



Georgia Tech Athletic Association

December 6, 2007

Name: Paul Johnson

RE: Memorandum of Understanding Offer
Head Football Coach – Georgia Institute of Technology

Dear Paul:

It is with great pleasure that I offer you the position of Head Football Coach for the Georgia Institute of Technology, effective December 10, 2007. This Memorandum of Understanding, which presents the material terms of our offer, will be incorporated into a formal employment contract with the Georgia Institute of Technology for execution at the earliest possible date. Your acceptance of this offer will constitute a binding agreement between you and the Institute. The employment contract will be for a term of seven years.

Your compensation as Head Football Coach will be the following:

- Annual compensation of \$1,500,000, escalating a minimum of \$25,000 per year.

Base Salary	\$ 325,000
Radio/TV	\$ 775,000
Apparel	\$ 100,000
Speaking	\$ 300,000

- Incentive compensation for achieving athletic performance goals as follows:
 - ACC Coastal Division Champion (*representative or tie*) = \$100,000
 - ACC Champion = \$200,000
 - Bowl Appearance = \$ 75,000
 - Or
 - BCS Bowl Appearance = \$ 200,000
 - BCS National Champion = \$ 250,000

- Incentive compensation for achieving academic performance goals as follows:
 - Graduation Success Rate equal to or greater than 70% = \$125,000
 - APR Rates (Not cumulative)
 - Greater than or equal to 930 = \$ 25,000
 - Greater than or equal to 940 = \$ 50,000
 - Greater than or equal to 950 = \$ 75,000

Maximum incentives earned in any one fiscal year cannot exceed \$500,000

- Full standard benefits on the same terms as provided by the Institute to all professional employees, with contributions and benefit amount based upon the base salary where relevant.
- Reimbursement for your household moving expenses in accordance with Institute policy and state law.
- Pay to the United States Naval Academy or its designee up to \$500,000 towards the release of obligations for Coach Johnson
- Pay Coach a one time bonus of \$200,000 within 30 days of the signing of the employment contract
- Use of vehicle(s) provided by Institute, and a mutually agreed upon Country Club Membership.

Among other terms, your employment contract will include the following:

- You shall be prohibited from receiving benefits or compensation other than as described above from any other source without prior written agreement. The Institute shall permit you to conduct athletic camps with Institute support in accordance with Institute and Athletic Department policies; however, the financial risk and benefit will remain with you.
- If you terminate the contract, or if the contract is terminated for cause, (**see Addendum A**) the Institute shall not be liable for any payments or benefits after the date of termination.
- A clause allowing the Institute to terminate without cause that will require payment to you of 75% of the remaining value of the contract.
- A provision that you will agree not to seek or apply for other positions without prior notice. Additionally, a buyout of \$750,000 in the first year on the contract, and \$500,000 in the second year of the contract and beyond.

While these terms are contingent upon our executing an employment contract, I trust that every reasonable effort will be made to mutually conclude that process within 60 calendar days of your start date. However, this Memorandum of Understanding will serve as the contract if a formal contract is not signed within 60 calendar days.

It is with great anticipation and enthusiasm that I offer you the position of Head Football Coach at the Georgia Institute of Technology. Assuming that you are amendable, please indicate your acceptance by signing below.

I have every confidence that you will lead our football program with integrity and pride, and I look forward to welcoming you as a member of the Yellow Jacket family.

Sincerely,

Dan Radakovich
Director of Athletics
Georgia Institute of Technology

Accepted (if offered)

Paul Johnson

Date

ADDENDUM "A"

TERMINATION

1. The Athletic Director shall have the right, for good cause, to terminate COACH'S services as the ASSOCIATION'S Head Football Coach, subject to the approval of the President of the ASSOCIATION or his designate, if, in the ASSOCIATION'S opinion, "good cause" (as defined herein) exists. Should COACH disagree with "good cause" termination, COACH may, within ten (10) days of such termination, give written notice of his objection to such termination. In that event, the ASSOCIATION shall, within a reasonable time, not to exceed twenty (20) days, request a list of seven arbitrators from the American Arbitration Association who are available for employment as herein provided. Selection of an arbitrator shall be made by each party ranking each of such arbitrators on the list with a number from one (1) to seven (7): one for the favorite, two for the second, and so on. The two rankings will be added and the arbitrator with the lowest cumulative number shall be the arbitrator to hear the case. In the event this method of selection results in a tie, each party will alternately remove one arbitrator from the fill list until only one arbitrator remains on the list. The arbitrator whose name remains on the list shall be the arbitrator who hears the case. COACH will have the first turn to remove an arbitrator from the list.

After the selection of an arbitrator, the issue of "good cause" termination shall be submitted to arbitration for a non-binding decision which shall be rendered within twenty (20) working days following the close of the proceedings conducted by the arbitrator. The proceedings conducted by the arbitrator shall be under such terms and conditions as the arbitrator determines, consistent with the procedures of the American Arbitration Association, and the arbitrator's decision shall be submitted to both parties within twenty (20) days of the close of evidence and briefs which, within the discretion of the arbitrator, are allowed.

Costs of the arbitration procedure shall be borne by the non-prevailing party. The non-prevailing party shall be liable for the prevailing party's reasonable attorney's fees and necessary costs incurred in connection with said arbitration.

Termination for "good cause" shall immediately relieve the ASSOCIATION of any and all liabilities and/or obligations to COACH under the Contract, other than for monies earned and due for services rendered prior to termination. For purposes of this Contract, "good cause" shall be understood to include, but not be limited to any of the following:

1. Conviction of (or entry into pre-trial intervention as a result of) a crime involving moral turpitude or conviction for a felony for which the penalty for conviction is more than one (1) year in prison and a fine of more than One Thousand Dollars (\$1,000.00);

2. COACH'S failure to substantially perform any of the duties as set forth in the Contract (see **Article II**) within 30 days after written notice by the Athletic Director;

3. The committing of a major violation of NCAA Legislation by COACH while at the Institute or while previously employed at another NCAA member institution, or the committing of a series or pattern of secondary violations of NCAA Legislation while at the Institute, any of which result in NCAA sanctions;

4. The committing of a major violation of NCAA Legislation or the committing of a series or pattern of secondary violations of NCAA Legislation by a member of COACH's coaching staff while at the Institute which COACH had actual knowledge prior to the action;

5. The committing of a major violation of NCAA Legislation while COACH is at the Institute by any representative of the Institute's athletics interest with COACH's actual knowledge prior to the action;

6. Any cause adequate to sustain the termination of any other non-classified Association employees.

COACH shall be given thirty (30) days notice of any termination for "good cause".

ARTICLE II

DUTIES

The parties agree that COACH is employed solely and exclusively as Head Football Coach of the Georgia Institute of Technology and his position is non assignable. COACH's duties will include but are not limited to the following:

1. Report to the Director of Athletics and plan, develop, administer, and evaluate the football program.

2. Advise the football staff and team of all applicable ASSOCIATION, NCAA, Conference and other applicable rules and policies, as directed by the administration of the ASSOCIATION, and be responsible for and use his best efforts to ensure that the football staff and team are in compliance with said rules and policies.

3. Cooperate with the ASSOCIATION administration in monitoring the academic progress of student-athlete football players to facilitate pursuit of a baccalaureate degree.

4. Recruit, direct, supervise and evaluate the assistant football coaches and all related football support personnel.

5. Recommend hiring, selection, compensation, discipline, and discharge of assistant football coaches and all related football support personnel.

6. Recommend students for athletic grant-in-aid scholarships from the ASSOCIATION.

7. Plan and supervise programs for player training, conditioning, and drug education and testing, using program development input from support sources such as the Head Trainer, Team Physician, and Strength and Conditioning Coach.

8. Develop, supervise, and conduct the recruiting program for student-athlete football players.

9. Direct student-athlete football players to the appropriate ASSOCIATION source for assistance regarding financial aid, academic advisement, and general student needs provided by the ASSOCIATION.

10. Provide appropriate program safety requirements by relying upon the professional advice of the head athletic trainer, and staff and the team physician assigned by the ASSOCIATION.

11. Evaluate individual and team strengths and develop strategies for skill improvement.

12. Supervise all games, scrimmages, and practices or delegate this responsibility to an appropriate staff member in COACH'S absence.

13. Discipline student-athletes for violations of team rules, ASSOCIATION regulations or conduct impacting upon team matters, team policies or the reputation of the ASSOCIATION.

14. Have primary responsibility for developing and administering the budget for the football program subject to the approval of the Director of Athletics and in a manner consistent with ASSOCIATION policy.

15. Cooperate with the Sports Information Director in the preparation of brochures, programs, statistical reports, and press releases in support of the football program.

16. Assist the Alexander Tharpe Fund, when reasonably requested, in fund-raising efforts to support the football program.

17. Oversee the preparation and update of the equipment inventory for the football program in conjunction with and upon the advice of the head equipment manager.

18. Oversee football staff activity relating to public relations and promotions functions for the football program.

19. Represent the ASSOCIATION, when reasonably requested, in organizations governing the intercollegiate football program, as deemed necessary by the Director of Athletics, such as NCAA, ACC, CFA, etc.

20. Perform duties assigned by the Director of Athletics customary to the position of Head Football Coach and the operation of the football program.

21. As schedule permits, assist and promote the ASSOCIATION by soliciting and encouraging contributions to and support of the ASSOCIATION'S intercollegiate football program.

22. As schedule permits, represent the ASSOCIATION and its intercollegiate football program at appropriate events and meetings, including meetings of the Alexander - Tharpe Fund and Alumni Association.