

CONTRACT OF EMPLOYMENT

SUPERINTENDENT OF SCHOOLS WAVERLY COMMUNITY SCHOOLS

It is hereby agreed by and between the Board of Education of Waverly Community Schools ("Board" or "District") and Terrence L. Urquhart ("Superintendent") that pursuant to Section 1229 of the Revised School Code, the Board hereby employs the Superintendent for a two (2) year period commencing July 1, 2012, and ending on June 30, 2014, according to the following terms and conditions:

1. The Superintendent shall perform the duties as prescribed by the Board and by law 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 as to his duties and agrees to faithfully perform those duties and to diligently implement the District's policies and educational programs.
2. The Superintendent represents that he possesses, and will maintain all certificates, credentials, and qualifications required by law, including the provisions of Sections 1246 and 1536 of the Revised School Code, regulations of the Michigan Department of Education, and those qualifications required by the Board to serve in the position assigned. Additionally, the Superintendent agrees, as a condition of his continued employment, to meet and maintain all continuing education requirements for the position, as may be required by the Michigan Department of Education. If at any time the Superintendent fails to maintain all required certificates, credentials, continuing education requirements, and/or qualifications for the position, this Contract shall automatically terminate and the Board shall have no further obligations hereunder.

The Superintendent shall supply copies of all current certificates, credentials, and continuing education credits to the Board within thirty (30) days from the first day of employment. The Superintendent shall supply copies of future certificates, credentials, and continuing education credits to the Board within thirty (30) days of completion.

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, including compliance with the Board's directives and carrying out its policies and educational programs. 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 required by state and federal law (as well as by the Board and by District policy) and to carry out the educational programs and services of the District during the term of this Contract. Superintendent agrees that he will diligently and competently discharge his duties on behalf of the District to enhance the operation of the District and will use his best efforts to maintain and improve the quality of District programs and services.
4. In consideration of his performance of his duties and responsibilities in conformance with the requirements and expectations of the Board, the Superintendent shall be paid an annual (12 months) salary rate of One Hundred Twenty-Five Thousand Dollars (\$125,000).

The Board retains the right to prospectively adjust the annual salary of the Superintendent during the term of this Contract. Any adjustment 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 Board, shall become a part of this Contract.

The Superintendent may, through voluntary salary reduction, contribute amounts from the above stated compensation to a 403b annuity plan selected by the Superintendent from among those made available by the District to its employees. All contributions shall be within the limitations and procedures established by the Internal Revenue Code and other pertinent statutes.

The Superintendent's annual salary shall be paid in twenty-six (26) equal bi-weekly installments beginning with the fiscal/contract year. Upon his separation from employment during any fiscal year, the Superintendent's salary shall be adjusted, consistent with requirements of the Fair Labor Standards Act, to reflect payment for the number of work weeks in which services were rendered during that fiscal year.

Any amounts due the Superintendent upon separation from employment shall be remitted by the Board to him as soon as such amounts can diligently be determined. Any salary amounts received by the Superintendent in excess of weeks (including partial weeks) actually worked during that fiscal year shall be deducted from the Superintendent's remaining wages (including any severance payment amounts) and the Superintendent, by executing the Contract, consents to such deduction. Any wage overpayments not recovered by the Board through wage deduction shall be remitted to the Board by the Superintendent within three (3) business days of separation from employment. If any wage overpayments are not remitted in this manner, the Superintendent agrees that judgment may be entered against him in any Michigan court of competent jurisdiction for such amounts.

5. In conformance with the provisions of Section 1250 of the Revised School Code, the Superintendent's job performance and job accomplishments shall be significant factors in determining his compensation. To effectuate this provision, the parties have agreed to the following:
 - a. If all six (6) District buildings attain AYP in a school year in which the Superintendent has been engaged under this Contract, the Board shall remit to the Superintendent, the aggregate sum of Three Thousand Dollars (\$3,000) for that school year.
 - b. If the High School graduation rate for the District is at ninety-five percent (95%) or above in any school year in which the Superintendent has been engaged under this Contract, he shall be paid the additional sum of Five Thousand Dollars (\$5,000) for that school year.
 - c. If the District obtains Malcolm Baldrige accreditation during the term of this Contract, the Superintendent shall be paid the additional sum of Twenty Thousand Dollars (\$20,000) for the attainment of that performance objective. If remitted, this is a one-time payment

Any payment(s) made under the above provisions will not become part of the Superintendent's regular base salary.

6. The Superintendent is employed on the basis of fifty-two (52) weeks of work per fiscal year (July 1 through June 30) as scheduled by the Board. The Superintendent shall be granted vacation time of twenty (20) business days per fiscal year. Vacation days must be used within the fiscal year for which they are made available. 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. All scheduling of vacation is subject to the approval of the Board President.

7. The Superintendent's performance shall be evaluated at least twice annually by the Board using multiple rating categories to take into account data on student growth as required by Section 1249 of the Revised School Code (or its successor provision).

This Contract may be extended by the Board at its discretion, if in the opinion of the Board, the Superintendent's performance merits such an extension. Notification of any extension shall be given to the Superintendent by June 30. The Superintendent shall give the Board's President and Secretary a written reminder of the notification requirement by April 30 of each year. If this Contract is extended, a revised Contract reflecting the new term and any other amendments shall be prepared and executed by the parties. The failure of the Board to provide notice under this provision shall not result in an extension of this Contract.

8. The Board shall be entitled to terminate the Superintendent's employment at any time during the term of this Contract if it determines that the Superintendent has engaged in acts of moral turpitude, misconduct, dishonesty, fraud, insubordination, incompetency, if the Superintendent materially breaches the terms and conditions of this Contract, or for other causes that are not arbitrary or capricious.

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 this Contract under this paragraph, neither the Board nor the Superintendent shall have further obligation upon the effective date of that termination.

The foregoing standards for termination of this Contract during its term shall not apply to nonrenewal of this Contract at the expiration of its term or non-extension of this Court during its term, which decisions are discretionary with the Board.

9. 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 the dispute to binding arbitration. The selection of the arbitrator and the arbitration proceeding 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 scope of the arbitrators' authority is limited exclusively to the issue of whether a breach of contract occurred, and, if so, the measure of monetary damages, which shall not be greater than the value of the salary and benefits remaining at the time of the alleged breach. The arbitrator has no authority to reinstate in the event of a termination of employment. The arbitrator's fee and the expense of the American Arbitration Association shall be shared sixty percent (60%) by the Board and forty percent (40%) by the Superintendent. All parties are entitled to have representation of their designation; however, each party shall be responsible for the costs of such respective representation.

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 56th Judicial Circuit of Michigan (Eaton County), pursuant to MCL 600.5001.

10. The Superintendent shall submit to such medical examinations, supply such information, and execute such documents as may be required by the Board in order to determine if the Superintendent is capable of performing the essential functions of his assignment, with or without reasonable job accommodations. Any physical or psychological examination or disclosure of such information required by the Board shall be job related and consistent with business necessity. The Superintendent may request to have an annual physical examination. Any physical or psychological examination under this section shall be at Board expense. Any information obtained from physical or psychological examinations or inquiries shall be confidential.
11. In the event of the Superintendent's mental and/or physical incapacity to perform the duties of his position, he may request and may be granted an initial leave of ninety (90) work days 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 unpaid. To the extent required by law, health plan premium payments shall be made on behalf of the Superintendent during this interval. Upon utilizing leave under this provision, the Superintendent shall furnish medical certification to the Board with respect to the necessity for the leave.

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

The Superintendent may request a ninety (90) day unpaid leave extension in the event of his physical and/or mental inability to work at the expiration of the initial leave interval, as described above, provided that there is verified prognosis that the Superintendent will be able to resume his duties at the end 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 Board's discretion.

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

Prior to any 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 his health care provider.

12. The Superintendent agrees that he shall not be deemed to be granted continuing tenure in the position initially assigned or to any other position to which he may be assigned or transferred 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 District. Nor shall any 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 Michigan Teachers' Tenure Act, be deemed a breach of this Contract or a discharge or demotion within the provisions of the Michigan Teachers' Tenure Act.

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 enrollment in the following insurance programs:

Health Insurance

The District will designate the health insurance plan and its specifications. The Superintendent agrees that the Board has a right to allocate to the Superintendent responsibility for a portion of the premium for health insurance, as may be determined by the Board, in its discretion. This contribution shall not be less than the amount determined by the Board to be necessary to comply with the Publicly Funded Health Insurance Contribution Act, 2011 PA 152.

The Superintendent hereby agrees to be responsible for any premium contributions required to maintain coverage in excess of the Board designated premium contribution above for his enrollment category. The Superintendent hereby consents to payroll deduction for all premium amounts in excess of the Board designated premium subsidy, as indicated above.

Should the Superintendent not opt to enroll in the District's medical/hospitalization program a cash amount of \$550 per month shall be provided, through a Section 125 Plan adopted by the Board. The Superintendent may elect to contribute the above amount to a 403(b) tax deferred annuity selected from among the options available under the District's 403(b) Plan.

Dental Insurance

The Superintendent is eligible for District-paid premiums for dental coverage through Delta Dental (full family coverage). Coverage is effective the first day of the month following date of hire.

The District has the option to self-fund this benefit.

Benefits provided will include no less than one hundred percent (100%) coverage for basic dental; fifty percent (50%) coverage of prosthodontic services, not to exceed \$1,500 per family member; fifty percent (50%) coverage of orthodontic services, not to exceed \$1,500 per family member.

Life Insurance

The Superintendent is eligible for District-paid premiums for group term life insurance in the amount of two times the Superintendent's annual salary (rounded up to the next \$1,000) to be paid to the Superintendent's immediate survivor(s). Coverage is effective the first day of the month following date of hire.

Vision Insurance

The Superintendent is eligible for District-paid premiums for SET/SEG II vision insurance or comparable vision insurance through a carrier selected by the District (full family coverage). Coverage is effective the first day of the month following date of hire. The District has the option to self-fund this benefit.

Long Term Disability

The Superintendent is eligible for District-paid premiums for long-term disability insurance. Coverage is effective the first day of the month following the Superintendent's date of hire. The District will provide full premiums towards the purchase of a long-term disability plan. The plan will have the following specifications: 60-day (2 months) waiting period; ninety percent (90%) of salary to a maximum of \$6,750 per month for the first six months; seventy percent (70%) of salary to a maximum of \$5,250 per month for the next 6 months, thereafter as per the Lifestyle LTS Benefit. The LTD carrier shall be selected by the District.

14. The Board reserves the right to change the identity of the insurance carrier, policyholder, or third-party administrator for any of the above coverages, provided that comparable coverage (as determined by the Board), and is maintained during the term of this Contract. The Board shall not be required to remit premiums for any insurance coverages for the Superintendent and/or 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 coverages. The Board, by payment of the premium amounts for which it is obligated under this Contract shall be relieved from all liability for insurance benefits.

15. The Superintendent shall be credited at the inception of his employment on July 1, 2012 with thirty (30) days of accumulated sick leave. Commencing in the month of March, 2014, the Superintendent shall be credited with 1.5 days of sick leave for each month he is scheduled to work thereafter, the unused portion of which shall accumulate up to one hundred twenty (120) days.

The Superintendent may utilize up to four (4) sick days per fiscal year for personal business.

Sick leave may also be used for personal illness or disability of the Superintendent, as well as for serious illness or medical care of the Superintendent's spouse, dependent, or immediate family (as defined below) who resides with the Superintendent.

Up to five (5) days per occurrence of sick leave may be used for a death in the Superintendent's immediate family. For purposes of this paragraph, the terms "immediate family" shall include: mother; father; spouse; brother; sister; brother-in-law; sister-in-law; son; daughter; son-in-law; daughter-in-law; mother-in-law; father-in-law; grandparent and grandchild.

Upon voluntary resignation from employment, the Superintendent will receive a severance payment of one-half (1/2) the cash value of his accumulated sick days. This shall not apply in the event of termination during the term of this Contract pursuant to ¶ 8 or to nonrenewal of this Contract for minimally effective or ineffective performance.

16. The Superintendent shall be reimbursed for travel, meals and lodging in accordance with the per diem expense and reimbursement standards and procedures established by the Board. Any expense to be incurred by the Superintendent for travel outside the boundaries of the Ingham Intermediate School District shall be submitted in advance for review and approval by the Board. The Superintendent shall be required to present an itemized account of his reasonable and necessary expenses in accordance with the direction of the Board.

17. The Board encourages the Superintendent to establish and maintain his residence within the boundaries of the Waverly Community Schools.

The Superintendent shall be reimbursed for moving expenses not to exceed Three Thousand Dollars (\$3,000) in the event that the Superintendent elects to establish a residence within the geographical boundaries of the Waverly Community Schools and to move his household and all reasonable and customary items of his household to his residence within the boundaries of the Waverly Community Schools.

18. Subject to express approval by the Board, the fees or dues for the Superintendent's membership in appropriate professional organizations shall be paid by the Board.

19. The Superintendent is entitled to the following holidays for which no service to the District is required:

- New Year's Eve
- New Year's Day
- Presidents' Day (when school is not in session)
- Good Friday afternoon (only if students are not in attendance on Good Friday)
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Day after Thanksgiving
- Christmas Eve
- Christmas Day

20. 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 acting within the scope of his authority. The policy limits for this coverage shall be to the extent provided in the District's errors and omissions and umbrella policies. The terms of the errors and omissions and umbrella insurance policies shall control the Superintendent's defense and indemnity.

The Board's sole obligation shall be limited to the payment of premium amounts for the above errors and omissions coverage. In the event that such insurance coverages cannot be purchased 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).

21. This Contract contains the entire agreement and understanding by and between the Board and its Superintendent with respect to employment of the Superintendent. Representations, promises, contracts, or understandings (written or oral) not contained in this Contract shall have no force or effect. All prior agreements (written or oral) pertaining to, connected with, or arising in any manner out of the employment or selection of the Superintendent by the Board are hereby terminated and shall have no force or effect, provided, that this Contract is voidable pursuant to the provisions of the Revised School Code pertaining to criminal records and criminal history checks.

No amendment to or modification of this Contract shall be valid or binding unless it is in writing, approved by official action of the Board of Education as 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 any time.

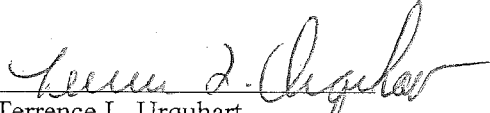
22. If any provision of this Contract becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Contract shall continue in full force and effect without said provision(s).
23. The Superintendent agrees that any claim or suit arising out of his employment 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 established herein, and waive(s) 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 suit, it is the intent of the parties that the court enforce this provision to the extent possible and declare the suit barred unless it was brought within the minimum reasonable time within which this suit should have been commenced.

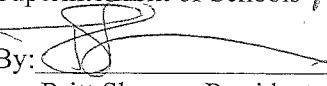
24. This Contract is executed on behalf of the Waverly Community Schools pursuant to the authority granted by resolution of the Board.

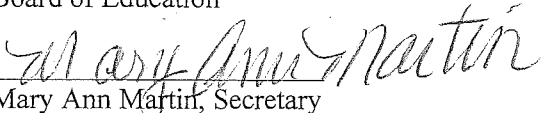
IN WITNESS WHEREOF, the parties have caused this Contract to be executed on the day and year written below.

Dated: June 24, 2012


Terrence L. Urquhart
Superintendent of Schools

Dated: June 24, 2012

By: 
Britt Slocum, President
Waverly Community Schools
Board of Education

By: 
Mary Ann Martin, Secretary
Waverly Community Schools
Board of Education

w:\wdsystem\wddocs\cliedoc\207\1\00765011.doc