

This **Employment Agreement**, dated as of May 8, 2012, between the **Government of the District of Columbia** (the “District of Columbia”), and **Cathy L. Lanier** (“Chief Lanier”).

The District of Columbia and Chief Lanier are parties to an Employment Agreement, dated as of January 2, 2007 (the “Prior Agreement”);

Mayor Vincent C. Gray (the “Mayor”), on behalf of the District of Columbia, desires to secure the continued services of Chief Lanier as the Chief of the Metropolitan Police Department for the District of Columbia (the “Chief of Police”), and Chief Lanier desires to provide such services, pursuant to the terms and conditions set forth in this Agreement;

Accordingly, in consideration of the premises and mutual considerations set forth herein and for other good and valuable consideration, the parties agree:

I. **Term of Service and Effective Date**

- A. On behalf of the District of Columbia, the Mayor hereby extends the appointment of Chief Lanier as Chief of Police and Chief Lanier hereby agrees to accept such appointment, pursuant to the terms of this Agreement.
- B. Chief Lanier’s appointment as Chief of Police by the Mayor pursuant to the terms of this Agreement shall commence as of January 2, 2012 (the “Effective Date”) and shall continue until January 1, 2017 unless earlier terminated in accordance with Section VIII hereof (such period, the “Term”); *provided*, that those terms and conditions requiring approval by the Council of the District of Columbia (the “Council”) pursuant to Section IX.B below shall take effect upon enactment.
- C. In performing her duties under this Agreement, Chief Lanier shall report directly to the Mayor (subject to D.C. Official Code § 1-301.191 and coordination with the City Administrator). All members of the Metropolitan Police Department (the “MPD”) shall be under the direct or indirect supervision of Chief Lanier.

II. **Base Salary**

- A. During the Term, Chief Lanier shall be paid an annual base salary of \$253,817 (as may be increased pursuant to Section II.C below, the “Base Salary”), payable in accordance with District of Columbia pay practices (including deduction of applicable withholding taxes and deduction of pension contributions at a rate not exceeding seven percent (7%) of Base Salary, as currently set forth in D.C. Official Code §5-706). The Mayor hereby represents that such amount has been approved by the Council under the Executive Service Compensation Amendment Act of 2011 (D.C. Law 19-83).
- B. In consideration of the other commitments of the District of Columbia hereunder, Chief Lanier hereby waives all contractual entitlements to (1) annual cost-of-living increases to the Base Salary and (2) any performance-based raises.

- C. Notwithstanding the foregoing, but subject to Section IX.B below, Chief Lanier shall continue to be entitled to and shall received a one-time five percent (5%) increase to the Base Salary, effective as of September 24, 2015 (which shall remain in effect for the balance of the Term, in respect of the service longevity increase due upon 25 years of continuous service with the Metropolitan Police Department, in accordance with D.C. Official Code § 5-544.01 (Service Longevity).

III. **Bonuses**

- A. Nothing in this Agreement shall preclude the Mayor from awarding, at his discretion, a bonus for Chief Lanier if such bonus is at the time authorized by applicable law.
- B. The determination of the amount of any performance bonus shall be made by the Mayor, acting in good faith. In making such determination, the Mayor shall consider the following factors (it being the intent of the parties that the following are measurable goals and outcomes within the meaning of D.C. Official Code §1-610.57):
 - 1. Whether Chief Lanier and the MPD met performance measures established by the Mayor during the relevant calendar year;
 - 2. Whether the District of Columbia experienced a reduction in crime, including a reduction in the number of homicides, during the relevant calendar year;
 - 3. Whether Chief Lanier and MPD successfully undertook special initiatives or responded to specific public safety concerns identified by the Mayor, the Council, or the public; and
 - 4. Any other factor deemed relevant by the Mayor.
- C. Nothing in this Agreement shall preclude the Mayor from awarding Chief Lanier other discretionary performance bonuses available to members of the Executive Service (as defined in the D.C. Official Code), to the extent permitted by the laws of the District of Columbia.

IV. **Retirement Pension**

- A. The District of Columbia hereby confirms that it is paramount that Chief Lanier's MPD retirement pension remain intact and continue to accrue value throughout her entire service as Chief of Police.
- B. Upon the termination of Chief Lanier's service as Chief of Police for any reason, Chief Lanier's retirement pension shall be fully vested and payable at the maximum level allowable by law as in effect as of the Effective Date, notwithstanding Chief Lanier's age or term of service.
- C. As of the Effective Date, the maximum MPD retirement pension payment allowable by law is 71.5% of the average highest base pay for 36 consecutive

months, including longevity payments. Pursuant to D.C. Official Code § 5-712(g), Chief Lanier shall be entitled to an annuity computed at 71.5% of her average highest base pay for 36 consecutive months, including longevity payments.

V. **Insurance**

- A. During the Term, the District of Columbia shall continue to make available to Chief Lanier medical, dental, and life insurance benefits on terms no less favorable than those provided to other members of the Executive Service and to employees of MPD.

VI. **Leave**

- A. It is understood that Chief Lanier, as Chief of Police, will generally be on-call and available during on-duty and off-duty hours.
- B. During the Term, Chief Lanier shall receive 26 days of Universal Leave per calendar year under terms and conditions consistent with other members of the Executive Service.
- C. Upon the termination of Chief Lanier's service as Chief of Police for any reason, Chief Lanier shall be entitled to restoration of all the paid leave she accrued through January 1, 2007, while serving as a member of MPD, as determined by the District of Columbia Department of Human Resources.
- D. Duties permitting, Chief Lanier is entitled to paid holiday leave, Family and Medical Leave, and other leave available to members of MPD.

VII. **Benefits and Rights**

- A. In addition to the benefits described elsewhere in this Agreement, Chief Lanier shall receive all benefits provided generally to members of the Executive Service.
- B. Chief Lanier shall continue to be assigned a government-owned MPD vehicle for take-home use. The District of Columbia shall pay for maintenance (including gasoline) and insurance of such vehicle during the term of this Agreement.
- C. Chief Lanier shall continue to be assigned a government-owned cellular telephone and/or other electronic communication devices for take-home use. The District of Columbia shall pay maintenance and service costs for such devices during the term of this Agreement.
- D. The District of Columbia shall continue to pay reasonable expenses necessary for Chief Lanier to attend professional conferences, join local and national professional associations, and serve on advisory boards related to her position as Chief of Police.
- E. Chief Lanier may continue to author, review, publish and receive compensation for writings related to policing, homeland security, and public safety consistent with applicable District of Columbia ethical rules and regulations.

- F. Chief Lanier may continue to accept and fulfill a reasonable number of speaking and/or consulting engagements, whether in or outside of Washington, DC, provided that such engagements do not interfere with the performance of her duties, create a conflict of interest, or violate the District of Columbia's ethical rules and regulations.
- G. Chief Lanier shall have the discretionary authority to award individual performance bonuses to MPD employees in an amount not to exceed \$2,000 per employee per year, subject to the availability of funds and applicable law.

VIII. **Termination Provisions**

- A. Chief Lanier's service as Chief of Police may be terminated by Chief Lanier or by the Mayor at any time for any reason or no reason at all, in each case subject to the terms hereof. The effective date of termination of Chief Lanier's service is referred to hereinafter as the "Date of Termination."
- B. In the event that Chief Lanier's service is terminated by the Mayor before the expiration of the Term for any reason, the Date of Termination shall be the 60th day following the date the Mayor provides Chief Lanier with such notice of termination. During such 60-day period Chief Lanier will continue to receive her Base Salary and benefits as provided above in this Agreement, but except to the extent the Mayor so requests, shall not be obligated to perform her duties as Chief of Police.
- C. If Chief Lanier's service is terminated by the Mayor without "Material Failure" (as defined below) or terminated by Chief Lanier for "Good Reason" (as defined below) prior to the expiration of the Term, the District of Columbia shall pay or provide to Chief Lanier the following severance benefits:
 - 1. within 60 days following the Date of Termination, all accrued but unpaid Base Salary through the Date of Termination, all accrued but unused leave (as described in Section VI hereof), any unreimbursed reimbursable expenses, and all rights and benefits under the employee benefits plans in which Chief Lanier is then participating (all of the foregoing in this subparagraph 1, the "Accrued Rights");
 - 2. within 60 days following the Date of Termination, a lump sum cash payment equal to four months of Chief Lanier's Base Salary, less applicable withholding taxes (the "Severance Payment"); and
 - 3. for the six-month period following the Date of Termination, or until Chief Lanier obtains other employment affording comparable benefits, whichever occurs first, Chief Lanier and her eligible dependents shall be entitled to continue to participate in the District of Columbia's health and welfare insurance plans, in which Chief Lanier participated immediately prior to the Date of Termination (at the same contribution rates as active employees).

- D. If Chief Lanier's service is terminated by the Mayor for Material Failure, Chief Lanier shall be entitled to the Accrued Rights. In addition, at the discretion of the Mayor, Chief Lanier may be paid severance in an amount not to exceed 12 weeks of the Base Salary.
- E. If Chief Lanier resigns without Good Reason, Chief Lanier shall be entitled to the Accrued Rights, but shall not be entitled to the Severance Payment.
- F. For the purpose of determining severance benefits, the following terms have the meaning specified below:
 - 1. "Material Failure" means with respect to Chief Lanier, one or more of the following: (i) the willful failure to perform Chief Lanier's material duties to the District of Columbia, and if such failure is remediable, Chief Lanier has not remedied that failure within 30 days after receiving written notice thereof from the Mayor (other than a failure resulting from Chief Lanier's incapacity due to physical or mental illness); (ii) Chief Lanier's having been convicted of any criminal offense constituting a felony or serious misdemeanor or having committed any act that would result in the termination of a uniformed member of the MPD; or (iii) gross misconduct by Chief Lanier in connection with her performance of duties.
 - 2. "Good Reason" means any of the following events that occur without Chief Lanier's prior written consent, *provided* that Chief Lanier gives the Mayor written notice of such termination for Good Reason within 30 calendar days of the occurrence of such event and the District of Columbia fails to cure the occurrence within 30 days of such notice: (i) any change in reporting structure under Section I.C or Section IX.A hereof; (ii) any material adverse change (either by law or in practice) to current personnel authority of the Chief of Police; (iii) any material breach of this Agreement by the Mayor or the District of Columbia; or (iv) a failure to enact the laws described in Section IX.B. hereof by October 1, 2012, with a current effective date.

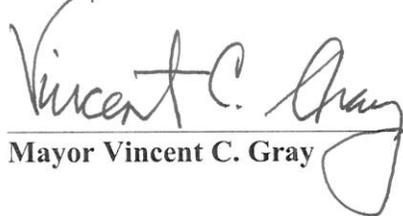
IX. **Additional Undertakings**

- A. As Chief of Police, Chief Lanier shall report directly to the Mayor and be granted regular contact with the Mayor and his senior staff.
- B. As soon as practicable following the date hereof, the Mayor shall introduce and seek enactment, and make good faith efforts to obtain approval, of legislation to amend (i) D.C. Official Code § 5-544.01 (Service Longevity) to allow a five percent (5%) increase to the Base Salary, effective as of September 24, 2015, in respect of the service longevity increase due upon 25 years of continuous service with the Metropolitan Police Department, (ii) D.C. Official Code § 1-610.58 (Separation Pay) to allow the payment of up to four months of her Base Salary upon a termination by the Mayor of Chief Lanier's service as Police Chief without "Material Failure" or by Chief Lanier for "Good Reason," as provided herein, and (iii) the D.C. Official Code so as to permit extended health and insurance coverage as provided in Section VIII.C.3 above.

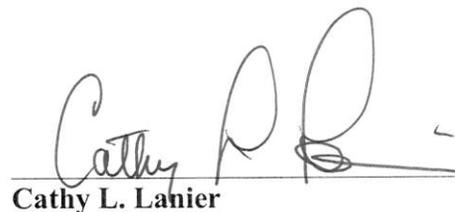
- C. To the fullest extent allowed by law, the District shall defend, indemnify and hold harmless the Chief or her estate in any civil or criminal action or proceeding before any court or administrative agency seeking any type of relief, including compensatory or punitive damages, arising out of any act or omission that occurred while the Chief was properly exercising or performing her duties and responsibilities within the scope of her employment, so long as the Chief acted in good faith, did not act in a way that violates an applicable law, and did not act in an intentionally tortuous manner. The District shall indemnify and save harmless the Chief in the amount of any judgment obtained against her in any court or administrative agency or in the amount of any settlement or a claim, in the nature of compensatory or punitive damages; provided, that the Chief's act(s) or omission(s) underlying the judgment or settlement occurred while the Chief was exercising or performing her duties and responsibilities within the scope of her employment, so long as the Chief acted in good faith, did not act in a way that violates an applicable law, and did not act in an intentionally tortuous manner. This provision shall survive the termination of the Agreement, and is supplemental to, and not in derogation of, any rights to indemnification otherwise available to the Chief under applicable law.
- D. The District of Columbia represents that the Mayor has the legal right and full authority to enter into this Agreement on behalf of the District of Columbia, and that this Agreement is legal, valid and binding upon the District of Columbia and enforceable against it in accordance with the terms hereof (subject solely to the extent legislative action is required to amend current law as contemplated by Article IX.B above). This Agreement sets forth the entire agreement between the parties with respect to the subject matter hereof and supersedes any and all prior understandings and agreements between the parties, including, without limitation, the Prior Agreement; *provided*, however that nothing in this Agreement shall in any way divest Chief Lanier of any rights or benefits previously provided to her by contract or otherwise. This Agreement may not be superseded, amended or modified except in writing signed by both parties.

Dated as of May 8, 2012:

For the District of Columbia



Mayor Vincent C. Gray



Cathy L. Lanier