providing notice to the Athletic Director. Additionally, if Coach is contacted by any representative of a potential employer, other than the University, regarding job opportunities, Coach will require that representative or potential employer to contact the Athletic Director prior to any further discussions.

IV. COMPENSATION

A. Base Salary: Coach shall be paid an annual Base Salary of Two Hundred Thousand Dollars (\$200,000), with one-twelfth of this sum to be paid monthly, plus benefits provided to University employees, which benefits shall be computed using the Base Salary.

B. Personal Services: For the personal services performed by Coach under this Contract, Coach shall be paid by the University pursuant to the terms of this Contract from unrestricted private funds and/or outside athletic related income as follows:

(1) For the personal services performed by Coach that are covered under Paragraph III.C. of this Contract, the sum of One Million Six Hundred Thousand Dollars (\$1,600,000), annually, with one-twelfth of this sum to be paid monthly. Additionally, this annual total sum shall increase by \$100,000 annually for each remaining year of the term. Such annual increase is subject to the terms of Paragraph II.B. of this Contract.

(2) For appearance and speaking engagements on behalf of the University, unrelated to athletics for general University fundraising and promotional purposes, the sum of Six Hundred Thousand Dollars (\$600,000), annually, with one-twelfth of this sum to be paid monthly.

(3) Two (2) automobiles and insurance for use by Coach and his wife.

(4) Provide up to thirty-five (35) hours annually of private airplane availability for Coach or reimburse Coach for personally contracted airplane use up to an equivalent cost not to exceed the cost at which the University could obtain such private airplane availability for Coach.

(5) Membership and monthly dues at a golf course in the Norman area; however, personal expenses associated with the golf course will be paid by Coach.

(6) Coach will be provided with twenty football tickets, to be distributed in a manner that promotes and furthers the football program.

C. Performance Bonuses: In recognition of special achievement and extraordinary performance for post-season competition, Coach will be paid, within sixty (60) days of the achievement, the amount indicated beside each such achievement.

(1) Participation in the Big Twelve Conference Championship Game - Sixty Thousand Dollars (\$60,000), or Eighty Thousand Dollars (\$80,000) for winning the Big XII Championship.

(2) Participation in a non-B.C.S. NCAA post-season bowl competition - Sixty-Five Thousand Dollars (\$65,000).

(3) Participation in a B.C.S., NCAA post-season bowl competition (i.e., Rose, Orange, Sugar, or Fiesta bowl) - One Hundred Thousand Dollars (\$100,000) or One Hundred Fifty Thousand Dollars (\$150,000) for participation in the B.C.S. National Championship Bowl game.

(4) B.C.S. National Championship - Two Hundred Fifty Thousand Dollars (\$250,000).

(5) It is agreed that in the event the NCAA bowl/post-season competition structure in existence at the time of contracting is modified, a comparable performance compensation arrangement will be agreed upon by Coach and University.

(6) B.C.S. Final National Rankings - Seventy-Five Thousand Dollars (\$75,000) for a Top 10 Finish, or Fifty Thousand Dollars (\$50,000) for a Top 20 Finish.

(7) Graduation Rate of:

- (a) 65% or better - Forty Thousand Dollars (\$40,000); or
- (b) 75% or better - Fifty Thousand Dollars (\$50,000); or
- (c) 85% or better - Sixty Thousand Dollars (\$60,000); or
- (d) 100% - One Hundred Thousand Dollars (\$100,000).

(8) Named by the Big XII Conference as Coach of the Year - Thirty Thousand Dollars (\$30,000).

(9) Named by the Associated Press ("AP") as the National Coach of the Year - Sixty Thousand Dollars (\$60,000).

D. Anniversary Benefit: In recognition of his tenth anniversary as Head Football Coach at the University, the University shall establish and sponsor benefit programs or plans of deferred compensation (the "Plans") for the benefit of Coach. The University will contribute to the Plans sufficient amounts so that as of December 31, 2008 the aggregate sum of Three Million Dollars (\$3,000,000) will be accumulated in the Plans consisting of University contributions and earnings thereon (collectively, the "Benefit"). Coach will be entitled to the Benefit if Coach remains employed at the University as Head Football Coach through the Contract year ending December 31, 2008 subject to the following provisions. If Coach is no longer employed with the University on or prior to December 31, 2008, then Coach shall be entitled to a pro rata portion of the Benefit (the "Pro Rata Portion") based on Coach's completed months of service with the University from January 1, 2005 through December 31, 2008 divided by 48 (number of months in the period from January 1, 2005 to December 31, 2008). However, if Coach voluntarily terminates employment on or prior to December 31, 2008 and assumes another coaching position, then Coach shall forfeit all of his right to the Benefit whether accrued or unaccrued. Notwithstanding the foregoing, if Coach voluntarily terminates during the 2007 or 2008 calendar years due to David L. Boren no longer serving as the

University's President, then Coach may voluntarily terminate employment as Head Football Coach and assume another coaching position without forfeiting his Pro Rata Portion of the Benefit. In the event the Benefit is not provided to Coach by the Plans, the University shall cause an amount equal to the difference between \$3,000,000 and the value of benefits provided by the Plans, to be paid to Coach.

V. TERMINATION

A. Without Cause: The University may terminate Coach's employment under this Contract at any time without cause.

B. Liquidated Damages: The parties to this Contract agree that in the event of a termination without cause under Paragraph V.A. of this Contract the damages incurred by Coach would be uncertain and not susceptible to exact computation. Accordingly, in the event of a termination without cause under Paragraph V.A., the University will pay Coach Two Million One Hundred Thousand Dollars (**\$2,100,000**) per year remaining under the term as set forth in Paragraph II.A. Such amount would be paid in annual installments each year commencing within 30 days of termination. Such annual amount shall be prorated for any termination prior to the end of a contract year. By agreeing to this Contract, Coach agrees that this amount will constitute full settlement of any and all claims that Coach might otherwise assert against the University and any of its agents or employees. If Coach asserts any claim against the University in violation of this Paragraph V.B., the University is released from any and all obligations to make payments to Coach under this Paragraph V.B. from the date the claim is asserted to any entity, including the press, any agency, or a court.

C. For Cause: This Contract may be terminated by the University for cause on any of the following grounds:

(1) Failure by Coach to carry out the duties and responsibilities outlined in Paragraph III. of this Contract if not promptly cured (in no case later than within thirty (30) days) upon written notice by the University of such failure:

(2) In the event Coach

(a) knowingly participates in violations of NCAA, Conference, or University rules, policies, or regulations; or

(b) authorizes or knowingly condones such violations by others; or

(c) fails to report such violations within a reasonable time of Coach's gaining knowledge of such violations, or

(d) fails to learn of such violations when Coach had reason to know or should have known of such violations through the exercise of reasonable diligence in carrying out his duties under this Contract;

(e) It is understood that if the President or General Counsel for the University at the time of contracting leaves the University, this provision, Paragraph V.C.(2), will be re-negotiated with the University.

(3) Conviction of Coach of a felony; or

(4) Misconduct by Coach of such a nature that would offend the traditions and ethics of the University, or which brings discredit to the University, or which harms the University's reputation and would likely result in the potential for financial liability to the University. It is understood that if the President or General Counsel for the University at the time of contracting leaves the University, this provision, Paragraph V.C.(4), will be renegotiated with the University.

In the event of termination under this Paragraph V.C., all salary and other contract benefits shall terminate immediately and Coach shall not be entitled to any compensation or benefits from the University after the date of termination. The University's sole obligation to Coach shall be payment of his salary to the date of termination, and the University shall not be liable to Coach in any other way or under any cause of action.

D. Disability or Death: Should Coach be unable to perform his duties under this Contract by reason of disability or death, this Contract, and the University's duties under it, shall terminate immediately. The only obligation of the University would be to pay to the contract beneficiary an amount equal to two year's Base Salary.

E. All notices under paragraph V.C.(1) shall be sent certified mail return receipt to:

Neil M. Cornrich
Cornrich & Cornrich Co., L.P.A.
One Chagrin Highlands
2000 Auburn Drive, Suite 315
Beachwood, Ohio 44122

VI. SEVERABILITY

The invalidity or unenforceability of any provision of this Contract has no effect on the validity or enforceability of any other provision.

VII. FORUM SELECTION CLAUSE

Any cause of action relating to this Contract of Coach's employment may only be brought in the Oklahoma State Courts of Cleveland County or the United States District Court for the Western District of Oklahoma.

VIII. APPLICABLE LAW

This Contract is governed by and shall be construed and endorsed under the laws of the State of Oklahoma. All amounts to be paid by University under this Contract shall be subject to any withholdings required by applicable law.

IX. MODIFICATION

No waiver, discharge, or modification of a provision of this Contract is valid unless it is evidenced by a writing signed by or on behalf of the party against who the waiver, discharge or modification is sought to be enforced. The rights, payments, and benefits of this Contract which inure to the benefit of Coach shall not be assigned, attached, alienated, or otherwise transferred without the written consent of the University. The failure of either party to require performance by the other party of any provision of this Contract shall not be deemed to subsequently affect the party's rights to enforce a provision hereof. A waiver of a breach of any provision of this Contract is not a waiver of any other breach of the provision or a waiver of the provision.

X. ENTIRE CONTRACT

This Contract constitutes the entire understanding and agreement of the parties with respect to its subject matter, and supersedes all prior and contemporaneous agreements, understandings, inducements, and conditions, express or implied, written or oral, between the parties, with respect to its subject matter. The express terms of this Contract control and supersede any course of performance or usage of trade inconsistent with any of the terms of this Contract.

XI. APPROVAL BY BOARD OF REGENTS

This Contract shall only be binding on the University upon formal approval of this Contract by the Board of Regents of the University of Oklahoma.

IN WITNESS WHEREOF, this Contract has been executed as of the date first above written.

ROBERT ANTHONY STOOPS



UNIVERSITY OF OKLAHOMA

By: 

By: _____