

**FIRST AMENDMENT TO SECOND EMPLOYMENT AGREEMENT BETWEEN
DR. MORTON SHERMAN AND THE ALEXANDRIA CITY SCHOOL BOARD**

This FIRST AMENDMENT TO THE SECOND EMPLOYMENT AGREEMENT BETWEEN DR. MORTON SHERMAN AND THE ALEXANDRIA CITY SCHOOL BOARD ("First Amendment") is entered into by and between the Alexandria City School Board (the "Board") and Dr. Morton Sherman ("Division Superintendent") as of July 1, 2012.

Witnesseth

WHEAREAS, the Board and Division Superintendent, pursuant to Section 22.1-60 of the Code of Virginia, on September 22, 2011 entered into a Second Employment Agreement ("Second Agreement") continuing to employ Dr. Sherman as the Division Superintendent of the Alexandria City Public Schools ("ACPS") for the period from September 22, 2011 through June 30, 2015; and

WHEREAS, the parties wish to amend the Second Agreement in response to newly-enacted legislation concerning increased required employee contributions to the Virginia Retirement System ("VRS"), and the Board's response to that legislation, and further wish to make a technical change to reflect the necessary timing for contributions to annuities, and wish to enter into a First Amendment setting forth those changes.

NOW THEREFORE, the Board and the Division Superintendent agree that the applicable terms of the Second Agreement are amended as follows:

II. Compensation

Paragraph A of Article II of the Second Agreement is deleted in its entirety and replaced with the following:

A. Subject to the terms and conditions contained in this Second Agreement, beginning on September 22, 2011, and continuing through June 30, 2012 the Division Superintendent will receive a Base Salary of \$250,000 per year. Commencing effective July 1, 2012, and continuing through the duration of this Second Agreement, the Division Superintendent will receive a Base Salary of \$264,500 per year.

Paragraph B of Article II of the Second Agreement is continued without change.

Paragraph C of Article II of the Second Agreement is deleted in its entirety and replaced with the following:

C. Tax Sheltered Annuity. The Board will pay \$40,000 per year towards a tax sheltered annuity, or annuities, of the Division Superintendent's choice, effective with the 2011 fiscal year. Since a \$27,500 payment for the 2011 fiscal year has already been made pursuant to the First Agreement, as amended, a supplemental payment shall be made by the Board on or before January 15, 2012. For subsequent fiscal years, this contribution will be disbursed in a lump sum on or within five days after July 1 of each of contract year, beginning on July 1, 2012.

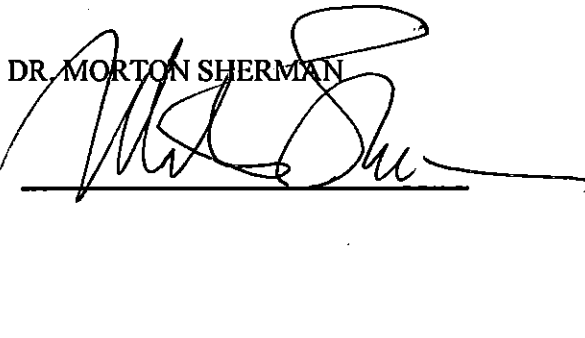
It will be reported to the Virginia Retirement System as a part of the compensation to be counted towards retirement.

IT IS FURTHER AGREED AND UNDERSTOOD by the parties hereto that all other provisions of the Second Agreement remain unchanged and continue in full force and effect, and that this First Amendment does not in any way extend or alter the duration of that Second Agreement.

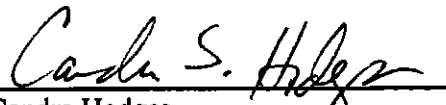
WHEREFORE, this First Amendment is entered into on July 2, 2012, retroactive to July 1, 2012.

ALEXANDRIA CITY SCHOOL BOARD

By: 
Sheryl Gorsuch, Chairman

DR. MORTON SHERMAN


Attest:


Candra Hodges
Clerk of the Board