

FOURTH CONTRACT OF EMPLOYMENT

This employment contract is made and entered into this 8th day of October, 2007, by and between the ATLANTA INDEPENDENT SCHOOL SYSTEM, acting by and through the Atlanta Board of Education (hereinafter referred to as the "Board") and BEVERLY L. HALL (hereinafter referred to as the "Superintendent") pursuant to the authority of Georgia law (this "Contract").

WITNESSETH:

WHEREAS, the Board employed Superintendent as the chief administrative officer of the Atlanta Independent School System (hereinafter referred to as the "System"), upon the terms and conditions of a Contract, initially dated December 13, 2004, as amended, which contract will expire on June 30, 2008; and

WHEREAS, the Superintendent and the Board are desirous of continuing the contractual relationship on the terms and conditions set forth herein and fully specifying terms and conditions of the Superintendent's employment by the System which will promote effective communication and true understanding between the parties; and

WHEREAS, the parties have mutually agreed upon the following terms and conditions relative to the Superintendent's employment by the System.

NOW, THEREFORE, in consideration of the agreements hereinafter set forth, and other good and valuable consideration, the parties agree as follows:

1. EMPLOYMENT

The Board, pursuant to O.C.G.A. § 20-2-101 and the 2003 Charter of the Board of Education of the City of Atlanta, Georgia Laws, 2003, Pages 1706-1761 *et seq.*, and in accordance with a resolution duly adopted at a meeting held on Monday, October 8, 2007, hereby employs as the superintendent of schools of the System upon the terms and conditions set forth in this Agreement and Superintendent hereby accepts such employment as superintendent of schools.

2. TERM OF EMPLOYMENT

A. Term. The Superintendent's initial term of employment shall be for a period of three (3) years, commencing on July 1, 2008, and terminating on June 30, 2011, unless extended or terminated as provided herein.

B. Extension. The Board and Superintendent will in good faith attempt to renegotiate the Contract on or before December 31, 2010. The Contract may not be extended except as in accordance with O.C.G.A. § 20-2-101. The Board and the Superintendent shall meet to consider an extension of this contract, and any extension of the term of this Contract shall be in the form of an amendment to the Contract and shall be upon the same terms and conditions as set forth herein unless otherwise agreed in writing by the parties.

3. SUPERINTENDENT'S DUTIES AND RESPONSIBILITIES

A. Prescribed Duties. The Superintendent shall be the chief administrative officer of the System and shall perform all the duties of and possess all of the authority now or hereafter imposed upon or granted to a superintendent of schools under provisions of Georgia law, including the Charter governing the Atlanta Independent School System, State Board of Education policies and rules and current Board policies. These duties shall include but not be limited to the following:

- (i)** have charge of the administration of the System under the policy direction of the Board;
- (ii)** implement all policies of the Board, all policies and regulations of the State Board of Education and State Department of Education and all state and federal laws relevant to education and the operation of the System;
- (iii)** serve as secretary of the Board except as provided by the Board's Charter and attend and participate in all meetings of the Board providing administrative recommendations on each item of business brought before the Board;
- (iv)** assume responsibility for the overall financial planning of the System, for the preparation of the annual budget, and for submitting the budget to the Board for review and approval;

(v) recommend all employees for employment, assignment and termination by the Board and supervise, direct, and control all employees of the Board except as provided by the Board's Charter;

(vi) act as a liaison between the System and the State School Superintendent and between the System and the community and assume responsibility for a program of public relations and for creating and maintaining a wholesome and cooperative working relationship between the schools and the community;

(vii) require such reports as she may deem necessary from principals, supervisors, teachers, or other employees and furnish to the State School Superintendent all reports and information which may be required from time to time; and

(viii) stay abreast of educational trends and developments by reading widely, visiting other districts, and participating in appropriate professional organizations at both the state and national levels.

B. Additional Duties. The Board may, from time to time, prescribe additional duties and responsibilities for the Superintendent; provided, however, that the Board shall not, without the Superintendent's written consent, adopt any policy, by-law, or regulation which impairs or reduces the duties and authority specified above; and provided, further, that all additional duties and responsibilities prescribed by the Board are consistent with those normally associated with the position of superintendent of schools in the State of Georgia.

C. Suggestions. The Board, individually and collectively, shall endeavor promptly and discretely to refer to the Superintendent, orally or in writing where practicable, for her study and recommendation, any and all criticisms, complaints, suggestions, communications or comments regarding the Superintendent's performance of her duties; however, failure to comply strictly herewith shall not constitute a breach of this Contract.

4. CERTIFICATION

During the term of this Contract the Superintendent shall possess and maintain a valid certificate as a superintendent of schools in the State of Georgia as required by Georgia law, the State Board of Education and/or the Georgia Professional Standards Commission.

5. RESIDENCY

During the term of this Contract, Superintendent shall maintain her permanent residence in the City of Atlanta, Georgia.

6. COMPENSATION

A. **Base Salary.** The Superintendent's annual base salary commencing on July 1, 2008, and ending on June 30, 2011, shall be at the rate of two-hundred seventy-three thousand, one-hundred fifty-six (\$273,156.00) dollars per year, paid in equal monthly installments in accordance with the rules of the Board governing salary payments to other District administrative employees. Commencing July 1, 2008, and each year of the term of the contract thereafter, the Base Salary shall be increased by the same percentage as all other APS employees, but not less than two (2%) percent.

B. **Performance Compensation in Addition to Base Salary.** The Superintendent shall be entitled to receive additional compensation designated as Performance Compensation during each year of the term of this Contract. This compensation shall be up to a maximum of thirty percent (30%) of Superintendent's annual base salary per year during the term of this Contract. The Performance Compensation will be earned upon attainment by Superintendent of reasonable specific performance objectives. Reasonable performance objectives, the Performance Compensation and the means of the payment thereof for the first year of this Contract shall be defined by mutual agreement of the Board and the Superintendent on or before October 1, 2008, which terms shall be added to this Contract by written amendment on or before October 23, 2008.

Reasonable performance objectives, the Performance Compensation and the means of the payment thereof for the second and third year of this Contract, or any extension of the Contract, shall be based upon the mutual agreement of the Board and the Superintendent and shall be based on the annual evaluation and performance of Superintendent. The performance objectives, and Performance Compensation and means of payment for the second or third years, or for any extension, shall be added to this Contract by amendment on or before November 15th of the second or third years, or for any extension.

Performance Compensation under this Section 6 shall be paid within thirty days of the date the Board determines the performance objectives have been met but in any event not later than March 15 of the calendar year following the close of the Contract year in which the Performance Compensation was earned.

7. PERFORMANCE EVALUATION

The Board shall devote a time to be agreed upon in each year of the Superintendent's employment by the System to an evaluation in executive session of her performance and working relationship with the Board. The evaluation shall be based upon performance criteria mutually agreed upon by the parties, and shall be reduced to writing in a form mutually agreed upon by the parties. The Superintendent, prior to her evaluation, shall report to the Board her accomplishments and attainment of goals and objectives. Thereafter, the Board will deliberate (in executive session) and shall provide the Superintendent with a copy of the written evaluation at least ten (10) days prior to the executive session of the Board scheduled to discuss such evaluation with the Superintendent. The performance evaluation shall be kept confidential by the Board except to the extent that such performance objectives for the payment of Performance Compensation shall have been met and paid.

In addition to the above, the Board and Superintendent may meet to discuss on a quarterly basis, issues of interest or concern to the Board or Superintendent (that could properly be the subject matter of an evaluation). If the Board desires to reduce any discussion to writing, the Board will follow the procedure set forth in this section.

8. OTHER COMPENSATION BENEFITS

A. Sick and Annual Leave. In addition to other compensation specified in this Contract, the Superintendent shall be entitled to receive all benefits which now are, or which during the term, or any extension, of this Contract may hereafter be, received by System employees including, but not limited to, vacation leaves, illness benefits and sick leaves; health and dental insurance protections; personal leaves; and other employee benefits. The employee benefits shall be received by the Superintendent to the maximum amount such benefits are provided to other annual duty System employees.

B. Tax Sheltered Annuity. During the term of this Contract, each year the Board shall contribute to a tax-sheltered annuity for the Superintendent in monthly installments a sum equal to eleven and one-half percent (11.5%) of Superintendent's annual base salary. The tax deferred annual contribution shall be in accordance with the provisions of the Internal Revenue Code and appropriate Georgia or federal law.

C. State Retirement Benefits. During the term of this Contract, the Board shall contribute to the Teachers Retirement System of Georgia for the Superintendent the sum required of school districts. The Superintendent shall make the employee contribution to the Teacher's Retirement System during the term hereof.

D. Additional Retirement. The Superintendent shall be entitled to an additional retirement contribution, which shall be equivalent in amount to the cost to purchase retirement buy-back for Superintendent in the Teachers Retirement System of Georgia (TRS) according to the schedule set forth in subsections D(1) through D(4) below. To the extent possible, the Board shall first contribute that amount on a pre-tax basis to a qualified retirement plan, i.e., a retirement plan from which an IRA can receive tax-free rollovers. To the extent the full contribution cannot be made on a pre-tax basis to a qualified retirement plan, the Superintendent may elect to have the contribution made either (i) to the TRS on an after-tax basis to purchase retirement buy back, or (ii) to a nonqualified deferred compensation plan.

(i) On or before July 31, 2008, the sum required to purchase a retirement buy-back for one year based upon Superintendent's 1996 out-of-state salary;

(ii) On or before July 31, 2009, the sum required to purchase a retirement buy-back for one year based upon Superintendent's 1997 out-of-state salary;

(iii) On or before July 31, 2010, the sum required to purchase a retirement buy-back for one year based upon Superintendent's 1998 out-of-state salary;

(iv) On or before June 30, 2011, the sum required to purchase a retirement buy-back for one year based upon Superintendent's 1999 out-of-state salary. Should Superintendent die, resign, or be terminated prior to the payment date of any contract year, the Board shall not be obligated to pay and

Superintendent or the Superintendent's estate, shall not be entitled to receive any payments hereunder for the year of resignation, death or termination or any year thereafter.

9. INSURANCE

A. Life. The Board shall pay the full annual premium during the term of this Contract on a life insurance policy acceptable to Superintendent in the amount of twice the amount of base salary of coverage for the benefit of Superintendent with Superintendent having the right to designate the beneficiary thereof.

B. Disability. The Board shall pay the full annual premium for a policy of disability insurance for the benefit of Superintendent during the term, or any extension, of this Contract and for the period specified in Section 13.A. of this Contract. The policy shall be acceptable to Superintendent and shall provide the coverage for payment of sixty (60%) percent of her annual base salary due to her disability. The Board shall be obligated to pay Superintendent her monthly base salary as interim disability pay during any waiting period under the policy of disability insurance should Superintendent become disabled to perform her duties and qualify to receive disability insurance benefits.

10. TRANSPORTATION AND EXPENSES

A. Automobile. The Superintendent shall be provided with a System-owned or System-leased late model, full size automobile for her use during the term of this Contract in order to permit the Superintendent to visit and oversee adequately the Board's operations. The Superintendent's expenses for gasoline, insurance, maintenance and repairs in connection with the operation of said vehicle shall be paid by the Board in accordance with Board policy.

B. Miscellaneous Expenses. The Superintendent shall be provided a \$10,000.00 miscellaneous expenses allowance for each year of the Contract and any renewals thereof, one-half paid at the beginning of the contract year and one-half in January of the contract year.

C. Professional Expenses. The Superintendent is authorized to incur reasonable expenses in the discharge of duties, including but not limited to expenses for travel and lodging; professional association dues and fees, including membership in the Georgia School Superintendents Association and the American Association of School Administrators; attendance at professional conferences and meetings on national, state,

and local levels; and similar items related to her employment. The Board will pay or reimburse the Superintendent for all such expenses incurred during the term, or any extension, of this Contract upon presentation, from time to time, of an itemized account of such expenditures. Such expenditures shall be in compliance and funds for such expenses shall have previously been budgeted for general expenses of the Superintendent by the Board.

11. INDEMNIFICATION

The Board agrees to defend, indemnify, and hold harmless the Superintendent from any and all demands, claims, suits, actions, and legal proceedings brought against the Superintendent in her official or individual capacity while acting within the scope of her employment, excluding criminal charges or a criminal action. The Board may satisfy some or all of the obligations of this paragraph through the purchase of liability insurance pursuant to Georgia law, including O.C.G.A. § 20-2-991.

12. OTHER WORK

The Superintendent shall devote her full time skill, labor and attention to the discharge of her duties during the term of this Agreement; provided, however, that she may undertake with Board approval, which will not be unreasonably withheld, consultative work, speaking engagements, writings, lecturing or other professional duties, obligations, and activities, with or without remuneration, so long as such activities do not interfere with the full and faithful discharge of the Superintendent's duties and responsibilities as specified herein.

13. TERMINATION

This Contract shall be terminated on the grounds and conditions as provided as follows:

A. Disability. The Board or Superintendent shall have the right to terminate this Contract and, thus terminate Superintendent's employment, for the physical or mental disability of Superintendent that prevents her from performing her duties as Superintendent as specified herein for a continuous period of six (6) months which may be extended (but shall not be required) by the Board for one (1) additional period of six (6) months upon the request of Superintendent. In the event of termination of this Contract as specified herein, all obligations of the Board hereunder shall cease upon any such termination except for the continued

payment of premiums on disability insurance policies providing benefits to Superintendent which premiums shall be paid by the Board for a period of one (1) year thereafter.

B. Termination for Cause. The Board shall have the right to terminate this Contract at any time for the reasons set forth in and in accordance with O.C.G.A. § 20-2-940 *et seq.* All the procedural and substance safeguards of O.C.G.A. § 20-2-940 *et seq.* shall be afforded and provided to Superintendent. In the event Superintendent is terminated for a cause, all obligations of the Board to the Superintendent shall cease upon the final termination decision of the Board following a hearing of the charges.

C. Unilateral Termination by Board. The Board, upon a three-fourths vote of its members, may at its option unilaterally terminate this contract by giving to Superintendent at least ninety (90) days written notice of unilateral termination. However, this contract shall terminate effective not earlier than six (6) months and not later than twelve (12) months from the date of the Board's decision to unilaterally terminate this contract. Unilateral termination may be without cause or justification by the Board. Superintendent shall not be entitled to a hearing before the Board regarding the unilateral termination. In the event of unilateral termination, the Board shall pay to the Superintendent, as severance pay, the annual base salary and employment benefits she would have earned and been entitled to receive under this Contract for a period of twelve (12) months from the date of unilateral termination.

D. Unilateral Termination by Superintendent. Superintendent may at her option unilaterally terminate this contract by giving to the Board at least ninety (90) days written notice of unilateral termination. In the event of unilateral termination by Superintendent, the Board's formal obligations and the Superintendent's rights hereunder shall cease as of the effective date of Superintendent's unilateral termination.

14. ARBITRATION

Any disputes, both as to the Board and the Superintendent, arising out of the termination of the Superintendent's Contract and/or employment with the Board and the System or arising out of the construction of this Contract, except those governed by Section 13.B. of this Contract for termination under O.C.G.A. § 20-2-940, shall be subject to non-binding arbitration, as made available through the American

Arbitration Association. A single arbitrator shall be picked by the parties through an alternative "strike" method based upon a list furnished by the American Arbitration Association. The decision resulting from arbitration shall not be binding on either the Board or the Superintendent. If either the Board or the Superintendent is dissatisfied with the award, either may, following arbitration, pursue in any federal or state judicial forum any claims or causes of action which were subject to the completed arbitration. Neither the Board nor the Superintendent shall have the right to file and pursue a claim or cause of action against the other in any federal or state judicial forum unless and until the matter has been first submitted to arbitration and arbitrated. Subject to the foregoing limitations, Superintendent expressly reserves all rights to pursue in a federal or state judicial forum any claims she may assert under federal, state, or local law relating to the termination of her employment or Contract, or her employment, the construction of this Contract, including without limitation, any claims under Title VII of the Civil Rights Act of 1964, as amended; 42 U.S.C. § 1981 or § 1983; the Age Discrimination in Employment Act, 29 U.S.C. §§ 621 *et seq.*; The Americans with Disabilities Act, 42 U.S.C. §§ 12101 *et seq.*; or any other federal, state, or local law.

Initialed: VPD (for the Board) Initialed: DA (Superintendent)

15. EFFECTIVE DATE

This Fourth Contract shall be effective on July 1, 2008. All obligations of the Board in regard to payment of Base Salary, Performance Bonus or any financial benefits which are unpaid or unfulfilled, shall survive and continue as contract obligations hereunder.

16. SEVERABILITY

The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.

17. BINDING EFFECT

This Contract constitutes the entire agreement between the parties and shall not be altered or amended except in writing signed by the parties hereto. This Contract shall be binding upon and inure to the benefit of the heirs, personal representative, successors, or assigns or such parties.

18. COMPLIANCE WITH FEDERAL LAW

To the extent that any amounts to be paid under the terms of this Contract constitute "non-qualified deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), such amounts shall be paid in such a manner as to satisfy the short-term deferral exception to the application of Section 409A of Code, the separation pay plan exception to the application of Code Section 409A, as applicable, or any other exception to the application of Code Section 409A. To the extent this Contract become subject to Code Section 409A and applicable guidance issued thereunder, the Board may in its sole discretion or shall upon the reasonable request of the Superintendent take such steps as it deems reasonable to provide the coverage or benefits provided under this Contract so as to comply with Code Section 409A and the guidance issued thereunder; provided, however, that any and all tax liability and penalties resulting from non-compliance with Code Section 409A shall remain the Superintendent's sole responsibility.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals to duplicate originals on the day and year first set forth above.

ATLANTA BOARD OF EDUCATION

SUPERINTENDENT

BY: Kathleen B. Pattillo
KATHLEEN B. PATTILLO, CHAIR
Atlanta Board of Education

Beverly L. Hall
BEVERLY L. HALL