

*MORTON COLLEGE
ADMINISTRATOR EMPLOYMENT AGREEMENT*

THIS EMPLOYMENT AGREEMENT (“Agreement”), made and effective as of this 14th day of March 2017 (the “Effective Date”), is by and between Morton College, Illinois Community College District No. 527 (“College”), and Dr. Keith McLaughlin, an individual residing in Illinois (“Employee”), (collectively, the College and Employee may, for convenience only, be hereinafter referred to as the “Parties” and each individually as a “Party”).

The Parties desire to set forth in writing the terms and conditions of their agreements and understandings.

W I T N E S S E T H:

WHEREAS, Employee desires to serve as the Provost (“Provost” or “Administrator”) of the College; and

WHEREAS, Employee possesses an intimate knowledge of the business and affairs of educational institutions and the policies, procedures, methods, students and personnel thereof; and

WHEREAS, the Board of Trustees of the College (the “Board”) has determined that it is in the best interest of the College to secure the services and employment of Employee based on the terms and conditions set forth herein; and

WHEREAS, Employee desires to serve as the Provost of the College and the Parties desire to enter into this Agreement whereby Employee will serve as said Provost of the College; and

WHEREAS, the College hereby agrees to employ Employee as said Administrator of the College, under the terms and conditions set forth in this Agreement; and

WHEREAS, Employee hereby accepts and agrees to such employment, subject to the general supervision by and pursuant to the directions of the Board, the President of the College and/or their respective designees; and

WHEREAS, Employee shall perform the services and undertake the obligations of said Administrator of the College, which shall include the adherence of College policy and the enactment of rules and procedures necessary and required for the effective administration of the College, and Employee shall receive the rights and the authority of said Administrator of the College; and

NOW, THEREFORE, in consideration of the foregoing, the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. EMPLOYMENT:

1.1 Position. Employee shall be employed as and serve as the Provost of the College.

1.2 Duties. Employee shall perform the duties, undertake the responsibilities and exercise the authority customarily performed by persons employed as the Provost of an Illinois Community College as set forth in the Position Description (attached hereto) and as governed by the Board's Policies and Procedures, as well as any applicable employee manual and past practices, as the same may be updated from time to time. Additionally, Employee shall attend commencement, all the open sessions of all College Board of Trustee Meetings, and a minimum of two (2) other social, cultural, or sporting events sponsored by the College each Fiscal Year (July 1 – June 30). Further, Employee shall perform such other duties as are assigned to him by the Board and the President of the College or their respective designees.

Notwithstanding the forgoing, Employee's position and duties may be modified at any time, so long as the Parties agree, in good faith, that such modification would be in the best interests of the College.

1.3 Best Efforts. Employee agrees that at all times he will faithfully, efficiently and to the best of his abilities and talents perform all of the duties which may be required of and from her, pursuant to the terms hereof and to the reasonable satisfaction of the Board or its designee. Employee shall abide by all policies and decisions made by the College, as well as all applicable federal, state and local laws, statutes, ordinances, orders, rules and regulations, in addition to the Board's Policies and Procedures. The Employee shall act in the best interests of the College at all times. The Employee agrees to devote his full-time, skill and attention to said employment during the term of this Agreement, provided however, that the The Employee shall not engage in any work or business for the Employee's own interest or for or on behalf of any other person, firm or corporation that competes or interferes with the performance of the Employee's duties hereunder, or poses an actual or potential conflict of interest with the College, as may be determined by the Board in its sole discretion, whether the same is for pay or as a volunteer. If the Board believes such a conflict exists during the term of this Agreement, the Board or its designee may ask the Employee to choose to discontinue the other work or resign from employment with the College.

2. TERM:

The term of Employee's employment shall commence on the 14th day of March 2017 (the "Commencement Date") and shall continue until the 30th day of June 2019 (the "Expiration Date") unless earlier terminated as provided for in Section 5 of this Agreement. Employee acknowledges that he has no expectation of renewal after the expiration of the term of this Agreement.

3. RESTRICTIVE COVENANTS:

To the fullest extent of Employee's knowledge, Employee represents and warrants to the College that Employee is not bound by any restrictive covenant of another entity or employer and has no prior or other obligations or commitments that would, in any way, prevent, restrict, hinder or interfere with Employee's acceptance of employment by the College or the performance of the duties and services hereunder. Employee shall defend, indemnify and hold harmless the College for any liability the College may incur as the result of the existence of any such covenants, obligations or commitments.

4. REMUNERATION:

Employee shall receive the following as his total remuneration:

- 4.1 Base Salary. Employee shall receive an annual base salary of one hundred seventy five thousand U.S. Dollars (\$175,000) beginning on the Commencement Date. The annual salary shall be paid in equal installments according to the payroll dates in effect for other senior level administrators, with such deductions as may be required by law and as may be agreed upon between the Board and the President. The annual salary shall be prorated to the Termination Date if said Termination Date shall be earlier than June 30, 2019.

Employee's salary shall be based on his annual evaluations and shall be increased by the Board but shall not be less than the prior year's salary.

The parties recognize that the Employee's salary increase in this Employment Agreement over the Term may be greater than 6%, if any stipend for serving as Provost is paid for a certain duration of time and is calculated as pensionable earnings. If Employee's retirement triggers the State Universities Retirement System ("SURS") to assess a penalty against the College due to the salary increase in this Employment Agreement, Employee shall be responsible to the College for said assessed penalty.

- 4.2 Professional Development Expenses. Employee shall receive a maximum of five hundred U.S. dollars (\$500.00) per Fiscal Year, to begin in the 2017-2018 Fiscal Year, to be used towards Employee's professional development. The balance of Employee's professional development expenses from his previous position shall carry over for the remainder of the current Fiscal Year.

The expenditure of the abovementioned allotment is subject to the prior written approval of the President of the College. Employee shall be reimbursed for the abovementioned-incurred expenses for which Employee submits receipts in accordance with the terms of this Agreement. The receipts shall be submitted to the Controller, and upon approval by the President, Employee shall be reimbursed for such expenses.

- 4.3 Education Reimbursement. Unless otherwise approved by the President and the Board of Trustees, Employee shall be entitled to tuition reimbursement in the amount of five thousand dollars (\$5,000.00) per Academic Year ("Education Reimbursement"), starting in the 2017-2018 Academic Year. The balance of Employee's education reimbursement from his previous position shall carry over for the remainder of the current Academic Year. All other terms of the College's tuition reimbursement policy for Administrators shall apply to Employee. Starting in the 2017-2018 Academic year, any portion of the Education Reimbursement that remains unused at the termination of the Academic Year shall be paid to the Employee. In the event the President and/or the Board requests that Employee take certain educational classes, no tuition cap applies.

- 4.4 Retention Bonus. Employee shall receive a retention bonus if employed by the College, continuously and without interruption from the Commencement Date to January 1, 2018. Employee shall receive a second retention bonus if employed by the College, continuously and without interruption from the Commencement Date to July 1, 2018. Employee shall receive a third retention bonus if employed by the College, continuously and without interruption from the Commencement Date to July 1, 2019. All retention bonuses shall be three percent (3%) of Employee's base salary on the relevant date.

- 4.5 Illinois State Universities Retirement System. The compensation/earnings stated in this Section 4 and its subparts, includes, where applicable, the statutorily mandated employee contributions to the Illinois State Universities Retirement System pursuant to the Illinois Pension Code.

- 4.6 Insurance.

A. Comprehensive Medical Insurance. The College shall offer to Employee the same Comprehensive Medical Insurance Program that it

offers its other employees. The College and Employee shall pay the portions of the per annum rate for the Comprehensive Medical Insurance Program, as offered by the College and selected by Employee, as listed in the schedule below for the current Fiscal Year. For Fiscal Years 2017-2018 and 2018-2019, the Board shall determine the per annum rate for the Comprehensive Medical Insurance Program and the College and Employee shall pay their respective portions in conformance with the same.

FY 2016-2017 (July 1, 2016 – June 30, 2017)

EMPLOYER		EMPLOYEE	
Single HMO	92%	Single HMO	8%
Family HMO	67%	Family HMO	33%
Single PPO	88%	Single PPO	12%
Family PPO	63%	Family PPO	37%

B. Dental Insurance. The College shall offer to Employee the same Dental Insurance Program that it offers to its other employees. The College shall pay for one hundred percent (100%) of the annum rate for the Dental Insurance Program offered by the College for individual coverage, whether HMO or PPO. If selected, Dependent Dental Insurance coverage shall be paid for in full by Employee.

C. Vision Insurance. The College shall offer to Employee the same Vision Insurance Program that it offers to its other employees. The College shall pay for one hundred percent (100%) of the annum rate for the Vision Insurance Program offered by the College for individual coverage, whether HMO or PPO. If selected, Dependent Vision Insurance coverage shall be paid for in full by Employee.

D. Life Insurance. The College shall provide (and pay for) individual term life insurance coverage to Employee based on the Employee's annual salary to the closest lowest thousand dollar. Employee shall be solely responsible for the payment of family life insurance coverage, if applicable.

4.7 Paid Time Off Benefits. Employee shall receive the following benefits:

(A) Twenty-one (21) days of vacation annually, in addition to any days that are designated as holidays by the College. Said vacation days are prorated and not cumulative except as set forth herein. Vacation days should be taken in the same Fiscal Year (i.e., July 1st – June 30th) in which they are earned. Except for unforeseen emergencies, vacation leave should be scheduled as far in advance as possible. Vacation leave requests must be approved by Employee's immediate supervisor. Vacation leave in excess of two (2) continuous weeks ordinarily will not be granted, unless otherwise approved by the President. Requests for

vacation shall not be arbitrarily or unreasonably denied. Employee may carry-over a maximum of fifteen (15) vacation days annually. Any vacation time accrued and unused in one (1) fiscal year in excess of fifteen (15) days will be lost. Effective July 1, 2017 if you have more than the maximum allowance, your vacation account will be adjusted to the maximum allowance of fifteen (15) carry-over days of vacation. Vacation leave carry-over will be adjusted at the close of business on June 30th of every year. Newly awarded vacation leave will not be included in the calculation of the maximum allowance during the adjustment; and

(B) Five (5) days of personal leave per Fiscal Year (July 1st – June 30th); said personal days are prorated and not cumulative, however, any unused personal day(s) may be converted into accumulated sick leave days in the next Fiscal Year, if applicable; and

(C) Twenty (20) days of sick leave at full pay per Fiscal Year, which days are prorated and cumulative so long as Employee is continuously employed by the College; the sick leave guidelines contained in the Classified Staff Employee Handbook for a twelve (12) month year shall govern, if applicable; and

(D) For the purposes of paid time off identified in Paragraph 4.7 and its subparts, all paid time off accrues on the 1st day of July, but shall be prorated if employment is terminated prior to June 30th of the Fiscal Year in which the time was earned.

4.8 Communication Devices. Morton College agrees to pay Employee as part of his gross compensation, the sum of two hundred U.S. dollars (\$200.00) per month to reimburse the Employee for using his own “communication devices” (e.g., laptop, cell phone, iPad, etc.) to perform his job duties. As a result, Morton College will not provide the Employee with any “communication devices.”

5. TERMINATION:

This Agreement may be terminated due to Disability (as defined below), for Cause (as defined below), for Good Reason (as defined below), due to the death of Employee (as defined below) or shall terminate on the Expiration Date, as described above.

5.1 Termination due to Disability. Either Employee or the College shall be entitled to terminate Employee’s employment for Disability by giving the other Party fifteen (15) calendar days’ written notice. For purposes of this Agreement, “Disability” shall mean Employee’s inability to perform his duties for the greater of: (a) sixty (60) working days; or (b) the number of working days that it takes Employee to exhaust all sick,

personal/emergency, vacation, and other accumulated paid time off, as a result of physical or mental impairment, illness or injury, and such condition, in the opinion of a medical doctor selected by the College and reasonably acceptable to Employee or his legal representative, is total and permanent. In the event of Employee's termination due to disability, the College shall pay to Employee his accrued salary and vacation until the Expiration Date of this Agreement. Nothing in this Section shall be construed to deny or limit the Employee's rights under the Family Medical Leave Act or the Americans with Disabilities Act.

5.2 Termination by the College for Cause. Although the College anticipates a mutually rewarding employment relationship with Employee, the College may terminate Employee's employment at any time for Cause. For purposes of this Agreement, "Cause" means any of the following, as determined by a majority vote of the Board:

- (A) Employee's conviction or plea of *nolo contendere* to a felony or a misdemeanor involving fraud, misappropriation, embezzlement, or moral turpitude;
- (B) Acts or omissions constituting gross negligence, recklessness or willful misconduct on the part of Employee with respect to Employee's obligations to the College or otherwise relating to the business of the College;
- (C) Employee's fraud or dishonesty in connection with Employee's performance of duties, which has a materially detrimental effect on the College;
- (D) Employee's inappropriate relations/interactions with students and/or employees of the College;
- (E) A material breach by Employee of any material provision of this Agreement, which shall include, without limitation, any act or omission which would be deemed a violation of the Board's Policies and Procedures; or
- (F) Employee's continued unsatisfactory performance or failure to adhere to a Performance Improvement Plan.

For purposes of this Section 5.2 and its subparts, no act or failure to act on Employee's part shall be deemed "willful," unless done or omitted by Employee, done in bad faith, or done without the reasonable belief that Employee's action or failure to act was in the best interests of the College.

Before the Board may terminate Employee for Cause, the Board must: (a) give written notice to Employee providing him with reasonable detail of the

conduct or event constituting Cause; and (b) provide Employee with the opportunity to be heard by the Board; and (c) give Employee fifteen (15) calendar days, following Employee's receipt of notice of said Cause, to cure the conduct or event, if subject to cure. Whether the conduct is subject to cure shall be determined by the Board.

5.3 Termination by Employee for Good Reason. Employee may terminate his employment under this Agreement with Good Reason at any time by giving written notice thereof to the Board and describing in reasonable detail the event constituting Good Reason. For purposes of this Agreement, "Good Reason" means any of the following events, unless Employee specifically agrees in writing that such event shall not be Good Reason:

- (A) Any material breach of this Agreement by the College;
- (B) Any material adverse change in the status, title, authority, reporting line, responsibilities or prerequisites of Employee;
- (C) A reduction in Employee's total cash compensation and benefits from those required to be provided under this Agreement or a material delay in payment; or
- (D) Any failure to assign this Agreement to the successor of Morton College, unless Employee and such successor enter into a successor employment agreement.

Good Reason shall not exist if, within sixty (60) calendar days following the Board's receipt of written notice from Employee describing in detail the event constituting Good Reason, the College cures the event constituting Good Reason.

5.4 Termination due to Death. In the event of Employee's death during the term of this Agreement and while Employee is employed as an Administrator of the College, this Agreement shall terminate immediately at the time of Employee's death and the College shall pay to Employee's estate his accrued salary and vacation pay accrued up to the date of his death, which amount shall be payable within fourteen (14) calendar days from the date of Employee's death.

6. RETURN OF THE COLLEGE'S PROPERTY: At any time upon the College's request and/or upon termination of Employee's employment with the College, Employee shall immediately deliver to the College all data, manuals, specifications, lists, notes, writings, photographs, microfilm, electronic equipment, tape recordings, documents and tangible materials, including all copies or duplicates, and any other personal property owned by, belonging to or concerning any part of the College's activities or concerning any part of

Employee's activities relating to Employee's employment with the College (collectively, the "Property"). The Property is acknowledged by Employee to be the College's property, which is only entrusted to Employee on a temporary basis in his capacity as an Administrator of the College.

7. CONFIDENTIALITY: Employee agrees not to disclose or divulge any Confidential Information to any other person or entity, except during Employee's employment with the College when required due to the nature of Employee's duties or as required by law. For purposes of this Agreement, "Confidential Information" shall include any of the College's business or financial information or any other confidential information that is disclosed to Employee or that Employee otherwise learns in the course of his employment. Employee's obligations hereunder, with respect to Confidential Information, shall terminate only when such information ceases to constitute Confidential Information, as defined above.

8. NOTICE: Any notice, request, demand or other communication, provided for by this Agreement, shall be in writing and shall be deemed to have been duly received upon: (a) actual receipt if personally delivered and the sender received written confirmation of personal delivery; (b) receipt as indicated by the written or electronic verification of delivery when delivered by overnight courier; (c) receipt as indicated by the electronic transmission confirmation when sent via telecopy or facsimile transmission; or (d) three (3) calendar days after the sender posts notice with the U.S. Post Office when sent by certified or registered mail, return receipt requested. Notice shall be sent to the addresses set forth below, or to such other address as either Party may specify in writing.

If to the College: Morton College
3801 South Central Ave.
Cicero, IL 60804
Attn.: President's Office

With copy to: Morton College's Legal Counsel
Del Galdo Law Group, LLC
1441 South Harlem Ave.
Berwyn, IL 60402.

If to Employee: Keith McLaughlin



9. MISCELLANEOUS:

- 9.1 Acknowledgement and Indemnification. Employee acknowledges that he has not retired under the Illinois State Universities Retirement System. In the event the Illinois State Universities Retirement System assesses a penalty and/or a fine against The College and/or Employee due to the amount/structure of Employee's compensation package, Employee shall

indemnify and hold the College harmless for said event(s) and assume responsibility for the penalty and/or fine.

- 9.2 Construction and Governing Law. Construction and interpretation of this Agreement shall at all times and in all respects be governed by the laws of the State of Illinois, without regard to its conflicts of laws principles. Employee acknowledges that he has had an opportunity to review and revise this Agreement and have it reviewed by legal counsel, if desired, and, therefore, the normal rules of construction, to the extent that any ambiguities are to be resolved against the drafting Party, shall not be applied in the interpretation of this Agreement.
- 9.3 Severability. The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any one or more of the provisions hereof shall not affect the validity and enforceability of the other provisions hereof.
- 9.4 Entire Agreement. This Agreement contains the entire agreement and understanding by and between the Parties. No representations, promises, agreements or understandings, written or oral, not herein contained shall be of any force or effect. No change or modification hereof shall be valid or binding unless the same is in writing and signed by Employee and the College or authorized representatives thereof.
- 9.5 Modification. The Parties agree that the Board may rearrange the benefit provisions of this Agreement upon Employee's suggestions, at no additional cost to the College. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing, signed by each Party and approved by the Board. No waiver by either Party regarding any breach of a condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions of this Agreement. No agreement or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either Party which is not expressly set forth in this Agreement.
- 9.6 Headings. The headings used herein form no substantive part of this Agreement, are for the convenience of the Parties only, and shall not be used to define, enlarge or limit any term of this Agreement.
- 9.7 Right to Counsel. Employee acknowledges that he was informed that he has the right to consult with an attorney before signing this Agreement and that this paragraph shall constitute written notice of the right to be advised by legal counsel. Additionally, Employee acknowledges that he had an opportunity to and did negotiate over the terms of this Agreement. The Parties acknowledge that they have been given a reasonable time to

consider and sign this Agreement and agree that this consideration period has been reasonable and adequate.

- 9.8 Signing in Counterparts. This Agreement may be executed in counterpart originals, each of which shall be deemed to be an original with the same effect as if the signatures thereto were on the same instrument. A signature affixed to this Agreement and transmitted by facsimile shall have the same effect as an original signature.

- 9.9 Assignment. This Agreement is personal in character and neither the College nor Employee shall assign its or his interest in this Agreement without the prior written consent of the other. No assignment, even if consented to, shall in any way reduce or eliminate the liability of the assignee for obligations accrued prior to such assignment.

THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT IN ITS ENTIRETY AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of this _____ day of _____, 2017.

Executed:

Stan Fields	Date
President, Morton College	

Keith McLaughlin	Date
Employee	