

The Lakeview School District
A World Class Educational Organization that Embraces the Feeling of Unity

**CONTRACT OF EMPLOYMENT
FOR JULY 1, 2011 to JUNE 30, 2014**

It is hereby agreed by and between the Board of Education of the Lakeview School District (hereinafter "Board") and David Peterson (hereinafter the "Superintendent") that pursuant to Section 1229(1) of the Revised School Code, the Board in accordance with its action found in the minutes of its meeting held on the 20th day of April, 2011, does and hereby employ David Peterson for a period commencing on July 1, 2011 and ending on June 30, 2014, according to the terms and conditions as described and set forth herein as follows:

1. The Administrator shall perform the duties of Superintendent as prescribed by the Board and as may be established, modified and/or amended from time to time by the Board. The Superintendent acknowledges the ultimate authority of the Board with respect to his responsibilities and directions related thereto. The Superintendent is subject to assignment and transfer to another administrative position of employment in the School District at the discretion of the Board.

The Superintendent shall serve as an ex-officio member of each committee established by the Board. The Superintendent shall have the freedom to organize, reorganize, and arrange the administrative and supervisory staff, including instruction and business affairs which, in his judgment and consistent with Board policy, best serves the District. The responsibility for selection, placement, and transfer of personnel shall be vested in the Superintendent. Certified staff additions are subject to approval by the Board. The Board, individually and collectively, shall refer promptly all criticisms, complaints, and suggestions called to its attention to the Superintendent for study and recommendation.

The Superintendent agrees to and shall, during the term of this Contract, devote his full time, attention and energy to the Lakeview School District. The Superintendent may occasionally work with other districts, educational agencies or associations. This work will be short-term and support the efforts and work of the District. The Superintendent will keep the Board informed of these activities.

2. The Superintendent represents that he possesses, holds and will maintain all certificates, credentials and qualifications required by law, including the provisions of Sections 1246 and 1536 of the Revised School Code, the regulations of the Michigan Department of Education, and those required by the Board to serve in the position assigned. The Superintendent agrees, as a condition of his continued employment, to meet all certification and continuing education requirements for the position assigned, as are and may be required by law and/or by the State Board of Education. If at any time the Superintendent fails to maintain all certificates, credentials, continuing education requirements and/or qualifications for the position assigned as required herein, this Contract shall automatically terminate and the Board shall have no further obligation hereunder.

3. The Superintendent agrees to devote his talents, skills, efforts and abilities toward competently and proficiently fulfilling all duties and responsibilities of the position assigned. The Superintendent agrees to faithfully perform those duties assigned by the Board and to comply with the directives of the Board with respect thereto. Further, the Superintendent agrees to comply with and fulfill all responsibilities and tasks required by state and federal law and regulations and by the Board to carry out the educational programs and policies of the School District during the entire term of this Contract. The Superintendent agrees to devote substantially all of his business time, attention and services to the

diligent, faithful and competent discharge of his duties on behalf of the School District to enhance the operation of the School District and agrees to use his best efforts to maintain and improve the quality of the programs and services of the School District.

4. The Superintendent shall be paid at an annual (twelve month) salary rate of One Hundred Forty-Five Thousand Five Hundred Dollars (\$145,500) in consideration of his performance of the duties and responsibilities of the office of Superintendent, in conformance with the requirements and expectations of the Board.

Should the Superintendent be assigned or transferred to another administrative position pursuant to the provisions of ¶ 1 of this Contract, the above salary rate shall be maintained for the first ninety (90) days subsequent to the reassignment or transfer. After ninety (90) days, the Superintendent's remuneration shall be as established by the Board for the administrative position to which the Superintendent is reassigned or transferred. The annual salary shall be paid in twenty-four (24) equal installments (in two payrolls per month) beginning with the commencement of the fiscal/contract year (July 1 - June 30).

The Board hereby retains the right to increase the annual salary of the Superintendent during the term of this Contract. Consistent with the provisions of Section 1250 of the Revised School Code, the Superintendent's job performance and job accomplishments will be significant factors in determining any adjustment to the Superintendent's compensation. Any increase in salary made during the term of this Contract shall be in the form of a written amendment and, when executed by the Superintendent and the Board, shall become a part of this Contract.

As part of remuneration for services performed under this Contract, the Board will contribute an amount not less than five percent (5%) nor more than nine percent (9%) of the Superintendent's annual gross salary (as identified above or by written amendment to that provision) to a 403(b) tax-sheltered annuity fund selected by the Superintendent from among those 403(b) funds designated by the Board. The determination of whether the annuity contribution will exceed five percent (5%) will be made by the Board and will be based upon the Superintendent's success, as determined by the Board, in achieving specific performance objectives. This remittance will be made on the second payroll of June annually, and shall be considered a component of the Superintendent's compensation in the fiscal year in which the contribution is made.

5. The Superintendent is employed on the basis of fifty-two (52) weeks of work per contract/fiscal year (July 1 through June 30) as scheduled by the Board. The Superintendent shall be granted vacation time of twenty-five (25) days per fiscal year, which days shall be credited on July 1 annually. The Superintendent shall schedule use of vacation days in a manner to minimize interference with the orderly operation and conduct of business of the School District.

No more than five (5) unused vacation days shall be carried over from one contract/fiscal year to the succeeding contract/fiscal year, and no more than an aggregate of five (5) vacation days can be accumulated under this provision, without the Board's prior written approval. Additionally, the Superintendent may request that the Board approve, in writing, payment for not more than five (5) unused vacation days annually at the Superintendent's per diem rate in effect at the time that the unused vacation days are redeemed. These days shall be in addition to the five (5) unused vacation days that may be carried over from one contract/fiscal year to the succeeding contract/fiscal year, as provided above. The Board will not make contributions to the Michigan Public School Employees Retirement System for any redeemed unused vacation days pursuant to Section 164a of the State School Aid Act of 1979, MCL 388.1764a.

6. The Superintendent's performance shall be evaluated annually, not later than the third Monday in June following the Lakeview School District Board of Education policies. The Superintendent's performance evaluation shall take into account student growth as a significant factor.

7. The Board shall be entitled to terminate the Superintendent's employment at any time during the term of this Contract when it determines the Superintendent has engaged in acts of moral turpitude, misconduct, dishonesty, fraud, insubordination, incompetency, inefficiency, if the Superintendent materially breaches the terms and conditions of the Agreement, or for other causes found to be sufficient by the Board.

The foregoing standards for termination of this Contract during the term shall not be applicable to non-renewal of this Contract at the expiration of its term, which decision is discretionary with the Board of Education.

In the event that the Board undertakes to dismiss the Superintendent during the term of this Contract, he shall be entitled to written notice of charges and an opportunity for a hearing before the Board. In the event of termination of employment during the term of this Contract, this Contract shall automatically terminate and the Board shall have no further obligation hereunder.

8. The Superintendent agrees that he shall not be deemed to be granted continuing tenure in the position initially assigned or to which he may be assigned or transferred or in any capacity other than that of a classroom teacher, should the probationary period required for tenure as a teacher be fulfilled, by virtue of this Contract or any employment assignment (requiring certification) with the School District. Nor shall the decision of the Board not to continue or renew the employment of the Superintendent for any subsequent period in any capacity, other than as a classroom teacher, as may be required by the Teachers' Tenure Act, be deemed a breach of this Agreement or a discharge or demotion within the provisions of the Michigan Teachers' Tenure Act.

9. In the event of Superintendent's mental and/or physical incapacity to perform the duties of his office, he shall be granted an initial leave of ninety (90) workdays for purpose of recovery. The Superintendent shall first exhaust any accumulated sick leave and accrued vacation time, with the balance of the ninety (90) work day period to be paid. Insurance premium payments (or representative premium contributions) required of the Board under the provisions of ¶ 13 of this Contract shall be made on behalf of the Superintendent during this interval. The Superintendent shall continue to be responsible for his share of the insurance premium contribution, as identified in ¶ 13 of this Contract, which amount shall be payroll deducted from the Superintendent's compensation.

Upon utilizing leave under this provision, the Superintendent shall furnish medical certification to the Board (or its designee) respecting the necessity for the leave.

If the Board (or designee) has reason to doubt the validity of the medical certification supplied by the Superintendent, it may require a second opinion, at Board expense.

The Superintendent may request a ninety (90) work day unpaid leave extension in the event of his physical and/or mental inability to return to work at the expiration of the initial leave interval, as described above, provided that there is a verified prognosis that the Superintendent will be able to resume his duties at the conclusion of the extended leave interval. Medical certification shall be supplied by the Superintendent as a condition to any leave extension. Any extensions of leave for this purpose shall be at the discretion of the Board.

If the Superintendent is unable to or does not resume work at the conclusion of a leave taken under this paragraph (or any extension thereof), his employment and this Contract may be terminated at the option of the Board. However, no such termination shall occur where restoration after leave is required by the Family and Medical Leave Act.

Prior to resumption of duty after an unpaid leave of absence for a serious health condition, the Superintendent shall provide to the Board a fitness for duty certification from the Superintendent's health care provider. A second opinion may be required by the Board, at its expense, unless the securing of the second opinion in this context is precluded by the Family and Medical Leave Act.

10. The Superintendent shall submit to such medical examinations, supply such information and execute such documents as may be required by any underwriter, policyholder or third party administrator providing insurance programs specified under this Contract. Additionally, upon request of the Board, the Superintendent shall authorize the release of medical information necessary to determine if the Superintendent is capable of performing the essential job functions required by his assignment, with or without reasonable job accommodation(s). Any physical or mental examination or disclosure of such information required of the Superintendent by the Board shall be job related and consistent with business necessity. Any medical or psychological examination under this section shall be at Board expense. Any information obtained from medical or psychological examinations or inquiries shall be considered and treated as confidential.

The Superintendent shall have the benefit of a comprehensive annual medical examination. The Board will pay the cost of this examination, to the extent that the cost thereof exceeds the costs covered under the health benefit plan made available to the Superintendent under ¶ 13 of this Contract, or the costs covered under any other health plan in which the Superintendent is enrolled, whichever amount is less. In no event shall the Board be required under this provision to pay or reimburse any amounts in excess of the reasonable and customary costs of such medical examination in Calhoun and Kalamazoo Counties, Michigan. The Superintendent shall provide written consent and authorization to the health care provider(s) performing this examination to certify to the Board whether or not the Superintendent has the ability to perform the essential functions of his assignment. Such certification shall be treated as confidential information, to the extent that it contains any protected health information.

11. The Superintendent is not expected to work on the following holidays: July 4th, the Friday before Labor Day, Labor Day, Thanksgiving, the day after Thanksgiving, Christmas Eve Day, Christmas Day, New Year's Eve Day, New Year's Day, Good Friday (unless school is in session) and Memorial Day.

12. At the inception of this Contract on July 1, 2011, the Superintendent shall be allocated twenty-four (24) paid sick leave days to address absence from duty on account of personal illness or disability. No such additional sick leave days shall be allocated to the Superintendent until the fiscal/contract year beginning on July 1, 2013 at which time twelve (12) paid sick leave days shall be allocated to the Superintendent. Unused paid leave days under this provision shall be cumulative to a maximum of ninety (90) days for absence due to personal illness or disability of the Superintendent.

The Board shall also provide the Superintendent with up to five (5) bereavement days for death of an immediate family member, or one (1) day for the death of a relative who is not an immediate family member. "Immediate family" is defined as a parent, parent-in-law, spouse, child, brother-in-law, sister-in-law, sibling, grandparent, grandchild, or any person who permanently resides in the Superintendent's household.

The Board shall also provide the Superintendent with up to two (2) personal business days per contract year. Unused personal business days will be added to accumulated sick leave at the end of the contract year but there shall be no accumulation of personal business days from year to year.

13. Upon proper application and acceptance for enrollment by the appropriate insurance underwriter, policyholder and/or third party administrator, the Board shall make premium payments on behalf of the Superintendent (and his eligible dependents) for the following insurance or self-funded programs:

Plan A:

1. Health: MESSA Choices II with \$10/\$20 Drug Card
2. Dental: 100:100:90:80; \$1,000 annual maximum; \$1,300 lifetime ortho maximum
3. Term Life Insurance w/AD&D: In an amount equal to twice the annual salary (currently provided through MESSA)
4. Vision: (currently NVA using MESSA VSP-3 specifications)
5. Long Term Disability: 66 2/3 with a 90 day waiting period

OR

Plan B:

In the event that the Superintendent elects not to receive health insurance, the following insurance coverage will be provided:

1. Dental: 100:100:90:80; \$1,000 annual maximum; \$1,300 lifetime ortho maximum
2. Term Life Insurance w/AD&D: In an amount equal to twice the annual salary (currently provided through MESSA)
3. Vision: (currently NVA using MESSA VSP-3 specifications)
4. A stipend of \$350 each month per contract year
5. Long Term Disability: 66 2/3 with a 90 day waiting period

The Board reserves the right to change the identity of the insurance carrier, policyholder or third party administrator for any of the above coverages. The Board also reserves the right to self-fund any of the benefit plans identified above which are designated as insurance products.

The Superintendent shall be responsible for contributing seven and one-half percent (7.5%) of the applicable health premium (or representative premium in the case of self-funding) for the above coverages in which the Superintendent (and his dependents) are enrolled at any time during the term of this Contract. The Superintendent hereby consents to the deduction of such amounts as a condition to his enrollment (and the enrollment of his dependents) in any of the above plans or coverages and, further, authorizes such amounts to be deducted from his wages.

The Board shall not be required to remit premiums for any insurance coverages for the Superintendent (and his eligible dependents) if enrollment or coverage is denied by the insurance underwriter, policyholder or third-party administrator. The terms of any contract or policy issued by any insurance company or third-party administrator shall be controlling as to all matters concerning benefits, eligibility, coverage, termination of coverage, and other related matters. The Superintendent is responsible for assuring completion of all forms and documents needed to receive the above-described insurance coverage. The Board, by remitting the premium payments required to provide the above-described insurance coverage(s), shall be relieved from all liability with respect to insurance benefits.

14. In light of the unique nature of the professional duties of the Superintendent, the Board will reimburse the Superintendent, at the current rate established by the IRS, for mileage outside of the boundaries of the Calhoun Intermediate School District traveled in connection with the performance of the Superintendent's position responsibilities.

15. Fees or dues for the Superintendent's membership in appropriate professional organizations shall be paid upon prior approval by the Board. The Superintendent may attend appropriate professional meetings at the local, state and national levels and shall be reimbursed for reasonable-registration fees, tuition, travel, lodging and/or meal expenses for himself in relation thereto not prepaid by the Board, in conformance with District policy.

16. The Board agrees to pay the premium amount for errors and omissions insurance coverage for the Superintendent while engaged in the performance of a governmental function and while the Superintendent is acting within the scope of his authority. The policy limits for this coverage shall be not less \$1,000,000. The terms of the errors and omissions insurance policy shall be controlling respecting defense and indemnity of the Superintendent. The sole obligation undertaken by the Board shall be limited to the payment of premium amounts for the above errors and omissions coverage. In the event that such insurance coverage cannot be purchased in the above amounts and/or at a reasonable premium rate, the Board shall have the right to discontinue said coverage and shall so notify the Superintendent. In that event, the Board agrees on a case-by-case basis to consider providing legal defense and/or indemnification to the Superintendent as is authorized under MCL 691.1408 and MCL 380.11a(3)(d).

17. The Superintendent shall be reimbursed moving expenses not to exceed Four Thousand Dollars (\$4,000) in the event that the Superintendent, on or before June 1, 2012, incurs such expenses in order to move his household and all reasonable and customary items from that household to his residence and domicile within the Lakeview School District, or within five (5) miles of the geographical boundaries of the Lakeview School District. The Superintendent shall furnish appropriate documentation of these moving expenses as a condition to receiving reimbursement under this provision.

18. This Contract contains the entire agreement and understanding by and between the Board and the Superintendent with respect to the employment of the Superintendent and no representations, promises, contracts or understandings, written or oral, not contained herein, shall be of any force or effect. All prior contracts and agreements pertaining to, connected with, or arising in any manner out of the employment of the Superintendent by the Board, are hereby terminated and shall hereafter be of no force or effect whatsoever.

Provided, that this Contract is voidable pursuant to the provisions of the Revised School Code pertaining to criminal records checks.

No amendment or modification of this Contract shall be valid or binding unless it is in writing, approved by official action of the Board reflected in its minutes, and signed by the Superintendent and the President and Secretary of the Board. No valid waiver of any provision of this Contract, at any time, shall be deemed a waiver of any other provision of this Contract at such time or at any other time.

19. If any provision of this Agreement becomes or is declared by a Court of competent jurisdiction to be illegal, unenforceable or void, this Contract shall continue in full force and effect without said provision(s).

20. In the event of any dispute between the parties relating to discharge of the Superintendent during the term of this Contract, the parties hereby agree to submit such to binding arbitration. Selection of the arbitrator and the arbitration proceedings shall be conducted under the National Rules for the Resolution of Employment Disputes of, and administered by, the American Arbitration Association. Arbitration under this provision shall be conducted pursuant to the terms of the Michigan Arbitration Act, MCL 600.5001 *et seq* and MCR 3.602.

The parties intend that this process of dispute resolution shall be inclusive of all contract and statutory claims advanced by the Superintendent and which arise from the Superintendent's discharge during the term of this Contract, including (but not limited to) claims of unlawful discrimination and all claims for damages or other relief. However, this agreement to arbitrate does not restrict the Superintendent from filing a claim or charge with any state or federal agency (such as the Equal Employment Opportunity Commission or the Michigan Department of Civil Rights) although the Superintendent waives, to the extent allowed by law, any right to individual recovery with respect to such claims brought or maintained by or through administrative agencies, it being recognized that the arbitration process specified herein is adequate to provide such remedies for the Superintendent. Further, this agreement to arbitrate does not apply to any claims for unemployment compensation or workers' compensation which may be brought by the Superintendent.

This agreement to arbitrate means that the Superintendent is waiving his right to adjudicate discrimination and other statutory claims as well as breach of contract and other claims in a judicial forum and is instead opting to arbitrate those claims. In any such arbitration proceeding, the Superintendent shall have the right to representation by counsel of his choice, the right to appointment of a neutral arbitrator, the right to reasonable discovery and the right to a fair hearing. However, the Superintendent, through this agreement to arbitrate such claims, does not waive any statutory rights or remedies in the context of such arbitration proceedings.

The arbitrator's fee and the costs imposed by the American Arbitration Association shall be shared equally by the Board and the Superintendent, subject to the right of the Superintendent to seek to tax such fees as costs against the Board.

Any claim for arbitration under this provision must be filed with the American Arbitration Association, in writing, and served on the Board within one hundred eighty (180) days of the effective date of the Superintendent's discharge during the term of this Contract. The Decision and Award of the arbitrator shall be final and binding and judgment thereon may be entered in the Circuit Court for the 37th Judicial Circuit of Michigan (Calhoun County), pursuant to MCL 600.5001.

21. The Superintendent agrees that any claim or suit arising out of the Superintendent's employment with the Board must be filed no more than six (6) months after the date of the employment action that is the subject of the claim or suit. The Superintendent understands that the statute of limitations for claims arising out of an employment action may be longer than six (6) months, but agrees to be bound by the six (6) month period of limitation set forth herein and waives any statute of limitations to the contrary. Should a court of competent jurisdiction determine that this provision allows an unreasonably short period of time to commence a law suit, it is the intent of the parties that the court enforce this provision to the extent possible and declare the law suit barred unless it was brought within the minimum reasonable time within which the suit should have been commenced.

22. This Agreement is executed on behalf of the Lakeview School District pursuant to the authority granted as contained in the resolution of the Board adopted on May 5, 2011, the same being incorporated herein by reference.

IN WITNESS WHEREOF the parties hereto have set their hands the day and year above written.

**LAKEVIEW SCHOOL DISTRICT
BOARD OF EDUCATION**

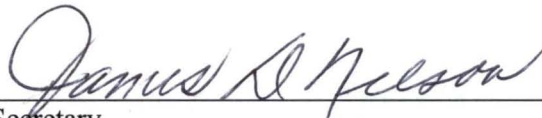


President



Superintendent – David Peterson

This contract was approved by a vote of the Board at a public meeting on May 5, 2011 and the Board action has been made a part of its minutes.



Secretary