

CONTRACT OF EMPLOYMENT

School Administrator

It is hereby agreed by and between the Board of Education of the Tawas Area Schools (hereinafter "Board") and Donald Vernon (hereinafter "Administrator") 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 13th day of June, 2011, has and does hereby employ the said Donald Vernon for a four-year period commencing on July 1, 2011 and ending on June 30, 2015, according to the terms and conditions as described and set forth herein as follows:

1. 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. Administrator acknowledges the ultimate authority of the Board with respect to his responsibilities and directions related thereto. Administrator is subject to assignment and transfer to another administrative position of employment in the School District at the discretion of the Board. Said transfer shall be without a reduction of salary.

2. Administrator represents that he possesses, holds and will maintain all certificates, credentials and qualifications required by law, including the regulations of the Department of Education, and those required by the Board to serve in the position assigned. Additionally, Administrator agrees, as a condition of his continued employment, to meet all 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 Administrator 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. Administrator agrees to devote his talents, skills, efforts and abilities toward competently and proficiently fulfilling all duties and responsibilities of the position assigned. Administrator agrees to faithfully perform those duties assigned by the Board and to comply with the directives of the Board with respect thereto. Further, Administrator 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. Administrator 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. Administrator shall be paid at an annual (twelve month) salary rate of not less than one hundred ten thousand three hundred thirteen dollars (\$110,313.00) in consideration of his performance of the duties and responsibilities of the position assigned in conformance with the requirements and expectations of the Board and in accordance with the Board's normal payroll practices. The annual salary shall be paid in twenty-seven (27) equal bi-weekly installments beginning with the commencement of the fiscal/contract year (July 1 - June 30).

Should Administrator be assigned or transferred to another administrative position, the salary paid shall be established by the Board for that position. The annual salary shall be paid in twenty-seven (27) equal bi-weekly installments beginning with the commencement of the fiscal/contract year (July 1 – June 30).

The Board hereby retains the right to increase or adjust the annual salary of Administrator during the term of this Contract. Any increase in salary made during the term of this Contract shall be in the form of a written amendment and when executed by Administrator and the Board, shall become a part of this Contract and shall not reduce the annual salary below the salary stated herein unless such decrease is part of a uniform plan affecting the salaries of all employees in the school district. In the event that the Board elects to implement a merit pay system, it should meet any and all requirements imposed by MPSEERS Reporting Instruction Manual, or successor provision. The Administrator may receive merit pay based on goals set by the Board of Education not to exceed six thousand dollars (\$6,000.00) per school year, provided that the Board of Education adopts these goals for merit pay and informs the Administrator of these goals.

In June, a board committee will be formed to set the Superintendent's goals for merit pay. At the July board meeting the Board of education will adopt these goals for the Superintendent's merit pay for the current school year.

The Superintendent's merit pay will be solely awarded by the Board of Education based on his performance towards the goals. In June, the committee will take board action regarding the Superintendent's merit pay and how much he shall receive. If applicable, the merit pay will be paid to the Superintendent on the last pay in June.

5. Administrator 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. Administrator shall be granted vacation time of twenty-five (25) days per fiscal year. Vacation days not used within the fiscal year for which they are made available may accrue up to a balance of ten (10) days and will be paid at the Superintendent's present hourly rate. Accrued but unused vacation time may be paid prior to the expiration date hereof upon written request by the Administrator and approval of the Board. Administrator 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.

6. Administrator's performance shall be evaluated by the Board not later than March 31 of each ensuing year, provided that this provision shall not prevent the Board from conducting such evaluations at such times and based upon such factors as may be required by law, including but not limited to Section 1249 of the Revised School Code, or successor provision.

7. The Board shall be entitled to terminate the Administrator's employment at any time during the term of this Contract if it determines that Administrator has engaged in acts of moral turpitude, misconduct, dishonesty, fraud, insubordination, incompetency, inefficiency, or if Administrator materially breaches the terms and conditions of this Contract; or for other causes found to be sufficient by the Board. The Board shall not arbitrarily or capriciously dismiss him.

In the event that the Board undertakes to dismiss Administrator during the term of this Contract, he shall be entitled to written notice of charges and an opportunity for a hearing before the Board, prior to dismissal. Said hearing shall be public or private at the option of the Superintendent. At such hearing, he may be represented by legal counsel at his expense. 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.

In the event of Administrator's mental and/or physical incapacity to perform the duties of his office, he shall be granted an initial leave of sixty (60) work days for purpose of recovery. The Administrator shall first exhaust any accumulated sick leave and accrued vacation time, with the balance of the sixty (60) work day period to be unpaid. Health plan premium payments shall be made on behalf of Administrator during this interval to the extent required by law. Upon utilizing leave under this provision, Administrator shall furnish medical certification to the Board (or its designee) respecting the necessity for the leave. During any such leave lasting more than sixty (60) work days, the Board may, at its discretion, set-off from the Superintendent's salary long-term benefits he receives.

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

Administrator may request a sixty (60) 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 Administrator will be able to resume his duties at the conclusion of the extended leave interval. Medical certification shall be supplied by Administrator as a condition to any leave extension. Any extensions of leave for this purpose shall be at the discretion of the Board.

If Administrator 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, Administrator shall provide to the Board a fitness for duty certification from Administrator'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.

8. Administrator 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 Administrator 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. Administrator 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, Administrator shall authorize the release of medical information necessary to determine if Administrator 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 administrator 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.

10. Upon proper application and acceptance for enrollment by the appropriate insurance underwriter, policyholder and/or third party administrator, the Board shall make premium payments capped at fifteen thousand dollars (\$15,000.00) for full family, eleven thousand dollars (\$11,000) for employee and spouse, and five thousand five hundred dollars (\$5,500) for single employee on behalf of Administrator and his eligible dependents for all of the following insurance programs:

Health insurance (MEBS PPO CB1, Care Mark Rx (7-35-70)).

Dental insurance (MEBS 60%/60%/50%).

Term life insurance in the amount of \$55,000.

Vision insurance (Set Seg self-funded plan 3-\$130 frames).

Long term disability insurance with 60% of covered monthly earnings to a maximum monthly benefit of \$2,000.

11. 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, is maintained during the term of this Agreement. The Board shall not be required to remit premiums for any insurance coverages for Administrator 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. Administrator is responsible for assuring completion of all forms and documents needed to receive the above-described insurance coverage.

12. Administrator is entitled to the following holidays for which no service to the School District is required:

New Year's Day

Thanksgiving

Good Friday	Day After Thanksgiving
Memorial Day	Christmas
July 4 th	Christmas Eve
Labor Day	New Year's Eve
Safety Day (if applicable)	

13. If Administrator is absent from duty on account of personal illness or disability, he shall be allowed full pay for a total of twelve (12) days per contract year. Unused paid leave days hereunder shall be cumulative to a maximum of one hundred (100) days for absence due to personal illness or disability of Administrator with payout allowed for unused sick days based upon the daily rate of Superintendent's present salary. The Superintendent shall also be entitled to two (2) days to be used for personal business upon approval by the Board President.

14. Administrator shall be eligible to be reimbursed for travel, meals and lodging in accordance with per diem expense and reimbursement standards and procedures established by the Board. Any expense to be incurred by Administrator for out-of-district travel shall be submitted in advance for review and approval by the Board President subject to final approval of the Board. Administrator shall be required to present an itemized account of his reasonable and necessary expenses.

15. Subject to express approval by the Board President, the fees or dues for membership in appropriate professional organizations shall be paid by the Board. Subject to prior approval by the Board President, the Administrator may attend appropriate professional meetings at the local, state and national levels and shall be reimbursed for any registration fees, tuition, travel, lodging and/or reasonable meal expenses for himself in relation thereto not prepaid by the Board.

16. The District agrees that it shall defend, hold harmless and indemnify Administrator from any and all demands, claims, suits, actions and legal proceedings brought against Administrator in his individual capacity, or in his official capacity as agent and employee of the District, provided the incident arose while Administrator was engaged in the exercise of a governmental function and acting within the scope of his authority and excluding criminal litigations. The Board shall provide public liability insurance of not less than \$1,000,000 for the Administrator to cover legal expenses in defense of claims and payment of judgments resulting from his functioning as Administrator and will reimburse him for any portion of such expense and judgments not covered by insurance. In no case will individual Board members be considered personally liable for indemnifying the Administrator against such demands, claims, suits, actions and legal proceedings.

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

18. 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 reflected in its minutes, and signed by Administrator 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. In the event of any dispute between the parties relating to discharge of Administrator 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 Administrator arising from Administrator'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 Administrator 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), and does not apply to any claims for unemployment compensation or workers' compensation which may be brought by Administrator. Instead, this agreement to arbitrate claims applies to those matters which would otherwise be subject to state or federal court proceedings.

This agreement to arbitrate means that Administrator is waiving his right to adjudicate discrimination claims in a judicial forum and is instead opting to arbitrate those claims. In any such arbitration proceeding, Administrator 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, Administrator, 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 Administrator, subject to the right of Administrator 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 Administrator'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 Iosco County Circuit Court.

20. 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).

21. Administrator agrees that any claim or suit arising out of Administrator's employment with the Board must be filed no more than 180 days after the date of the employment action that is the subject of the claim or suit. Administrator understands that the statute of limitations for claims arising out of an employment action may be longer than 180 days, but agrees to be bound by the 180-day 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 Tawas Area Schools pursuant to the authority granted as contained in the minutes of the Board adopted on June 13, 2011, the same being incorporated herein by reference.

23. The Administrator shall reside within twenty (20) miles of the boundaries of Tawas Area Schools as provided by Michigan law.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the day and year first above written.

ADMINISTRATOR

Date: 2/20/12

Donald S. Vernon
Donald S. Vernon

TAWAS AREA SCHOOLS
BOARD OF EDUCATION

Date: 2/22/12

By: Connie O'Connor
Connie O'Connor, President

And by: William Britt
William Britt, Secretary