

**AN AGREEMENT TO END THE EMPLOYMENT OF DR. JIM SCALES AS
SUPERINTENDENT OF HAMILTON COUNTY SCHOOLS**

WHEREAS, on July 1, 2006, the Hamilton County Board of Education entered into a four-year contract with Dr. Jim Scales to employ him as the Superintendent of Hamilton County Schools through June 30, 2010; and

WHEREAS, on June 19, 2008, the Hamilton County Board of Education renewed Dr. Scales' contract of employment for a new four-year term, this term to end on June 30, 2012; and

WHEREAS, the Hamilton County Department of Education has benefited from Dr. Scales' services as the Superintendent of Hamilton County Schools, having balanced its budget every year of his tenure, having requested no tax increase from the Hamilton County Board of Commissioners, and having increased scholastic achievement; but

WHEREAS, the Hamilton County Department of Education is now facing significant operational challenges that will require years to address; and

WHEREAS, the Hamilton County Board of Education believes it would benefit the Hamilton County Department of Education to change its administration this year rather than waiting until June 30, 2012; and

WHEREAS, Dr. Scales is willing to surrender his right to hold office as the Superintendent of Hamilton County Schools through June 30, 2012, in exchange for certain guaranties and assurances;

SO THEREFORE, PREMISES CONSIDERED, in exchange for the mutual promises and covenants contained herein, the Hamilton County Board of Education and Dr. Jim Scales do hereby agree as follows:

1. **Compensation:** The Hamilton County Board of Education does hereby agree to compensate Dr. Scales as follows:
 - (a) **Cash payments:** On July 1, 2011, the Board of Education will issue a check to Dr. Jim Scales in the amount of \$282,111.01, less applicable withholdings. Of this sum, \$202,274.73 is his base salary under the terms of his contract of employment; \$62,981.28 is the cash value of his accrued vacation; \$16,200.00 is the cash value of the vacation Dr. Scales would earn if he were to remain employed through June 30, 2012; and \$655.00 is the cash value of his accrued sick leave.

- (b) **Other Benefits:** In addition to the cash payment to Dr. Scales on July 1, 2011, the Hamilton County Board of Education will continue to provide Dr. Scales with the family insurance benefits and the term life insurance policy specified in his contract of employment as the Superintendent of Hamilton County Schools through December 31, 2011.
- (c) **Attorneys' Fees:** The Hamilton County Board of Education agrees to pay on behalf of Dr. Scales reasonable attorneys' fees incurred in the negotiation of this agreement.

2. Assignment of Duties: Pursuant to Section 4 of Dr. Scales' contract of employment as the Superintendent of Hamilton County Schools, the parties mutually agree that Dr. Scales will have no obligation to the Hamilton County Board of Education after June 10, 2011. On that date, Dr. Scales will assign his authority as the Superintendent of Hamilton County Schools to an acting superintendent selected by the Hamilton County Board of Education. It is expressly understood and agreed by and between the parties, however, that Dr. Scales will remain on the payroll of the Hamilton County Board of Education until July 1, 2011.

3. Termination: By entering into this agreement, the parties intend to terminate Dr. Scales' contract of employment to serve as the Superintendent of Hamilton County Schools. Accordingly, it is understood and agreed that this agreement now revokes and supersedes any previous contracts or agreements between the Hamilton County Board of Education and Dr. Jim Scales and that, in the case of any question regarding the rights and responsibilities as between the Hamilton County Board of Education and Dr. Jim Scales, this agreement shall control.

4. Mutual Release of Claims: In entering into this agreement, both the Hamilton County Board of Education and Dr. Jim Scales release one another from any obligation either has to the other under the terms of Dr. Scales' contract of employment as the Superintendent of Hamilton County Schools, the policies of the Hamilton County Board of Education, and their relationship as the Hamilton County Board of Education and the Superintendent of Hamilton County Schools. The Hamilton County Board of Education expressly releases Dr. Scales of and from any claim or obligation arising under the terms of his contract of employment as the Superintendent of Hamilton County Schools, and Dr. Scales likewise releases the Hamilton County Board of Education and the individual Board members of and from any claims arising out of or related to his employment as the Superintendent of Hamilton County Schools.

5. Legal Claims Against the Board and Dr. Scales in his Official Capacity: Notwithstanding the language in Paragraph 4, *supra*, it is expressly understood by and between the parties that the Hamilton County Board of Education

will continue to provide Dr. Scales with legal defense and indemnity concerning any and all claims brought against him in his official capacity as the Superintendent of Hamilton County Schools insofar as Dr. Scales was acting within the course and scope of his employment as the Superintendent of Hamilton County Schools at the time any such claim arose irrespective of whether insurance coverage is available for any such claim. Likewise, as an express condition for the Hamilton County Board of Education's agreement to defend and indemnify Dr. Scales against any such legal claims, Dr. Scales agrees to cooperate fully in the investigation, defense and litigation of any claims, grievances, suits, or other demands brought against the Hamilton County Board of Education or the Hamilton County Department of Education arising during Dr. Jim Scales' tenure as the Superintendent of Hamilton County Schools, provided that the Hamilton County Board of Education will provide Dr. Scales with reasonable and necessary costs incurred traveling to Hamilton County to participate in any such investigation, litigation or defense.

6. Construction: Both the Hamilton County Board of Education and Dr. Jim Scales have participated in the negotiation and drafting of this agreement. As such, if there is found to be any ambiguity with regard to the language of this agreement, it is agreed by and between the parties that the language shall not be construed in favor of or against either party.

7. Governing Law and Venue: It is understood and agreed by and between the Hamilton County Board of Education and Dr. Jim Scales that this agreement shall be construed according to the laws of the State of Tennessee and that any legal dispute shall be heard in the state courts located in Hamilton County, Tennessee.

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INTENTIONALLY.**

IN WITNESS WHEREOF, we have set our hands this the ____ day of _____, 2011.

BY: _____
Dr. Jim Scales

STATE OF TENNESSEE:
COUNTY OF HAMILTON:

Personally appeared before me, _____, a Notary Public, Dr. Jim Scales with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence) and who acknowledged that he executed the foregoing Agreement for the purposes therein contained.

WITNESS my hand, at office, this the ____ day of _____, 2011.

NOTARY PUBLIC

My Commission Expires: _____

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INTENTIONALLY.**

HAMILTON COUNTY BOARD OF EDUCATION

BY: _____

Everett Fairchild
Chairman of the Hamilton County
Board of Education

STATE OF TENNESSEE:
COUNTY OF HAMILTON:

Personally appeared before me, _____, a Notary Public, Everett Fairchild, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence) and who acknowledged that he executed the foregoing instrument for the purposes therein contained, and who further acknowledged that he is Chairman of the Hamilton County Board of Education and is authorized by the Hamilton County Board of Education to execute this instrument on its behalf. Mr. Fairchild has sworn under oath that the Hamilton County Board of Education met in Regular Session on May ____, 2011 and approved this agreement, authorizing him to affix his signature on behalf of the Hamilton County Board of Education.

WITNESS my hand, at office, this the ____ day of _____, 2011.

NOTARY PUBLIC

My Commission Expires: _____