

**FOURTH AMENDMENT TO EMPLOYMENT AGREEMENT
BETWEEN
PALO ALTO UNIFIED SCHOOL DISTRICT
AND
KEVIN SKELLY**

The Palo Alto Unified School District (hereinafter referred to "District") and its Superintendent, Kevin Skelly, (hereinafter referred to as "Superintendent") and collectively referred to as the "Parties" hereby enter into this Amendment to the Superintendent Employment Agreement this 10th day of December, 2013 based upon the following:

RECITALS

WHEREAS, the Parties have entered into a "Superintendent Employment Agreement" dated June 24, 2008 as amended by the First Amendment dated June 23, 2009, as amended by the Second Amendment dated June 14, 2011, as amended by the Third Amendment dated June 22, 2012 hereinafter referred to as the "Agreement";

WHEREAS, the Parties wish to modify and amend that Agreement effective upon the execution of this Fourth Amendment to the Agreement;

WHEREAS, the modifications stated herein below reflect the true intent of the Parties:

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

1. The Superintendent shall be paid a one-time annual salary increase for the 2013-2014 school year only of three percent (3%) of his current base salary. This one-time increase shall be paid in the following manner: (1) in January 2014, the District shall pay a retroactive amount covering the months of July 2013 through and including December 2013; and, (2) the balance of this increase shall be paid in monthly increments in his regular pay warrant during the months of January 2014 through June 2014.
2. This Amendment supersedes any conflicting provision(s) in the Agreement and its previous amendments any ambiguity between this Fourth Amendment and the Agreement and its previous amendments is to be interpreted in accordance with this Agreement.
3. All other terms of the Agreement and its previous amendments shall be continued without modification to and including June 30, 2017.
4. The Agreement, as modified by this Amendment and previous amendments, constitutes the entire understanding between the Parties hereto, and no addition to,

modification of, any term or provision of the Agreement, shall be effective unless set forth in writing and signed by both Parties.

Dated: December 10, 2013

PALO ALTO UNIFIED SCHOOL
DISTRICT



Board President



Kevin Skelly,
Superintendent

12/10/13

Palo Alto Unified School District

Superintendent Employment Agreement

This Superintendent Employment Agreement ("Agreement") is made this 24th day of June, 2008, by and between the Governing Board of the Palo Alto Unified School District ("District" or "Board") and Kevin Skelly ("Superintendent") with respect to the following recitals:

1. **Term.** The Board employs Superintendent for a four (4) year term commencing on July 1, 2008 and terminating on June 30, 2012.
2. **Salary.**
 - a. **Base Salary.** For the 2008-09 school year, the Superintendent's annual base salary shall be Two Hundred Forty-eight Thousand Sixty-three Dollars (\$ 248,063.00).
 - b. **Annual Adjustment.** During each year of this Agreement, the Superintendent's annual base salary shall be in accordance with the attached salary schedule and not any negotiated salary increase for any other group of employees. Any and all adjustment pursuant to the attached schedule shall be contingent upon an annual evaluation which indicates overall satisfactory performance. The determination of an overall rating of satisfactory is within the sole and absolute discretion of the Board of Education.
 - c. **Payment Schedule.** The Superintendent's salary shall be payable in twelve (12) approximately equal monthly payments, less all applicable taxes and deductions.
 - d. **Salary Increases by Mutual Consent.** In addition to any other increases, the Superintendent's salary may be increased each year by mutual agreement of the parties. An increase in salary shall not extend the term of this Agreement.
 - e. **Effective Date.** Salary increases shall be effective on any date ordered by the Board in accordance with Education Code section 35032.
3. **Fringe Benefits.** The Superintendent shall be afforded the following fringe benefits of employment afforded other District certificated management personnel:
 - a. **Sick Leave.** The Superintendent shall be allocated sick leave at the rate of one day per month. Earned, unused sick leave may be accumulated without limitation; however, under no circumstances shall the District be obligated to compensate the Superintendent for earned, unused sick leave. Unused sick leave may be credited for retirement purposes as authorized by the State Teachers Retirement System (STRS) and applicable law.

b. **Health Insurance.** The Superintendent shall be eligible to participate in health, dental, and vision benefits from the District's health benefits providers on the same terms and conditions as offered to other senior cabinet level employees, which includes Deputy Superintendents, Associate Superintendents and Assistant Superintendents, of the District.

c. **Life Insurance.** During the term of his employment the District will provide the Superintendent with a term life insurance policy payable to his beneficiaries in the amount of \$250,000.

d. **Disability Insurance.** In addition to the normal STRS disability plan, the District will provide the Superintendent with a disability insurance policy that provides the Superintendent with thirty percent (30%) of his salary in the event that STRS determines the Superintendent to be disabled from working.

e. **Annual Physical Examination.** The District shall pay for an annual physical examination of the Superintendent by a physician selected by the Superintendent.

f. **Automobile Allowance.** The Superintendent shall be entitled to receive a monthly automobile allowance of seven hundred fifty dollars (\$750.00 per month) for the acquisition, use, maintenance and insurance of an automobile while on District business within the county. The Superintendent shall be solely responsible for all expenses to use, maintain, operate and insure the automobile. The Superintendent's receipt of this automobile allowance shall be in lieu of his entitlement to in-district mileage reimbursement; however, the Superintendent shall be eligible for mileage reimbursement for work-related travel outside 100 miles from the District's boundaries.

g. **Reimbursement for Expenses.** The Superintendent shall receive the following reimbursement:

i. A per diem of fifty dollars (\$50.00) may be claimed to cover the costs of meals, parking, and tolls for one (1) or more days outside of the District.

ii. The Superintendent may use District credit cards for District business purposes pursuant to the established accounting procedures in the District for such expenses.

h. **Interest-free Loan.** The District shall provide the Superintendent with an interest-free loan not to exceed One Million Dollars (\$1,000,000) for the purchase of a house in the boundaries of the District provided that the Superintendent does not voluntarily resign his position with the District to accept another position during the term of this Agreement. This loan shall be secured by the value of the house and be payable upon such terms as the parties may

agree; however, the loan shall be due and payable within nine (9) months after the Superintendent has resigned from the District as Superintendent to accept another position. The loan, its terms and conditions including but not limited to its repayment are under the terms set forth in the attached Promissory Note.

i. **Professional Development.** The District and the Superintendent shall agree upon a professional development plan to include a mentoring and coaching component.

4. **Work Year.** The Superintendent shall be required to render two hundred twenty-four (224) workdays of full and regular service to the District during each annual period covered by this Agreement, exclusive of holidays as defined in Education Code sections 37220 and 37221. Days in excess of 224 and holidays are considered non-work days. The Superintendent is not entitled to vacation pay for non-work days. Both Parties recognize that the Superintendent is not entitled to overtime pay.

5. **Superintendent's Duties.**

a. **General Rules.** The Superintendent is hereby employed as District Superintendent and shall perform the duties of District Superintendent as prescribed by the laws of the State of California and the District policies. The Superintendent shall have primary responsibility for execution of Board Policy and responsibility for the duties prescribed by Education Code section 35035. The Superintendent shall be the Board's chief administrative officer.

b. **Personnel Matters.** The Superintendent shall have primary responsibility in making recommendations to the Board regarding all personnel matters including employment, assignment, transfer and dismissal of employees.

c. **Administrative Functions.** The Superintendent, as the chief administrative officer, shall: (1) review all policies adopted by the Board and make appropriate recommendations to the Board; (2) periodically evaluate or cause to be evaluated all District employees; (3) advise the Board of sources of funds that might be available to implement present or contemplated District programs; (4) assume responsibility for those duties specified in Education Code section 35250; (5) endeavor to maintain and improve his professional competence by all available means, including subscription to and reading of appropriate periodicals and membership in appropriate professional associations; (6) establish and maintain positive community, staff and Board relations; (7) serve as liaison to the Board with respect to all matters of employer-employee relations and make recommendations to the Board concerning

those matters; (8) recommend to the Board District goals and objectives; (9) unless unavoidably detained, attend all regular and special meetings of the Board; (10) serve as secretary to the Board; and (11) perform such other duties as may be assigned by the Board.

6. **Board/Superintendent Responsibilities.** Although the Superintendent, as chief administrative officer of the Board, shall have primary responsibility for execution of Board policies and the day-to-day operations of the District, the Board shall retain primary responsibility for formulating and adopting Board policies. In addition, while the Superintendent shall have primary responsibility for assignment and transfer of employees and for selecting candidates for consideration for employment, the Board alone shall have the authority to hire and dismiss District personnel. The parties agree not to interfere with or usurp the primary responsibilities of the other party and agree that the Board shall promptly refer all criticisms, complaints, and suggestions called to its attention to the Superintendent for an appropriate response.

7. **Outside Professional Activities.** By prior approval of the Board, the Superintendent may undertake for consideration outside professional activities, including consulting, teaching, speaking and writing. The Superintendent's outside professional activities shall not occur during regular work hours and shall not interfere in any way with the performance of the Superintendent's duties. In no event will the Board be responsible for any expenses attendant to the performance of such outside activities.

8. **Evaluation.**

a. **Yearly Evaluation.** The Board shall discuss on an as-needed basis its working relationship with the Superintendent and his job performance, including a mid-year verbal discussion each school year. The Superintendent shall work with the Board to develop a time line for each year's evaluation process. At least once a year a portion of a Board meeting shall be devoted to (1) formal criteria to be used to evaluate the Superintendent, (2) an oral and written evaluation of the Superintendent's performance, (3) a review of the Superintendent's salary and benefits, and (4) discussion of goals and objectives for the succeeding year. Nothing in this Agreement shall preclude the Board from evaluating the Superintendent more than one time per year. Among other criteria, the evaluation shall be based upon the job description and any mutually agreed upon goals and objectives.

b. **Board Review.** The Board shall conduct its evaluation of the Superintendent in closed session meetings of the Board and endeavor to complete the evaluation

by June 30. The Board shall meet with and provide a copy of the evaluation report to the Superintendent. Based upon findings specified in the evaluation report, the Superintendent, in collaboration with the Board, will prepare an action plan, if necessary, that will address areas identified as needing clarification, emphasis or improvement. If a jointly prepared action plan cannot be agreed upon, the Board, in its sole discretion, shall issue the action plan. The Superintendent and the Board President shall sign the evaluation report and action plan. The Superintendent shall have ten (10) calendar days from receipt of any evaluation to respond in writing. Evaluations and action plans relating to the Superintendent and any written comments in response shall be placed in the Superintendent's personnel file.

c. **Failure to Evaluate Non-Limiting.** The evaluation procedures and requirements set forth in this Agreement shall be the exclusive means by which the Superintendent is evaluated and are intended to supersede any other provisions concerning evaluation that might exist in applicable law or by virtue of any District rules, regulations, handbooks, policies or other agreements. Any failure on the part of the Board to meet the requirements or deadlines set forth in this paragraph shall not release the Superintendent from fully and faithfully performing the services required to be performed under this Agreement or constitute a default by District of its obligations under this Agreement.

9. **Examination.** In addition to the provisions of paragraph 3 e above, the Superintendent agrees to have a fitness for duty examination, by a District-appointed physician when requested by the Board. Following the examination, the Superintendent shall submit to the Board President a report from the examining physician certifying the Superintendent's fitness to perform the essential functions of his position. Any expense beyond that paid by insurance will be borne by the District. The purpose of the examination is to determine the Superintendent's fitness for service. The physician's report shall be treated as confidential information. The Superintendent agrees to execute any necessary medical releases or other documents to facilitate a comprehensive fitness for duty examination by the District-appointed physician.

10. **Termination of Agreement.**

a. **Mutual Consent.** This Agreement may be terminated at any time by mutual consent of the Board and the Superintendent

b. **Non-Renewal of Agreement by District.** The Board may elect not to renew this Agreement upon its expiration by providing written notice to the Superintendent in

accordance with Education Code section 35031 (currently 45-days prior notice), or other applicable provisions of law.

c. **Disability of the Superintendent.** If, as a result of a physical or mental disability, the Superintendent is unable to perform the essential functions of his position, even with reasonable accommodations, this Agreement may, at the Board's election, be terminated six months from the date the Board issues a written notice of termination.

i. **Physician's Report.** Prior to terminating this Agreement based upon the Superintendent's disability, the Board must receive a written report from a licensed physician establishing that the Superintendent is unable to perform the essential functions of his position. The Physician's report may be from a District-appointed physician, as set forth in section 8 above, or from a physician providing services to the Superintendent.

ii. **Notice from Superintendent.** If the Superintendent is informed by a physician that he is unable to perform the essential functions of his position, the Superintendent shall immediately request the physician to furnish the Board President with a written report containing those findings.

iii. **STRS.** If a physician issues a report indicating the Superintendent cannot perform the essential functions of his position, the Superintendent may apply for STRS disability benefits or STRS retirement.

iv. **Leaves.** If the Board elects to terminate this Agreement as a result of the physician's report establishing that the Superintendent cannot perform the essential functions of the position, the Superintendent shall, at the Board's election, cease performing the duties of his position and he shall exhaust all vacation days, in-lieu days, accumulated, unused sick leave days, and other paid leaves. If the Superintendent does not have sufficient leave to remain in paid status during the six-month period, the Superintendent shall be entitled to a paid leave of absence for the balance of the period. During the six-month period, the Superintendent shall remain entitled to health and welfare benefits consistent with the terms of this Agreement. Upon expiration of the six-month termination period, neither party shall have any further obligations to the other party.

d. **Termination for Cause.** The Board may terminate the Superintendent for: (1) acts done in bad faith to the detriment of the District; (2) refusals or failures to act in accordance with specific provisions of this Agreement or Board directives; (3) breach of this Agreement; (4) unsatisfactory performance; (5) misconduct or dishonest behavior; or (6)

conviction of a crime involving dishonesty, breach of trust, or physical or emotional harm to any person. The existence of such cause shall constitute a material breach of this Agreement and shall extinguish all rights and duties of the parties under this Agreement. If such cause exists, the Board shall meet with the Superintendent and shall submit a written statement of the grounds for termination and copies of written documents the Board believes supports the termination. If the Superintendent disputes the charges, the Superintendent shall then be entitled to a conference before the Board in a closed session meeting. The Superintendent and the Board shall each have the right to be represented by counsel at their own expense. The Superintendent shall have a reasonable opportunity to respond to all matters raised in the charges. The conference with the Board shall not be an evidentiary hearing and neither party shall have the opportunity to call witnesses. If the Board, after considering all evidence presented, decides to terminate this Agreement, it shall provide the Superintendent with a written decision. The decision of the Board shall be final. The Superintendent's conference before the Board shall be deemed to satisfy the Superintendent's entitlement to due process of law and shall be the Superintendent's exclusive right to any conference or hearing otherwise required by law. The Superintendent waives any other rights that may be applicable to this termination for cause proceeding with the understanding that completion of this hearing exhausts the Superintendent's administrative remedies and then authorizes the Superintendent to contest the Board's determination in a court of competent jurisdiction.

e. **Termination without Cause.** The Board may, for any reason, without cause or a hearing, terminate this Agreement at any time. In consideration for the exercise of this right, the District shall pay to Superintendent a monthly sum equal to the difference between the Superintendent's salary in effect during his last month of service and the amount earned after the effective date of termination for the remainder of this Agreement or twelve (12) months, whichever is less. Payments to Superintendent shall be made on a monthly basis unless the Board agrees otherwise. As a condition of payment, the Superintendent must file a written statement with the Board no later than the tenth (10th) day of each month listing his earnings for the previous month. Failure to file the statement by the tenth (10th) day of each month shall result in the District having no duty to pay for that month.

For purposes of this Agreement, the term "salary" shall include only the Superintendent's regular monthly base salary and shall not include the value of any other form of compensation or benefit, reimbursements or benefits received under this Agreement. Payments made pursuant to

this termination without cause provision may be subject to applicable payroll deductions and treated as compensation for state and federal tax purposes. No payments made pursuant to this early termination provision shall constitute creditable service or creditable compensation for retirement purposes. Payments made pursuant to this termination without cause provision shall be considered as final settlement pay and shall not count for any retirement purposes; accordingly, no deductions shall be made for retirement purposes.

The parties agree that any damages to the Superintendent that may result from the Board's early termination of this Agreement cannot be readily ascertained. Accordingly, the parties agree that the payments made pursuant to this termination without cause provision constitute reasonable liquidated damages for the Superintendent, fully compensate the Superintendent for all tort, contract and other damages of any nature whatsoever, whether in law or equity, and do not result in a penalty. The parties agree that the District's completion of its obligations under this provision constitutes the Superintendent's sole remedy to the fullest extent provided by law. Finally, the parties agree that this provision meets the requirements governing maximum cash settlements as set forth in Government Code sections 53260, et seq.

Notwithstanding any other provision of this Agreement to the contrary, if the Board believes, and subsequently confirms through an independent audit, that the Superintendent has engaged in fraud, misappropriation of funds, or other illegal fiscal practices, then the Board may terminate the Superintendent and the Superintendent shall not be entitled to the cash, salary payments, health benefits or other non-cash settlement as set forth above. This provision is intended to implement the requirements of Government Code section 53260, subdivision (b).

11. **Extension of the Term of this Agreement.** Within sixty (60) days after completing the annual evaluation of the Superintendent, the Board shall consider the extension of this Agreement if the Superintendent so requests. If the Board elects not to extend the term of this Agreement, this Agreement shall remain in full force and effect until its expiration pursuant to its terms.

12. **Tax/Retirement/STRS Issues.** Notwithstanding any other provision of this Agreement, the District shall not be liable for any state, federal, or employment tax consequences or retirement consequences as a result of this Agreement. Superintendent shall assume sole liability for all state, federal or employment tax consequences and retirement consequences and shall defend, indemnify and defend the District from all such consequences.

13. **Expense Reimbursement.** Unless otherwise provided by the terms of this Agreement, the District shall reimburse the Superintendent for actual and necessary expenses incurred within the scope of the Superintendent's employment, so long as such expenses are permitted by District policy or incurred with prior approval of the Board. For reimbursement, the Superintendent shall submit an expense claim in writing supported by appropriate written documentation.

14. **Professional Memberships.** The District agrees to pay Superintendent's annual professional membership dues in the Association of California School Administrators ("ACSA") and such other service clubs dues and expenses the Superintendent deems appropriate, not to exceed Three Thousand Dollars (\$3,000.00). The Superintendent agrees to attend and actively participate in these organizations as one means of ensuring Superintendent's ongoing professional development.

15. **Notification of Absence.** If the Superintendent plans on being absent from the District more than seven (7) continuous days, the Superintendent shall notify the Board President in advance.

16. **Annual Reporting Requirements.** The Superintendent shall report to the Board in writing on an annual basis the Superintendent's use of sick leave and other leave benefits.

17. **Professional Meetings.** The Superintendent is expected to attend appropriate professional meetings at local and state levels. Prior approval of the Board shall be obtained when the Superintendent attends a function outside of the State. The District shall pay expenses related to attendance at all such meetings, including mileage or other travel expenses, as set forth above.

18. **Notice of Finalist in Search.** Superintendent agrees to provide each member of the Governing Board with written notice prior to applying for other employment. In addition, the Superintendent immediately shall notify the Board should the Superintendent become a finalist in the selection process for another position with any other employer.

19. **Waiver.** Any waiver of any breach of any term or provision of this Agreement shall be in writing and shall not be construed to be a waiver of any other breach of this Agreement.

20. **Complete Agreement.** This Agreement constitutes and contains the entire agreement and understanding between the parties concerning the Superintendent's employment

with the District. This instrument supersedes and replaces the existing employment agreement and all prior negotiations and all agreements proposed or otherwise, whether written or oral.

21. **Governing Law.** This Agreement has been executed and delivered within the State of California, and rights and obligations of the parties hereunder shall be construed and enforced in accordance with, and governed by, the laws of the State of California.

22. **Construction.** Each party has cooperated in the drafting and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against any party on the basis that the party was the drafter. The captions of this Agreement are not part of the provisions of this Agreement and shall have no force or effect.

23. **Execution.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Photographic copies of such signed counterparts may be used in lieu of the originals for any purpose.

24. **No Assignment.** This is an Agreement for personal services. The Superintendent may not assign or transfer any rights granted or obligations assumed under this Agreement.

25. **Modification.** This Agreement cannot be changed or supplemented orally. It may be modified or superseded only by a written instrument executed by both parties.

26. **Exclusivity.** To the extent permitted by law, the employment relationship between the District and the Superintendent shall be governed exclusively by the provisions of this Agreement and not by Board policies, administrative regulations, Management Handbooks or similar documents.

27. **Independent Representation.** The Superintendent and the Board each recognize that in entering into this Agreement, the parties have relied upon the advice of their own attorneys or other representatives, and that the terms of this Agreement have been completely read and explained to them by their attorneys or representatives, and that those terms are fully understood and voluntarily accepted.

28. **Management Hours.** The parties recognize that the demands of the position will require Superintendent to average more than eight (8) hours a day and/or more than forty (40) hours per week. The parties agree that Superintendent shall not be entitled to overtime compensation or compensatory time off for hours worked in excess of eight (8) hours per day or forty (40) hours per week.

29. **Savings Clause.** If any provision of this Agreement or its application is held invalid, the invalidity shall not affect the other provisions or applications of the Agreement that can be given effect without the invalid provisions or applications and the provisions of this Agreement are declared to be severable.

30. **Board Approval.** The effectiveness of this Agreement shall be contingent upon approval by the District's Board in open session as required by law.


31. **Binding Effect.** This Agreement shall be for the benefit of and shall be binding upon all parties and their respective successors, heirs, and assigns.

32. **Execution of Other Documents.** The parties shall cooperate fully in the execution of any other documents and in the completion of any other acts that may be necessary or appropriate to give full force and effect to this Agreement.

33. **Public Record.** The parties recognize that, once final, this Employment Agreement is a public record and must be made available to the public upon request.

Dated: June 24, 2008

Palo Alto Unified School District

By: 
Dana Tom, Board President

SUPINTENDENT'S SALARY SCHEDULE

Movement by the Superintendent on this Salary Schedule shall be contingent upon receiving an overall rating of satisfactory on the previous annual evaluation

2008-09	2009-10	2010-11	2011-12
\$248,063	\$260,466	\$273,489	\$287,163

**PALO ALTO UNIFIED SCHOOL DISTRICT
EMPLOYMENT AGREEMENT
ASSOCIATE SUPERINTENDENT**

This Agreement is made between the Board of Education of the Palo Alto Unified School District ("Board") and Charles Young ("Employee") in accordance with Education Code section 35031.

1. Term

The Board hereby agrees to employ Charles Young commencing July 1, 2014, and ending June 30, 2017, upon the terms and conditions set forth below. The parties shall consider renewal for an additional term of three (3) years. This agreement shall be placed on the agenda of the governing board at least 45 days in advance of its expiration for possible action to renew for an addition term of three (3) years.

2. Duties and Responsibilities

Employee shall perform all duties and exercise all powers as prescribed by all applicable laws, rules, and regulations of the State of California and the District. The power and duties of the Associate Superintendent shall be executed in accordance with applicable policies adopted by the Board and under the direction of the Superintendent. Employee shall report directly to the Superintendent.

3. Salary

a. Base Salary. The annual 2014-15 salary shall be One Hundred Eighty-Five Thousand Twenty-Four Dollars (\$185,024). This annual salary represents Step Four of the attached salary schedule. Salary shall be payable in monthly installments, with the District making the required contributions for STRS, Unemployment Insurance, and Workers' Compensation. Based upon a satisfactory or better performance evaluation, the Associate Superintendent shall be granted a step increase and the same percentage increases to the salary schedule as are granted on the management salary schedule. Any other salary adjustment may be made by mutual agreement of the Board, Superintendent, and Associate Superintendent.

b. Stipends. In addition to the Base Salary above, the Employee shall be entitled to receive an annual stipend of \$2,123 for each Masters Degree he has obtained for a maximum of two such stipends and an annual stipend of \$2,123 for a doctorate degree he has obtained. Based upon a satisfactory or better performance evaluation, the Employee shall be granted the same increase to this stipend as granted on the management salary schedule.

c. Career Increments. After three (3) years at the top step of the attached salary schedule, the Employee shall be entitled to receive a career increment of \$2,814. After six (6) years at the top step of the attached salary schedule, the Employee shall be entitled to receive a career increment of \$2,814. After ten (10) years at the top step of the attached salary schedule, the Employee shall be entitled to receive a career increment of \$2,814. After fifteen

(15) years at the top step of the attached salary schedule, the Employee shall be entitled to receive a career increment of \$2,814. After twenty (20) years at the top step of the attached salary schedule, the Employee shall be entitled to receive a career increment of \$2,814. Each career increment shall be contingent upon receiving a satisfactory performance evaluation for the period immediately proceeding. Based upon a satisfactory or better performance evaluation, the Employee shall be granted the same increase to these career increments as granted on the management salary schedule.

4. Fringe Benefits

Employee shall receive the same health and welfare benefits and life insurance as provided for other active administrative personnel.

5. Positive Work year

Employee shall be required to render two hundred and twenty-four (224) days of service per year. Employee shall submit a proposed work year calendar to the Superintendent for his approval.

6. Holidays

Employee shall receive the holidays as provided to other administrative personnel.

7. Sick Leave and Other Leaves

The Employee shall be permitted to carry forward any sick leave previously earned in a school district or county office of education in the State of California and shall continue to accrue sick leave at the rate of one (1) days per month during the term of this Agreement.

8. Transportation/Expense Allowance

Employee shall receive an allowance of four hundred fifty dollars (\$450.00) per month as reimbursement for use of his personal vehicle for District business. This allowance may be reviewed annually at the recommendation of the Superintendent and approval of the Board. Employee shall be reimbursed for mileage outside a radius of 50 miles of the District according to the rate of reimbursement for other administrative personnel.

Employee shall be reimbursed for all actual expenses incurred in the performance of his duties, including attendance at meetings, conferences, etc., as may be permitted by either Board policy or with the prior approval of the Superintendent. A per diem rate of \$50 per day may be claimed to cover the cost of meals and miscellaneous expenses other than hotels, parking, travel, and tolls for one (1) or more days outside of the District.

9. Professional Fees

The District shall pay for annual dues or fees for the Employee's membership in professional associations related to his duties as the parties may mutually agree.

10. Evaluation

The Superintendent shall develop a format for evaluation of the Employee and shall complete a written performance evaluation of the Employee each year prior to June 30 during the term of this Agreement. The evaluation shall relate to the job description of the Employee and the goals and objectives of the District and the Employee for that year.

In the event the Employee receives a less than satisfactory evaluation for either the 2014-15 and/or the 2015-16 school year, this Agreement will not be renewed and the process described in section 12, subsection c of this Agreement will not apply.

11. Changes in Agreement

This Agreement may be modified or amended by written mutual consent of the Superintendent, Board of Education, and the Employee. Any such modification or amendment shall become effective pursuant to its terms and conditions.

12. Termination of Agreement

This Agreement may be terminated before its expiration date for each or any of the following bases:

a. This Agreement may be terminated at any time by mutual consent of the parties. Employee shall notify the Superintendent if he becomes a finalist for another position prior to interviewing as a finalist;

b. At the Board's option if it determines that the Employee has materially breached the terms of this Agreement or has neglected to perform his duties under it. A material breach of the Agreement would include, but is not limited to, engaging in immoral conduct, unprofessional conduct, fraud, dishonesty, or refusing to follow the direction of the Board. Prior to exercising this option, the Board shall give the Employee written notice of its intention, with a statement of the specific acts or omissions that give rise to the proposed action. No action shall be taken on a proposed termination for material breach until the Employee has had an opportunity to meet with the Board to be heard by way of explanation or defense. The Employee may be represented by counsel at that meeting, at his own expense. Any decision to terminate for material breach shall be effective upon the date determined by the Board.

c. If the Employee performs in an unsatisfactory manner as determined by the Superintendent and the Board, the Board may give written notice to the Employee that unless his performance improves within six (6) months, he will be terminated. The written notice shall contain a detailed statement of the unsatisfactory performance. The Employee shall be given the opportunity to be heard by way of explanation or defense. Should the Employee's performance be deemed unsatisfactory by the Superintendent after six (6) months, the Employee agrees to relinquish any further claims against the District including any claims under this agreement in return for a payment of any annual salary and benefits due under this

Agreement or six (6) months' salary and benefits, whichever is less. In no event shall there be pay for accrued sick leave. Sick leave credit for retirement purposes shall be implemented in accordance with applicable provisions of the Education Code.

d. The District may elect not to renew this Agreement for any reason by providing written notice in accordance with paragraph 13 below.

e. District may also terminate this Agreement unilaterally and without cause. The District, for consideration of this right to terminate, shall pay for the remainder of the unexpired contract not to exceed six (6) months, a monthly sum equal to the difference between the Employee's salary in effect during his last month of service and the amount he earns during the same period after the effective date of termination. As a condition of this payment, the Employee must file a written statement listing his earnings for that month with the Superintendent. Failure to file the statement by the last day of each month shall result in the District having no duty to pay for that month.

13. Notice of Termination of Expiration of Agreement

Should the Board decide not to re-employ the Employee upon the expiration of this Agreement, it shall notify him not later than March 15, 2017.

14. Applicable Law

This Agreement is subject to all applicable laws, rules and regulations of this District and the State of California.

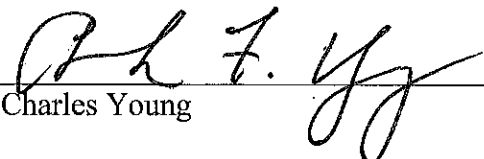
IN WITNESS WHEREOF the signatures are affixed to this Agreement as the full and complete understanding of the relationship between the parties.

BOARD OF EDUCATION
PALO ALTO UNIFIED SCHOOL DISTRICT

DATED: 5/20/14 
Barbara Mitchell, Board President

DATED: 5/20/14 
Kevin Skelly, Superintendent

I hereby accept this offer of employment and agree to comply with the conditions thereof, and to fulfill all the duties of employment as Associate Superintendent of the Palo Alto Unified School District.

DATED: 5/23/14 
Charles Young

ASSOCIATE SUPERINTENDENT SALARY SCHEDULE

Placement on this salary schedule and movement on the steps shall be at the discretion of the Superintendent, based on experience and performance.

Step 1	Step 2	Step 3	Step 4	Step 5
\$171,813	\$176,108	\$180,511	\$185,024	\$189,649