

LOS ANGELES UNIFIED SCHOOL DISTRICT

EMPLOYMENT AGREEMENT

GENERAL SUPERINTENDENT OF SCHOOLS

This Agreement is made and entered into by and between the BOARD OF EDUCATION OF THE LOS ANGELES UNIFIED SCHOOL DISTRICT, hereinafter referred to as, the "Board of Education" or the "Board", and David L. Brewer III, hereinafter referred to as "Brewer" or the "General Superintendent" [hereinafter collectively referred to as "the parties"].

WITNESSETH

The parties do hereby contract and agree as follows:

1. Pursuant to the provisions of Education Code Section 35031, the Board of Education and the General Superintendent hereby enter into this agreement ("Agreement"), under the terms and conditions set forth herein. This is the complete agreement between the parties and may only be modified in a writing signed by the parties.
2. The Board hereby employs Brewer and Brewer hereby accepts employment as the General Superintendent of Schools of the Los Angeles Unified School District (the "District") and any successor district thereto, for the term commencing November 13, 2006 and ending November 12, 2010. Unless the Board notifies the General Superintendent that it will not re-elect or re-employ Brewer as the General Superintendent at least three calendar months prior to its expiration, the Board of Education will be deemed to have renewed this Agreement for another four-year term and to have re-elected Brewer in accordance with the requirements of Education Code Section 35031.

3. As stated in Education Code Section 35035, the General Superintendent shall be the Chief Executive Officer of the Board of Education, and shall have all the powers and perform all the duties of the General Superintendent of Schools for the District as provided by law and the Board of Education, and shall devote all time necessary to perform said duties. The Board understands that the General Superintendent does not have a teaching credential and, pursuant to Education Code Section 35029, hereby waives the applicable credentialing requirement for this position. It is understood and agreed that the General Superintendent will be given discretion over personnel appointments. The General Superintendent understands and agrees to give the Board prior notification on appointments to senior management positions.

4. The annual base salary of the General Superintendent for the term of this Agreement, unless the Board of Education increases such salary pursuant to Paragraph 5, below, shall be in the sum of Three Hundred Thousand Dollars (\$300,000) and shall be apportioned and paid on the payroll period in effect for twelve-month employees of the Board of Education.

5. The Board of Education may increase the salary of the General Superintendent at any time during any school year, such increase to be effective for the remaining portion of such school year, and for any succeeding school years while this Agreement is in place. On or before July 1 of each year that the General Superintendent performs services under this Agreement, the Board shall meet to evaluate the General Superintendent's performance and to determine if such performance warrants an increase in annual salary. If the Board of Education does award a salary increase, it will be effective as of July 1 of that year. To the extent the Board of Education elects to implement a salary increase to the District's represented and unrepresented employees, the General Superintendent will not be entitled to the salary increase given to the District's represented employees.

6. In each year of the Agreement, the Board of Education will develop specific Employee Accountability Standards which will outline for the General Superintendent those objective performance measures applicable to his performance in the following fiscal year. It is understood and agreed that the Board of Education, in good faith, will establish a performance matrix of objective performance measures as part of the Employee Accountability Standards for the following fiscal year no later than December 31. These standards shall be deemed incorporated by reference herein, after they have been finalized and approved by the Board of Education. It is understood and agreed that the Board of Education, in one or more evaluation sessions with Brewer, may modify the Employee Performance Standards and that, as so modified, they may affect the Employee Accountability Standards for Brewer. The Employee Accountability Standards, which are a part of this Agreement, may be accordingly amended without a formal amendment of this Agreement. It is understood and agreed that the successful implementation of these standards (including any modifications) is part of the accountability and performance standards for this employee.

7. The Board of Education Agrees to furnish the General Superintendent an automobile for his business use. The General Superintendent will keep adequate records as specified by the Controller. The District will compute personal mileage, which will be recorded as compensation to Employee. The Board of Education agrees to provide the General Superintendent the use of a driver, as may be reasonably necessary in the conduct of official District business.

8. Upon signing this Agreement, the Superintendent shall be entitled to an annual expense fund of Forty-Five Thousand Dollars (\$45,000) paid as follows: Twenty-Two Thousand Five Hundred Dollars (\$22,500) payable on December 1, and Twenty-Two Thousand Five Hundred Dollars (\$22,500) payable on June 1, of each year of the Agreement.

9. The Board of Education agrees to reimburse the General Superintendent for the actual and reasonable amounts incurred to relocate Brewer's household from the Washington D.C. metropolitan area to California, including the costs of relocating two automobiles and including reimbursement to the General Superintendent for actual and reasonable airfare and associated travel costs of up to three (3) round trips by the General Superintendent's spouse, provided the travel expenses comply with the District's travel policy allowances as outlined in its Bulletin No. Q-15, dated May 9, 2003.

10. The Board of Education agrees to pay the General Superintendent Three Thousand Dollars (\$3,000) per month as a housing differential allowance. This allowance shall begin at the point that the General Superintendent acquires or rents permanent housing and shall continue throughout the term of this Agreement.

11. The Board of Education agrees to pay for or reimburse the General Superintendent for the actual and reasonable cost of hotel or other lodging for up to six (6) months from the effective date of this Agreement. Such payments shall stop prior to the six (6) month period, should the General Superintendent secure permanent housing as provided in Paragraph 10. The General Superintendent agrees to notify the Board of Education upon entering into a contract or other arrangement for permanent housing.

12. For the duration of this Agreement, the Board of Education agrees to pay the annual fee for membership and related expenses for the General Superintendent to attend appropriate professional and official meetings at the local, state, and national level as proposed by the General Superintendent and approved by the Board of Education.

13. For calendar year 2006, the Board of Education shall reimburse the General Superintendent for one month of his monthly premium for the \$1,000,000 life insurance policy

Brewer presently has in place. Commencing in January 2007, and for each month that this Agreement is in place, the Board of Education agrees to reimburse the General Superintendent in an amount equal to half the cost of the monthly premium of this life insurance policy, including any escalations in premium that might occur.

14. The parties agree that the District will, with the General Superintendent's cooperation, secure for the General Superintendent a standard disability income insurance policy while he performs services for the District under this Agreement. It is the parties' intention that, at the District's expense, they will secure a disability policy that will provide the General Superintendent with the level of benefits described in this paragraph. The disability income insurance benefit will have a waiting period of six (6) months from the onset of the disability (as defined by the policy), after which the policy will pay the General Superintendent up to fifty percent (50%) of his then-salary: (i) for up to one year of disability due to illness; and (ii) for up to four years of disability due to accident or injury. During the disability policy's six (6) month waiting period, the General Superintendent will first use his accrued and unused time credits, and then, upon the exhaustion of any time credits, the District will pay the General Superintendent his full salary until his disability insurance policy benefit begins. The District may elect to secure a disability insurance policy from a third-party, self-insure, or to structure some other arrangement by which the General Superintendent will receive the benefit payments described in this paragraph.

15. During each year of this Agreement, the General Superintendent shall be entitled to the same vacation provided to the District's certificated employees assigned on an "Executive - A Basis." During the term of this Agreement, the General Superintendent will also be entitled to thirteen (13) paid leave days per year for illness, with unlimited cumulative carry forward of unused days, plus eighty-seven (87) days of half-paid illness days which cannot be

cumulated or carried forward. In the event either party terminates this Agreement, the General Superintendent shall be entitled to lump sum compensation for accrued and unused vacation earned under the terms of this Agreement, at the salary rate effective at the time of termination of this Agreement.

16. For the duration of this Agreement, the Board of Education agrees to reimburse the General Superintendent for his incurred premium costs to maintain his TriCare medical, dental and visual insurance plans at its now-existing, present-level of coverage for the General Superintendent. The Board of Education will reimburse, for the currently existing policy, any escalations in premium costs that may occur during the term of this Agreement.

17. The General Superintendent shall participate in the California State Teachers Retirement Plan ("CalSTRS" or the "Plan"). The General Superintendent shall make employee-required contributions as prescribed by the Plan. On the General Superintendent's behalf, the District shall make the maximum amount of employer-side contributions allowable under the Plan. As prescribed by the Plan, the General Superintendent shall become vested after five years of service. The General Superintendent shall have all rights and responsibilities prescribed by the Plan and in accordance with applicable law.

18. Within thirty (30) days of submission, the Board of Education agrees to reimburse the General Superintendent not more than ten thousand dollars (\$10,000) for the actual and reasonable attorney's fees charged to him for negotiation of this Agreement and professional advice and counsel relating thereto.

19. If, during the term of this Agreement, the General Superintendent shall become unable to perform the duties of his office due to Disability, as defined in this paragraph, the Board of Education may appoint a person to act in the capacity of General Superintendent

during the General Superintendent's absence. For the purposes of this Agreement, "Disability" means a physical or mental illness, injury, or condition that prevents the General Superintendent from performing substantially all of his duties under this Agreement for at least 90 consecutive calendar days or for at least 120 calendar days, whether or not consecutive, in any 365-calendar-day period. The parties agree that the General Superintendent holds a key position within the District and, thus, his extended absence due to a Disability would constitute an undue hardship on the District's operations, with no reasonable accommodation available. The parties further agree that the Board of Education may terminate the General Superintendent's employment, or may transfer the General Superintendent to inactive employment status, should he have a Disability. In such event, the General Superintendent shall continue to receive illness leave benefits to the extent entitled. If such Disability shall continue after the exhaustion of all illness leave benefits, the Board may then, at its option, terminate this Agreement. If the General Superintendent's employment is terminated due to the Disability, it shall have the same effect under this Agreement as a termination "without just cause," as set forth in paragraph 21 below. It is the parties' understanding that Education Code Sections 44977 and 44978.1 (with its right to be placed on a reemployment list) do not apply to the General Superintendent and, to the extent the General Superintendent had any such right, it is expressly and knowingly waived herein.

In the event of a dispute as to whether illness or disability renders the General Superintendent unable to perform the duties of his office, the decision of a majority of a panel of three (3) qualified physicians will be binding. One (1) physician will be selected by the Board of Education, one (1) by the General Superintendent and one (1) by the two designated physicians.

20. The Board of Education may effect the termination this Agreement with or without just cause.

- a) If, prior to the expiration of the term of this Agreement, the termination of the General Superintendent's employment is effected by the Board of Education, without just cause or due to a Disability as defined in paragraph 20, the District shall pay to the General Superintendent, liquidated damages in full satisfaction of all contract claims, a sum equal to the monthly salary of the General Superintendent multiplied by the number of months left on the unexpired term of the Agreement, not to exceed eighteen months. For purposes of this paragraph 20(a) "monthly salary" shall include: (1) "annual base salary," as set forth in paragraph 4, above (and as the Board may increase it from time to time), pro-rated on a monthly basis; and (2) the "annual expense fund," as set forth in paragraph 8, above, pro-rated on a monthly basis. The cash settlement set forth herein shall be subject to the limitations of Government Code Sections 53260, et seq. Government Code Sections 53260, et seq. provides in summary that, if this Agreement is terminated, the maximum cash settlement that the General Superintendent may receive under Government Code Sections 53260, et seq., shall be an amount equal to the monthly salary of the General Superintendent multiplied by the number of months left of the unexpired term of the Agreement. However, if the unexpired term of the Agreement is greater than 18 months, the maximum cash settlement shall be an amount equal to the then-

monthly salary of the General Superintendent multiplied by 18. The cash settlement specified in Section 53260 shall not include any other non-cash items except health benefits, which may be continued for the same duration of time as covered in the settlement, pursuant to the same time limitations as provided in Section 53260, or until the employee finds other employment, whichever occurs first.

- b) If, prior to the expiration of the term of this Agreement, the termination of the General Superintendent's employment is affected by the Board of Education, with just cause, the District shall be excused from providing the General Superintendent with any amount of compensation, benefits or other form of remuneration that would have been otherwise due under this Agreement, as of the effective date of the termination. For purposes of this paragraph 21(b), "just cause" shall be defined as:
1. serious, intentional misconduct or malfeasance, including, without limitation, engaging in fraud, misappropriation of funds or other illegal fiscal practices.
 2. any of the grounds set forth in Education Code Sections 44932, et seq., it being understood that such substantive causes are incorporated by this reference as a matter of contract, and that the accompanying statutory dates,

warnings, notices and hearing procedures are not so incorporated or included by this reference.

Notwithstanding any other provision of this Agreement, in the event that the termination of the General Superintendent for cause is because of alleged fraud, misappropriation of funds or other illegal fiscal practices, the District, pursuant to the provisions of Government Code Section 53260, shall conduct an independent audit to investigate such practices. If the independent audit confirms such conduct, the District may not provide a cash or non-cash settlement to the General Superintendent of an amount greater than the General Superintendent's monthly salary multiplied by zero to six. The exact multiplier shall be determined by a hearing officer after a hearing.

21. The Board of Education and the General Superintendent agree to resolve any claims arising out of or relating to enforcement of this Agreement, or termination of the General Superintendent's employment, including any contractual, statutory or common law claims, and claims against individual managers, employees, agents and Board of Education members of the District in their capacity as such, as well as against the District itself, that would be justiciable under applicable state or federal law, ("Arbitrable Dispute"), through binding arbitration pursuant to the Employment Arbitration Rules of the American Arbitration Association. Any disputes or claims otherwise cognizable in court, statutes of limitations, substantive law, and scope of available remedies shall be the same as if the case were brought in court, except that claims alleging violation of this Agreement must be brought, in writing, within one year of the alleged violation.

22. This arbitration shall take place in Los Angeles, California, before a single neutral arbitrator who is an experienced employment arbitrator licensed to practice law in

California selected in accordance with those rules. If the parties are not able to mutually agree to an arbitrator, the arbitrator shall be appointed in the following manner:

- a) Shortly after it receives the demand, the AAA shall send simultaneously to each party a letter containing an identical list of names of persons chosen from the Employment Dispute Resolution Roster. The parties are encouraged to agree to an arbitrator from the submitted list and to advise the AAA of their agreement.
- b) If the parties are unable to agree upon an arbitrator, each party to the dispute shall have 15 days from the transmittal date in which to strike names objected to, number the remaining names in order of preference, and return the list to the AAA. If a party does not return the list within the time specified, all persons named therein shall be deemed acceptable.
- c) From among the persons who have been approved on both lists, and in accordance with the designated order of mutual preference, the AAA shall invite the acceptance of an arbitrator to serve. If the parties fail to agree on any of the persons named, or if acceptable arbitrators are unable to act, or if for any other reason the appointment cannot be made from the submitted list, the AAA shall have the power to make the appointment from among other members of the panel without the submission of additional lists.

23. The arbitrator may not modify or change this Agreement in any way. The Board of Education is responsible for any filing fee and the fees and costs of the arbitrator. Each

party shall pay for its own attorneys' fees and costs. If any party prevails on a statutory claim which affords attorneys' fees and costs, the arbitrator may award reasonable attorneys' fees and/or costs to the prevailing party. At the conclusion of the Arbitration the arbitrator shall issue a written award. Either party shall have the right, within 20 days of issuance of the arbitrator's opinion, to file with the arbitrator a motion to reconsider (accompanied by a supporting brief), and the other party shall have 20 days from the date of the motion to respond. The arbitrator thereupon shall reconsider the issues raised by the motion and, promptly, either confirm or change the decision, which (except as provided by this Agreement) shall then be final and conclusive upon the parties. Neither this paragraph nor the submission of any claim to arbitration shall limit the parties' right to seek provisional remedies, including without limitation injunctive relief, in any court of competent jurisdiction pursuant to California Code of Civil Procedure Section 1281.8, and seeking such remedies shall not be deemed a waiver of such party's right to compel arbitration. Arbitration pursuant to this paragraph shall be the exclusive remedy for any Arbitrable Dispute. Should either party attempt to resolve an Arbitrable Dispute by any method other than arbitration pursuant to this Section, the responding party will be entitled to recover from the initiating party all damages, expenses, and attorneys' fees incurred as a result of the initiating party's breach of this arbitration agreement.

24. Notwithstanding the above arbitration agreement, if a termination also affects the General Superintendent's statutory certificated tenure rights, nothing herein is intended to waive the statutory ground, procedures and forum applicable to such tenure rights.

25. The General Superintendent shall devote his full time, labor and attention to the performance of his official duties. Provided that such activities do not interfere with his duties under this Agreement, and with prior approval of the Board of Education, the General

Superintendent may engage in outside professional activities including, without limitation, teaching, consulting, speaking and writing. Any such activities undertaken by the General Superintendent must be accomplished on the General Superintendent's vacation days, evenings, weekends, holidays or other non-duty days. The General Superintendent may not use District funds, including any funds he may receive for his expense fund in Paragraph 8 above, to pay for expenses incurred in performing these professional activities. Receipt of any compensation, including honoraria, by the General Superintendent must comply with California law.

26. If a Council of Mayors is formed, as contemplated by Assembly Bill 1381, and the Council of Mayors fails to ratify the General Superintendent's appointment or this Agreement (including any subsequent renewals of this Agreement), no matter what the stated reason, the General Superintendent's employment shall be deemed terminated without "just cause" entitling him to the cash settlement set forth in Paragraph 20 (a), above. The parties to this Agreement understand and acknowledge that the validity of AB 1381 is currently being challenged in court, and nothing herein is to be construed as an indication that either party believes AB 1381 to be constitutional or, if constitutional, that it would grant the Council of Mayors any authority to ratify the Agreement.

27. Except to the extent governed by federal law, this Agreement shall be governed by the statutes and common law of the State of California (excluding any that mandate the use of another jurisdiction's laws). It is the desire of the parties that the Agreement be binding and enforceable to the maximum extent permitted by law. The parties agree that if, in any action or arbitration relating to the Agreement, any provision, term, right, restriction, covenant, or promise in the Agreement is found to be invalid, illegal, or unenforceable for any reason, then such provision, term, right, restriction, covenant, or promise shall be deemed modified (and the Board


of Education agrees to seek to have the court or arbitrator make such modification) to the minimum extent necessary to make it valid and enforceable. Should any provision of this Agreement be declared or be determined by a court of law, or other tribunal of valid jurisdiction, to be illegal or invalid, the validity of the remaining parts, terms and provisions shall not be affected thereby and said illegal or invalid part, term or provision, shall be deemed not to be a part of this Agreement.

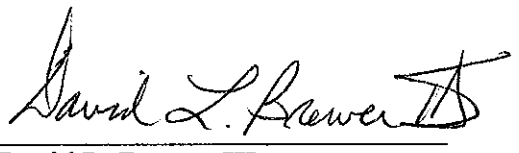
28. Disclosure of this Agreement and to the public and the procedures thereto shall be governed by applicable provisions of the laws of the State of California.

29. This Agreement is entered into subject to ratification by a vote of the Board of Education, and is null and void and of no further force or effect if not so ratified.

IN WITNESS WHEREOF, the District has caused this Agreement to be executed by its School Board President ("Board President") on its behalf, and the Board President has executed the same this 30th day of October, 2006.

LOS ANGELES UNIFIED
SCHOOL DISTRICT

By 
Marlene Canter
Board President

By 
David L. Brewer III
Superintendent