



THE CITY OF NEW YORK
OFFICE OF THE MAYOR
NEW YORK, N.Y. 10007

November 14, 2002

Chancellor Joel I. Klein
Board of Education
Tweed Courthouse
52 Chambers Street - Room 320
New York, NY 10007

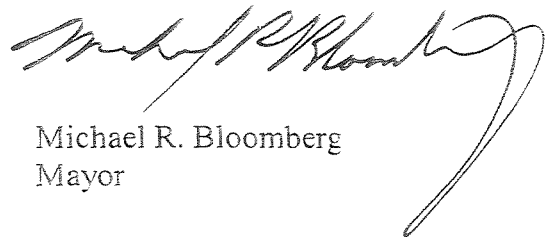
Dear Joel:

I am writing to confirm your appointment as Chancellor of the City School District of the City of New York, serving at the pleasure of the Mayor.

As Chancellor, you will receive an annual salary of \$250,000 and a severance payment of three months' salary upon the termination of your service by the Mayor or upon the effective date of your resignation. The City School District will provide an annual expense account of \$12,500. You will be a member of the Teachers' Retirement System and the City's Management Benefits Fund. You will also receive the following benefits on the same basis as a Deputy Mayor: vacation and sick leave allowance, health and welfare benefits (or an incentive payment of \$1,000 if you opt out of receiving health and welfare benefits), deferred compensation plans, pre-tax benefits programs (TransitCheck, Health Care Flexible Spending Account, Dependent Care Assistance Program) and a car and driver.

I look forward to your continued success as Chancellor, you are off to a great start!

Sincerely,



Michael R. Bloomberg
Mayor

ACCEPTED:



JOEL I. KLEIN

DATED: