CONTRACT

THIS CONTRACT is made and entered into on February 23, 2015, by and between the **BOARD OF EDUCATION OF JEFFERSON COUNTY, KENTUCKY** (the "Board of Education") and **DR. DONNA M. HARGENS** ("Hargens").

RECITALS

The Board of Education is responsible under Kentucky law for the management and control of the Jefferson County, Kentucky, public school district (the "School District").

The Board of Education appointed Hargens as superintendent of schools for the School District for a term expiring on June 30, 2015 under the terms and conditions of a contract made and entered into on July 11, 2011 (the "2011 Contract").

The Board of Education desires to appoint Hargens, under the terms and conditions of this contract, to a new term as superintendent of schools for the School District, to supervise the schools in the School District as the Board of Education's executive agent, in compliance with Kentucky law and subject at all times to the direction and control of the Board of Education.

Hargens desires to serve a new term as the superintendent of schools for the School District, subject to the terms and conditions of this contract.

In consideration of the foregoing and the mutual promises contained in this contract, and intending to be legally bound, the Board of Education and Hargens agree as follows:

I. TERM. The Board of Education hereby appoints Hargens to the offices of Superintendent of Schools ("Superintendent") and Secretary of the Board of Education ("Secretary") for a term of office beginning July 1, 2015, and expiring June 30, 2019 (the "Term"). This contract shall terminate upon the expiration of the Term. Upon the expiration of

the Term, the Board may in its discretion [i] extend the Term for an additional period of time under the terms and conditions of this contract as then permitted by Kentucky law, [ii] appoint Hargens as Superintendent for a new term under the terms and conditions of a new contract, or [iii] appoint a new Superintendent. This contract shall terminate earlier than the expiration of the Term upon the removal of Hargens from the office of Superintendent in accordance with Kentucky law as provided in Paragraph XIII below, Hargens' resignation from the office of Superintendent, or Hargens' death. Notwithstanding the foregoing, the Board of Education may at any time during the Term terminate Hargens' appointment as Secretary, with or without cause.

II. PROFESSIONAL CERTIFICATION. Hargens provided to the Board of Education, before assuming her duties as Superintendent under the 2011 Contract, a certificate for school superintendent issued by the Kentucky Education Professional Standards Board which qualifies her to hold the office of Superintendent, and Hargens has completed the training program and assessment center process for a superintendent of schools as required by Kentucky law. Hargens shall hold a valid certificate for school superintendent throughout the Term and shall satisfy all other conditions to service as a superintendent of schools under Kentucky law, including without limitation maintaining residency in Kentucky.

III. RESPONSIBILITIES AND DUTIES.

A. Hargens shall devote herself exclusively to the discharge of the responsibilities and duties of Superintendent and Secretary set forth in the Kentucky statutes, the bylaws, rules and regulations of the Kentucky Board of Education, and the regulations and policies of the Board of Education. She shall have charge of the administration of the schools under the direction of the Board of Education as provided under Kentucky law and Board of Education policy. She shall

be the executive officer of the Board of Education; shall serve as Secretary to the Board of Education; and shall be entitled to attend all Board of Education meetings and Board of Education committee meetings except when her own tenure, salary, or the administration of her office is under consideration. As executive officer of the Board of Education, the Superintendent shall see that the laws relating to the schools, the bylaws, rules, and regulations of the Kentucky Board of Education, and the regulations and policies of the Board of Education are carried into effect. In her role as Superintendent, Hargens shall be the professional adviser of the Board of Education in all matters. She shall prepare, under the direction of the Board of Education, all rules, regulations, bylaws, and statements of policy for approval and adoption by the Board of Education. She shall recommend to the Board of Education for approval, regulations, rules and procedures deemed necessary for the well ordering of the School District, including recommendations to modify the administrative organization plan of the School District. She shall have general supervision, subject to the control of the Board of Education, of the general conduct of the schools, the course of instruction, the discipline of pupils, and the management of business affairs. She shall be responsible for all personnel actions including hiring, assignments, transfer, dismissal, suspension, reinstatement, promotion, and demotion of all personnel in the School District and reporting the actions to the Board of Education. She shall perform all duties incident to the office of the Superintendent and such other duties as may be prescribed by law or by the Board of Education from time to time, including but not limited to any duties identified by the Board of Education in establishing the annual goals, objectives and priorities for the School District, which will be developed in agreement with the Superintendent as provided in Paragraph XI below.

B. Hargens may lecture, engage in writing activities and speaking engagements, and engage in other similar activities that are of a short-term duration, provided that no such activity shall cause any conflict of interest or restrict Hargens from fulfilling the responsibilities and duties delineated in the first sentence of this Paragraph III. Any such activity which will cause Hargens to be absent from the School District for more than one (1) full working day shall be reported to the Chair of the Board of Education by Hargens prior to the activity. If Hargens proposes to engage in any such activity (whether within or without the School District) that would extend beyond five (5) full working days or that would be of a recurring nature, Hargens shall first obtain advance written approval from the Chair of the Board of Education. If any such activity is scheduled on a normal workday and if Hargens shall receive any compensation from a third party (other than expense reimbursement) for engaging in the activity, Hargens shall use only vacation days and/or personal leave days for the activity. In addition to the other activities described in this Paragraph III, Hargens may serve on a reasonable number of Boards of Directors, Advisory Boards and other state and national committees that serve to enhance the reputation and initiatives of the School District, but Hargens shall first advise the Chair of the Board in writing in each case of her intention to serve, the number of working days expected to be devoted to the intended service, and the expected benefit to the School District from the intended service. Hargens shall not accept an appointment to any such Board of Directors, Advisory Board or committee, and shall resign from any such appointment that she has accepted, if the Chair of the Board of Education advises Hargens that the Board of Education has determined that her service violates Kentucky law, or will cause or has caused a conflict of interest, or will restrict or has restricted Hargens from fulfilling the responsibilities and duties delineated in the first sentence of this Paragraph III. Hargens shall periodically report in writing

to the Chair of the Board of Education the activities and the number of working days that she has used for the purposes provided in this Paragraph III.

C. As soon as reasonably practicable after the beginning of the Term, the Board of Education and Hargens will participate in a planning session in which they will develop and agree upon the roles and responsibilities for the Board of Education and the Superintendent in order that appropriate board governance takes place for the benefit of the School District and its students.

IV. **PROFESSIONAL GROWTH.** For the benefit of the School District, the Board encourages the continuing professional growth of Hargens through using a reasonable number of her working days as Superintendent for participation in the operations, programs, and other activities conducted or sponsored by local, state and national school administrator and school board associations; seminars and courses offered by public or private educational institutions; and other education-related conferences and seminars. The Board of Education shall pay the fees and appropriate expenses for participation in such activities, subject to Paragraph VIII. Hargens shall periodically report in writing to the Chair of the Board of Education the activities and the number of working days that she has used for the purposes provided in this Paragraph IV.

V. **BASE COMPENSATION**. For the period beginning July 1, 2015 and ending June 30, 2016 (such period, and each subsequent annual period of July 1 to June 30 during the Term, is herein referred to as a "Contract Year"), the Board of Education shall pay Hargens a base salary at an annual rate of $276,000. For each Contract Year after the first Contract Year, the Board of Education may in its discretion either increase the annual base salary rate by a

percentage determined by the Board or make a one-time lump sum payment to Hargens in an amount determined by the Board. The Board's determination whether to increase the annual base salary rate or to make a one-time lump sum payment shall be made upon the conclusion of the annual evaluation of the Superintendent described in Paragraph XII and shall be based on Hargens' performance during the previous Contract Year. In no event shall the amount of the Superintendent's annual base salary rate in any Contract Year as so determined by the Board be less than the amount of the annual base salary rate in the previous Contract Year, absent mutual agreement of the parties. Hargens' salary shall be paid in installments at such regular intervals as the Board of Education is then using for the salary payments of its other administrative employees. The compensation provided in this Paragraph V is payable for Hargens' services as Superintendent, it being understood that Hargens shall serve as Secretary without compensation.

IV. KENTUCKY TEACHERS' RETIREMENT SYSTEM. During the Term, the Board of Education will deduct from each installment of Hargens' base salary and pay to the Kentucky Teachers' Retirement System ("KTRS") the amount of the KTRS contribution required by Kentucky law.

VII. BENEFITS. Hargens shall be entitled to thirty (30) days of paid vacation each Contract Year. Any vacation days not used in any Contract Year shall be credited to Hargens' vacation account. The number of accumulated unused vacation days in the vacation account, including any such days carried over from the 2011 Contract, shall not exceed sixty (60) days. Hargens may sell back unused vacation days at a rate per day equal to 1/260 of Hargens' annual base salary at the time the unused day could have been taken. During each Contract Year, Hargens may sell back up to ten (10) unused vacation days. Upon the end of Hargens' employment as Superintendent by expiration of this contract without extension or renewal,

removal as Superintendent, resignation, retirement or death, the Board of Education shall pay Hargens or her estate for the number of then accumulated unused and unsold vacation days in her vacation account, at the rate per day equal to Hargens' annual base salary at the end of her employment divided by 260. Hargens shall receive all of the benefits which the other administrative employees of the Board of Education receive during the Term, whether now in effect or hereafter granted. In addition to the compensation set forth in Paragraphs V and VI, and the benefits set forth in this Paragraph VII and Paragraphs VIII through X, (i) the Board of Education shall contribute in each Contract Year $30,000 to a tax-deferred annuity plan, or other investment plan, as Hargens shall select.

VIII. EXPENSES. The Board of Education shall furnish the use of an automobile (including fuel, maintenance, and insurance therefor) and shall reimburse Hargens for all reasonable expenses incurred by her which are necessary to the performance of the duties of Superintendent and Secretary as delineated in the first sentence of Paragraph III. The Board of Education will not reimburse any such expense before it has been incurred. All requests for reimbursement of expenses shall be submitted in writing to the Treasurer of the Board of Education and shall be supported by appropriate receipts or other documentation to establish that the expense was reasonable and necessary, and be approved by the Chair of the Board of Education. The Board of Education shall not reimburse any expenses incurred by Hargens for or in connection with the other activities permitted by Paragraph III (B.), except that the Board of Education shall reimburse Hargens for her payment of dues for up to seven civic or professional organizations subject to the approval of the Chair of the Board of Education.

IX. PHYSICAL EXAMINATION. Hargens shall submit to a physical examination by a physician of Hargens' choice during the Contract Years beginning July 1, 2016, and July 1,

2018. The Board of Education shall pay the cost of the physical examination. Hargens agrees that the physician's summary of the results of the physical examination shall be made available to the Board of Education.

X. **PROFESSIONAL LIABILITY**. The Board of Education shall directly or indirectly provide professional liability insurance coverage for Hargens in an amount not less than $2 million. To the extent permitted by Kentucky law, the Board of Education shall defend, hold harmless, and indemnify Hargens from any and all demands, claims, suits, actions, and legal proceedings brought against Hargens in her individual capacity or in her official capacity as agent and employee of the Board of Education, provided the incident arose while Hargens was acting within the scope of employment during the Term and excluding (i) any criminal prosecution which might be brought against Hargens; or, (ii) legal proceedings initiated by the Board of Education against Hargens or initiated by Hargens against the Board of Education. The Board of Education shall choose and pay the fees of Hargens' counsel. In any such legal proceeding in which the Board of Education is also a defendant, the Board of Education and Hargens may be represented by the same counsel. If such counsel determines that a conflict exists regarding the defense to any such claim between the legal position of the Superintendent and that of the Board of Education, the Board of Education shall engage separate counsel to represent Hargens, at the Board of Education's expense. This indemnification agreement shall survive the expiration of this contract and shall remain an independent agreement between the parties.

XI. **GOALS, OBJECTIVES AND PRIORITIES**. As soon as reasonably practicable after the beginning of each Contract Year, the Board of Education and Hargens shall agree to a written statement of goals, objectives and priorities for the School District. When

written, the goals, objectives and priorities described in this Paragraph XI shall be attached to this contract and incorporated herein by reference.

XII. EVALUATION OF SUPERINTENDENT. The Board of Education shall annually evaluate, in writing, Hargens' performance as Superintendent. Each annual evaluation shall be conducted in the manner required by then-applicable Kentucky law. The evaluation shall be in part measured against the goals, objectives and priorities described in Paragraph XI, and in part measured against other directions and instructions provided to Hargens by the Board during the period covered by the evaluation. Hargens and the Board of Education shall meet in executive session to discuss the annual evaluation no earlier than seven (7) days and no later than fifteen (15) days after Hargens has received a copy of the evaluation.

XIII. REMOVAL. Throughout the term of this contract the Superintendent shall be subject to removal from office for cause as provided by the Kentucky Revised Statutes, provided, however, that the Board shall not act arbitrarily, unlawfully or without authority and that prior to the vote of the Board that is required by the Kentucky Revised Statutes the Superintendent shall have the right to written charges, a fair hearing before the Board, and ten (10) days' written notice of said charges and hearing. At any such hearing before the Board, the Superintendent shall have the right to be present and to be heard, to be represented by counsel and to present through witnesses any testimony relevant to the issue. A transcript of the record of the proceedings before the Board shall be made available without charge to the Superintendent. If the Superintendent chooses to be accompanied by legal counsel at the hearing before the Board, she will assume the cost of her legal expenses.

XIV. MISCELLANEOUS.

A. This contract contains the entire agreement between Hargens and the Board of Education regarding employment, and can only be modified by a writing signed both by Hargens and the Chair of the Board of Education. This contract supersedes any prior or contemporaneous agreements, negotiations, or understandings, whether oral or written, between Hargens and the Board of Education.

B. This contract will inure to the benefit of, and be binding upon, the Board of Education and its successors and assigns, and upon Hargens and her executors, administrators, personal representatives, heirs, and legatees. Hargens may not assign this contract, in whole or in part.

C. This contract will be governed by and enforced under Kentucky law, as that law applies to a contract executed, delivered and performed entirely in Kentucky. Any lawsuit by the Board of Education or by Hargens arising out of this contract shall be filed only in a state or federal court in Louisville, Kentucky.

D. If any aspect or provision of this contract is invalid or unenforceable for any reason, the remainder of the contract will nonetheless be fully enforced to the fullest extent permitted by law.

BOARD OF EDUCATION OF

JEFFERSON COUNTY, KENTUCKY

By: _____

David Jones, Jr., Chairman

_____

DONNA M. HARGENS

2/23/15