

EMPLOYMENT AGREEMENT

1. Preamble

This Agreement is entered into between the School Board of School Administrative Unit 52, Portsmouth, New Hampshire, hereinafter called "SAU," and Edward McDonough, hereinafter called "Superintendent." This Agreement is null and void unless approved by the Portsmouth City Council.

2. Employment and Term

The SAU agrees to employ the Superintendent and the Superintendent agrees to accept employment in the position of Superintendent of Schools of SAU 52 for a three-year term commencing on the July 1, 2009 and ending on the thirtieth day of June, 2012. The SAU and the Superintendent acknowledge that this is a full-time, year-round position including extensive obligations in the evenings and on week-ends. The Superintendent agrees to devote all of his professional efforts to the successful fulfillment of his responsibilities to the SAU described in Paragraph 4 below. This Agreement will be automatically extended for one year unless the SAU notifies the Superintendent prior to January 1, 2012 that the contract will not be extended. Notwithstanding this automatic extension, the SAU, pursuant to Paragraphs 6 and 7 below, retains the right to terminate this Agreement, with or without cause at any time during the term of this Agreement and the SAU shall be liable to the Superintendent as is set forth in those paragraphs. If the SAU notifies the Superintendent that the contract will not be extended no severance, as provided in paragraph 7 will be due.

3. Salary

Effective July 1, 2009, The Superintendent shall receive a salary of One Hundred Thirty Four Thousand Dollars (\$134,000.00) Twenty-Nine Thousand Nine Hundred and Eighty Dollars (\$129, 980) per annum, payable in no fewer than twenty-four installments and subject to such deductions as may be authorized or as may be required by law. Except as expressly described herein, the Superintendent shall not be entitled to any salary enhancements including but not limited to longevity or degree stipends.

Effective July 1 of 2010 and 2011, a COLA adjustment percentage increase shall be computed which shall not be less than 2% nor more than 5%. The COLA Adjustment percentage shall be determined by taking the 10 year average of the CPI-U for the Boston-Brockton-Nashua—MA-NH-ME-CT all items index as computed by the Bureau of Labor Statistics of the US Department of Labor for the most recent 10 calendar years preceding the July 1 adjustment. BLS's calendar year for this index is November through November, it is not published on a December to December basis. The reference base is 1982-1983 equals 100 until BLS updates the reference base at which time the parties agree to adopt the official reference base as used by BLS.

4. Authority and Responsibility

The Superintendent agrees to administer and supervise the schools of the SAU in accordance with the laws of the State of New Hampshire and in accordance with the rules and regulations of the State Board of Education and the SAU. In addition, the Superintendent shall have the authority, subject to limitations in law, collective bargaining agreements and SAU policies and procedures, to organize, reorganize and arrange the administrative and supervisory staff of the SAU in such way, as in the Superintendent's judgment, best serves the SAU. The Superintendent shall be responsible for the nomination, placement, and transfer of personnel.

5. Certification

The Superintendent shall be required to hold for the life of this Agreement a valid certificate for Superintendent of Schools, properly registered and issued by the State of New Hampshire.

6. Termination for Cause

This Agreement may be terminated by the SAU at any time for cause, i.e., failure on the part of the Superintendent to comply with any term or condition of this Agreement, the laws of the State of New Hampshire, or the rules and regulations of the State Board of Education, the SAU, or the City of Portsmouth; or malfeasance, misfeasance, nonfeasance, or insubordination in carrying out the responsibilities of the office of the Superintendent of Schools as specified in the Municipal Charter of the City of Portsmouth or as directed by the SAU. If a conflict arises, the rules and regulations established by the SAU will prevail.

Termination for Cause shall take place only following written notification specifying the reasons for termination. Unless the Superintendent submits to the SAU, within twenty (20) days of receipt of such notification, a written request for a hearing before the SAU, the Agreement shall be considered terminated as of the date which falls thirty (30) days after the Superintendent's receipt of notification. If the Superintendent requests a hearing, the SAU shall hold this hearing within twenty (20) days after receipt of such request. The SAU shall render a written decision to the Superintendent within ten (10) days of the hearing. In the event of a Termination for Cause, the Superintendent shall receive no severance and no further compensation beyond the last day worked.

7. Termination with Payment

If at any time the SAU in its discretion shall so determine, the SAU may, without cause and with or without prior notice, relieve the Superintendent of duties under this Agreement. In such event, the Superintendent shall be entitled to severance benefits. As is set forth above in Section 6, if the termination is for cause, the Superintendent shall not be entitled to severance benefits. Such severance benefits shall be in a lump

sum and determined as follows: If termination without cause occurs prior to January 1 of the last year of the contract, one full year's salary or the balance of the contract, whichever is less. If termination without cause occurs in the last six months of the contract, six months salary . Severance benefits shall not be paid upon the voluntary resignation of the Superintendent.

8. Termination by Mutual Consent/Voluntary Resignation

This Agreement may be terminated at any time by mutual consent of the SAU and the Superintendent or by voluntary resignation of the Superintendent. In the event the Superintendent voluntarily resigns before the expiration of the term of this Agreement or any renewal thereof, the Superintendent shall give the SAU sixty (60) days written notice in advance of such resignation. In the event of voluntary resignation, the Superintendent shall not be eligible for severance benefits pursuant to Section 7 of this Agreement.

9. Severance Constitutes Release

The acceptance by the Superintendent of the severance benefits provided under this Agreement shall constitute a full and complete release of any other rights, claims, or causes of action whether in law, equity or otherwise, that the Superintendent may have against the SAU, the School District, the City of Portsmouth, and the employees, elected or appointed officials, officers, agents, representatives and attorneys of such entities.

10. Vacation Leave

The Superintendent is entitled to thirty (30) days vacation each contract year. The Superintendent will be paid for unused vacation time, not to exceed ten (10) days per year, within fourteen (14) days following the end of the contract year (June 30). Any other unused vacation must be taken not later than October 1 following the contract year for which it is accrued, failing which it will be lost. Except for this provision, there shall be no payoff of unused vacation time under any circumstances. The per diem rate for the Superintendent for purposes of this Section shall be calculated by dividing his then current annual base salary (not including 403(b) payments, mileage allowance or any other additional payments) by 230.

11. Benefits

Except as otherwise provided herein, the Superintendent's fringe benefits shall be established by the collective bargaining agreement between the Portsmouth School Board and the Association of Portsmouth School Administrators. Nothing in this provision, however, shall entitle the Superintendent to any salary enhancements included in that agreement including but not limited to longevity or degree stipends.

12. 403(b) Plan

The SAU shall pay annually an employer contribution in the amount of seven thousand (\$7,000.00) toward the purchase of a tax sheltered retirement savings plan for the Superintendent pursuant to Section 403(b) of the Internal Revenue Code of 1986, as amended. All payments for the retirement savings plan shall be paid at least annually by the SAU to a provider of the Superintendent's choice, which may be changed from time to time by the Superintendent by written notice to the SAU. Taxes and New Hampshire Retirement System contributions shall be withheld from this contribution only to the extent, if any, required by applicable law. This Section only shall be subject to renegotiations by the parties in the event of a material change in the current provisions of the Internal Revenue Code and regulations adopted pursuant thereto governing such annuities. This benefit shall be cancelled if the Superintendent elects to accept the health insurance benefit provided in the collective bargaining agreement between the Portsmouth School Board and the Association of Portsmouth School Administrators. If cancellation occurs during the contract year (July 1 – June 30), the 403(b) plan payment shall be prorated based on the portion of the contract year that the Superintendent is not covered by the health insurance benefit. This benefit, along with all other benefits under this Agreement, terminates with the termination of the Superintendent's employment for any reason.

13. Physical Examination

The SAU may require the Superintendent to have a physical examination by a physician selected by mutual agreement once each year with the cost of such examination to be borne by the SAU unless covered under the Superintendent's medical insurance policy.

Any report of the medical examination shall be given directly and exclusively by the examining physician to the Superintendent. The SAU Board shall be advised in writing by the physician if the Superintendent has a physical or mental impairment which would substantially interfere with his/her ability to perform the required duties. Such report shall be confidential.

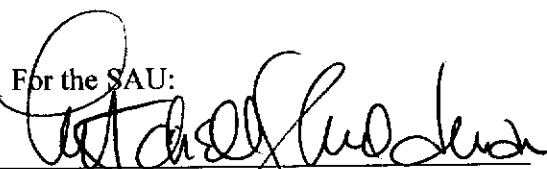
14. Economic Benefits

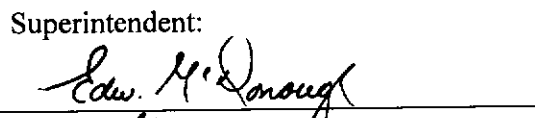
In addition to the compensation enumerated in Section 3, the Superintendent shall also be entitled to the following:

- a. Reimbursement of mileage incurred on SAU business at the rate established by the Internal Revenue Service. .
- b. Reimbursement of reasonable and necessary expenses incurred in attendance at appropriate professional conferences within budgets approved by the SAU.

- c. Payment of reasonable and appropriate expenses for visitors to the School District within budgets approved by the SAU.
- d. Annual conference allowance of Two Thousand Dollars (\$2,000.00) in lieu of college course reimbursement.
- e. Payment of the Superintendent's annual professional dues within budgets approved by the SAU.

AGREED: The parties below acknowledge that this Agreement is subject to the approval of the Portsmouth City Council without which approval this Agreement is without force and effect.

For the SAU:

Date: April 7, 2009

Superintendent:

Date: March 25, 2009

Approved by the Portsmouth City Council:

Date: March 16, 2009