

EMPLOYMENT CONTRACT

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

THIS AGREEMENT is made and entered into by and between the board of Trustees (the "Board") of the North East Independent School District (the "District") and Dr. Richard Middleton (the "Superintendent").

The Board and the Superintendent, for and in consideration of the mutual covenants set out below, have agreed, and do hereby agree, as follows:

1. **TERM.**

1.1 **Employment.** The term of this Agreement shall commence on August 31, 2009, and end on July 31, 2014. Such term may be extended by mutual written consent of the parties."

1.2. **No Right of Tenure.** The Board has not adopted by policy, rules, regulations, law or practice providing for tenure. No right of tenure, contractual obligation, expectancy of continued employment, or claim of entitlement is created beyond the contract terms.

2. **EMPLOYMENT.**

2.1 **Duties.** The Superintendent shall faithfully perform the duties of the Superintendent of Schools for the District as prescribed in the job description and as may be lawfully assigned by the Board, and shall comply with all lawful Board directives, state and federal law, District policy, rules, and regulations as they exist or may hereafter be adopted or amended.

2.2 **Performance of Duties.** The Superintendent shall perform the duties of the Superintendent of Schools for the District with reasonable care, skill, and expertise and in a thorough, prompt, and efficient manner. The Superintendent agrees to devote his time, skill, labor, and attention to performing his duties.

2.3 **Medical Examination.** The Superintendent agrees to have a comprehensive medical examination at District expense of up to a maximum of \$1,000.00 per year by a physician acceptable to both the Board and the Superintendent, once a year, and to obtain a statement certifying that he is physically able to perform his duties. This statement and the results of the examination shall be confidential and shall be filed with the President of the Board and available to the Board of Trustees, only.

2.4 **Professional Certification and Records.** This Agreement is conditioned on the Superintendent's providing the necessary certification and experience records, medical records, oath of office and other records required by the personnel files or payroll purposes. Failure to provide necessary certification shall render this Agreement void. Any misrepresentation may be grounds for dismissal.

2.5 **Reassignment.** The Superintendent cannot be reassigned from the position of Superintendent to another position without the Superintendent's consent.

3. **COMPENSATION.**

3.1 Salary. The Superintendent shall be paid an annual salary of TWO HUNDRED AND NINETY SIX THOUSAND ONE HUNDRED FIVE DOLLARS (\$296,105.00). This annual salary rate shall be paid to the Superintendent in installments consistent with the Board's policies.

3.2 Salary Adjustments. At any time during the term of this Agreement, the Board may, in its discretion, review and increase the salary of the Superintendent, but in no event shall the Superintendent be paid less than the salary set forth in Section 3.1 of this Agreement.

3.3 Flexible Benefits. The District shall provide ONE THOUSAND DOLLARS (\$1,000.00) each month to the Superintendent commencing on July 1, 2002, and each month thereafter during the term of this Agreement, for the purchase of annuities or other benefits as determined and directed by the Superintendent.

3.4 Vacation and Holidays. The Superintendent will be entitled to all approved school holidays and three weeks vacation per school year. Unused holidays do not accumulate from one school year to the next or from one contract term to the next. The Superintendent may carry over unused vacation days from one school year to the next school year and may accumulate a maximum of seventy (70) unused vacation days for which he can be paid the daily rate upon leaving the District.

3.5 Automobile Allowance. The District shall provide the Superintendent with an automobile allowance in the sum of Fifteen Hundred Dollars (\$1,500) per month. He shall be reimbursed mileage for out-of-town business trips at the allowable rate for state and federal employees in accordance with the Financial Accountability System Resource Guide.

3.6 Health Insurance. The District will pay 100 percent of the cost of the District's group health plan for the Superintendent and eligible family.

3.7 Life Insurance. The District will pay 100 percent of the cost for \$50,000.00 coverage for the Superintendent under the District's group life policy. The District will also pay 100 percent of the cost of a \$90,000.00 life insurance policy provided through the American Association of School Administrators.

3.8 Professional Liability Insurance. The District shall pay 100 percent of the cost of a \$1,000,000.00 professional liability insurance policy provided through the American Association of School Administrators.

3.9 Disability Coverage. The District shall provide the maximum disability income protection for the Superintendent allowed by the policy, if any, made available now or in the future to employees of the District. Said disability coverage will not exceed 66.67 percent of the Superintendent's salary.

3.10 Retirement Benefits. The District does not provide for any special or additional retirement benefits beyond the Texas Teacher Retirement System requirements currently in effect and the "Flexible Benefits" described in Section 3.3 above.

3.11 Business Expenses. All business expenses incurred by the Superintendent on behalf of the District will be reimbursed by the District in full. However, the Superintendent should utilize the District-provided American Express Credit Card as frequently as possible when paying for such expenses. The District's Internal Audit Department shall perform a full audit of the Superintendent's expenses once a year and report the results of the audit to the Board. Business expenses shall be defined as those ordinary and necessary expenses which a reasonable person would expect to incur in performing his duties, i.e. travel, lodging, meals, and entertainment, supplies, and public relations expenses.

3.12 Dues or Membership Fees. The total expenditure for periodicals purchased and dues paid on behalf of the Superintendent shall not exceed \$3,000.00 per year. The Superintendent is expected to use a portion of these funds for membership in T.A.S.A. and A.A.S.A. In addition to the previously mentioned \$3,000.00 dues allowance, the District shall pay dues for the Superintendent's membership in Chambers of Commerce.

3.13 Communications Allowance. In order to insure the Superintendent's accessibility to the Board and staff members, and to enhance his ability to manage the District, the Superintendent shall be provided with a communications allowance of Six Hundred Dollars (\$600) per month to cover the cost of such items as mobile phones and equipment, a home computer, printer, fax, cable connection, and a dedicated home telephone/fax line for communication with District employees and the public."

3.14 University Teaching. The Board shall approve the Superintendent teaching not more than one course per semester at a college or university. The Superintendent shall have access to District copying machines for preparation of materials for such classes. The Superintendent shall reimburse the District for the full cost of producing all such materials.

3.15 Criticisms, Complaints, and Suggestions. The Board, individually and collectively, shall refer all substantive criticisms, complaints, and suggestions called to the Board's attention to the Superintendent for study and appropriate action, and the Superintendent shall investigate such matters and inform the Board of the results of such efforts.

3.16 Board Meetings. The Superintendent or the Superintendent's designee shall attend all meetings of the Board, both public and closed, with the exception of those closed meetings devoted to the consideration of any action or lack of action on the Superintendent's Contract or the Superintendent's salary and benefits as set forth in this Contract or the Superintendent's evaluation and to interpersonal relationships between individual Board members.

3.17 Professional Development. The Superintendent is authorized to take seven days of paid leave each year for professional development. This leave is in addition to leave available to the Superintendent for attendance at meetings and/or conferences of professional organizations, legislative groups, and advisory boards.

4. REVIEW OF PERFORMANCE.

4.1 Time and Basis of Evaluation. The Board shall evaluate and assess in writing the performance of the Superintendent at least once each year during the term of this Agreement. The evaluation and assessment shall be reasonably related to the duties of the Superintendent as outlined in the Superintendent's job description.

4.2 Confidentiality. The evaluation of the Superintendent shall at all times be conducted in executive session and shall be considered confidential to the extent permitted by law. Nothing herein shall prohibit the Board or the Superintendent from sharing the content of the Superintendent's evaluation with the respective legal counsel.

4.3 Evaluation Format and Procedure. The evaluation format and procedure shall be in accordance with the Board's policies and state and federal law. In the event the Board deems that the evaluation instrument, format and/or procedure is to be modified by the Board, such modification must be adopted at least one (1) year prior to its implementation.

5. RENEWAL/NONRENEWAL.

5.1 Renewal Nonrenewal. Renewal or nonrenewal shall be in accordance with Board policy and applicable law.

6. TERMINATION OF EMPLOYMENT CONTRACT.

6.1 Mutual Agreement. This Agreement may be terminated by the mutual agreement of the Superintendent and the Board in writing, upon such terms and conditions as may be mutually agreed upon. After the Superintendent has returned the signed contract, the Superintendent will not be released from this Agreement without the written consent of the Board.

6.2 Death, Retirement. This Agreement shall be terminated upon the death of the Superintendent or upon the Superintendent's retirement under the Teacher Retirement System of Texas.

6.3 Dismissal for Good Cause. This Board may dismiss the Superintendent at any time for good cause. The term "good cause" is defined as follows:

(a) Failure to fulfill duties or responsibilities as set forth under the terms and conditions of this Contract;

(b) Incompetence or inefficiency in the performance of required or assigned duties as documented by evaluations, supplemental memoranda, or other written communication. (The terms and conditions of this paragraph shall not justify good cause unless the Board has provided the Superintendent reasonable opportunity to remediate any incompetence or inefficiency);

(c) Insubordination or failure to comply with lawful written Board directives;

(d) Failure to comply with the Board's policies or the District's administrative regulations;

- (e) Neglect of duties;
- (f) Drunkenness or excessive use of alcoholic beverages;
- (g) Illegal use of drugs, hallucinogens, or other substances regulated by the Texas Controlled Substances Act;
- (h) Conviction of a felony or crime involving moral turpitude;
- (l) Failure to meet the District's standards of professional conduct;
- (j) Failure to comply with reasonable District professional development requirements regarding advanced course work or professional development;
- (k) Disability, not otherwise protected by law, that impairs performance of the required duties of the Superintendent;
- (l) Immorality, which is conduct the Board determines is not in conformity with the accepted moral standards of the community encompassed by the District. Immorality is not confined to sexual matters, but includes conduct inconsistent with rectitude or indicative of corruption, indecency, or depravity;
- (m) Criminal assault on an employee or student;
- (n) Knowingly falsifying records or documents related to the District's activities;
- (o) Conscious misrepresentation of facts to the Board or other District officials in the conduct of the District's business;
- (p) Failure to fulfill requirements for superintendent certification;
- (q) Any other reason constituting "good cause" under Texas law.

6.4 Termination Procedure. In the event that the Board terminates this Agreement for good cause, the Superintendent shall be afforded all the rights set forth in the Board's policies and state and federal law.

7. MISCELLANEOUS.

7.1 Governing Law. This Agreement shall be governed by the laws of the State of Texas.

7.2 Amendments. This Agreement and the instruments referenced herein embody the entire agreement between the parties and cannot be amended except by written agreement signed by all parties hereto.

7.3 Savings Clause. In the event any one or more of the provisions contained in the Agreement shall, for any reason, be held to be invalid, illegal, or unenforceable,

such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. All existing agreements and contracts, both verbal and written, between the parties hereto regarding the employment of the Superintendent shall be superseded by this Agreement as of its commencement date.

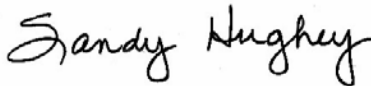
7.4 **Conflicts.** In the event of any conflict between the terms, conditions and provisions of this Employment Contract and the provisions of the Board's policies, or any permissive state or federal law, then, unless otherwise prohibited by law, the terms of this Contract shall take precedence over the contrary provisions of the Board's policies or any such permissive law during the term of the Contract.

EXECUTED this 31st day of August, 2009.

NORTH EAST INDEPENDENT SCHOOL DISTRICT



President, Board of Trustees



ATTEST:

By: Secretary, Board of Trustees



Richard A. Middleton, Ph.D.
Superintendent of Schools