

CONTRACT OF EMPLOYMENT

Superintendent

It is hereby agreed by and between the Board of Education of the Bad Axe Public School District (hereinafter "Board") and Donald Schelke (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 14th day of June, 2010, has and does hereby employ the said Donald Schelke for a three (3) year period commencing on July 1, 2010 and ending on June 30, 2013, 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.

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 Two Thousand Dollars (\$102,000) in consideration of his performance of the duties and responsibilities of the position assigned in conformance with the requirements and expectations of the Board. The Administrator shall also be paid an annuity as deferred compensation in the amount of Twenty Thousand Dollars (\$20,000).

Should Administrator be assigned or transferred to another administrative position, the

salary paid shall be as established by the Board for that position. The annual salary shall be paid in twenty-six (26) 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 the annual salary of Administrator during the term of this Contract. The salary shall not be subject to reduction below the figures stated above unless such decrease is part of a uniform plan affecting the salaries of all employees. 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.

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 (20) days per fiscal year. Vacation days must be used within the fiscal year for which they are made available and Administrator shall not receive any additional compensation in lieu of use of vacation days. 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 of more than five (5) days is subject to notice to the Board President. If the Superintendent desires to take more than twenty (20) days, it shall be subject to Board approval.

6. The Board shall provide the Administrator with mileage reimbursement at the Internal Revenue standard mileage rate.

7. Administrator's performance shall be evaluated by the Board annually, not later than March 31.

8. The Board shall be entitled to terminate the Administrator's employment at any time during the term of this Contract when 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 foregoing standards for termination of this Contract during its term shall not be applicable to non-renewal of this Contract at the expiration of its term, which decision is discretionary with the Board.

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. The hearing shall be private or public at the option of the Superintendent. At the hearing, he may have legal counsel at his own 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.

9. The Board shall review this contract with the Superintendent by February 28, 2013 and take official action determining whether or not it is extended for an additional year and notify the Superintendent of its action in writing by June 30, 2013. If no action is taken to extend the contract, the Board will consider non-renewal of the contract.

10. 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 ninety (90) work days for purpose of recovery. The Administrator shall first exhaust any accumulated sick leave and accrued vacation time, with the balance of the ninety (90) 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.

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 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 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.

11. 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.

12. 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.

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 Administrator and his eligible dependents for the following insurance programs: health and medical insurance; long term disability insurance; short term disability insurance; dental insurance; term life insurance equivalent to annual salary; vision insurance.

14. In the event of the death of the Administrator, wages and benefits shall be paid to his survivor for sixty (60) days.

15. 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. 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.

16. Administrator is entitled to holiday pay for which no service to the School District is required, per the school calendar.

17. 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 thirty-six (36) days for absence due to personal illness or disability of Administrator, payable to Administrator at the rate of fifty dollars (\$50.00) per day upon Administrator's retirement or resignation.

18. The Administrator shall be reimbursed up to nine (9) semester hours of graduate credit hours relating to his duties per year.

19. 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. Administrator shall be required to present an itemized account of his reasonable and necessary expenses in accordance with direction of the Board or its designee.

[OPTION: Subject to express approval by the Board, the fees or dues for membership in appropriate professional organizations shall be paid by the Board. Subject to prior approval by the Board, 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/herself in relation thereto not prepaid by the Board.]

20. The Board agrees to pay the premium amount for errors and omissions insurance coverage for Administrator while engaged in the performance of a governmental function and while the Administrator is acting within the scope of his authority. The terms of the errors and omissions insurance policy shall be controlling respecting defense and indemnity of Administrator. 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 Administrator. In that event, the Board agrees on a case-by-case basis to consider providing legal defense and/or indemnification to Administrator as is authorized under MCLA 691.1408 and MCLA 380.11a(3) (d).

21. 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.

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.

22. [OPTIONAL] 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, MCLA 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 Circuit Court for the 52nd Judicial Circuit of Michigan (Huron County).

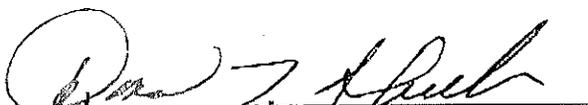
23. If any provision of this Agreement becomes or is declared by a Court of competent jurisdiction to be illegal, unenforceable or void, this Contract shall continue in full force and effect without said provision(s).

24. Administrator agrees that any claim or suit arising out of Administrator'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. Administrator 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.

25. This Agreement is executed on behalf of the Bad Axe School District pursuant to the authority granted as contained in the resolution of the Board adopted on June 14, 2010, the same being incorporated herein by reference.

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

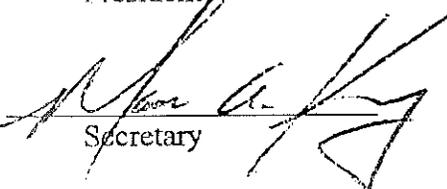
Date: ~~6-10-10~~
6-14-10


ADMINISTRATOR

BAD AXE PUBLIC SCHOOLS
BOARD OF EDUCATION

Date: 6-14-10

By 
President

By 
Secretary