

July 17, 2007

Dr. Stephen A. Iovino
218 East Fourth Street
Lititz, PA 17543

Re: School District of Lancaster

Dear Dr. Iovino:

The purpose of my letter is to confirm your willingness to be employed by the School District of Lancaster ("SDL") effective August 1, 2007 as the Acting Superintendent.

I understand that the compensation for your services will be based upon an annualized salary of \$155,000 (the gross salary paid bi-weekly shall be \$5,961.54), plus reimbursement for reasonable and necessary expenses. While an employee, you will be entitled to the benefits provided to administrators of SDL, and will be entitled to the protections and immunities provided to employees of governmental units under the Political Subdivision Tort Claims Act, 42 Pa. C.S.A. §8501 et seq.

On July 4, 2004, the General Assembly of Pennsylvania approved an amendment to the provisions of the Public School Employees Retirement Code ("Code"). The amendment provides as follows:

"When in the judgment of the employer, an emergency creates an increase in the workload such that there is a serious impairment of service to the public or in the event of a shortage of appropriate subject certified teachers or other personnel, and annuitant may be returned to school service for a period not to extend beyond the school year during which the emergency or shortage occurs, without the loss of his annuity. The annuitant shall not be entitled to earn any

credited service, and no contributions may be made by the annuitant, the employer or the Commonwealth on account of such employment." 24 Pa. C.S.A. §8346(b).

This letter will also confirm that SDL has determined that an emergency under §8346(b) of the Code exists and that SDL asked you to return to school service for a period not to extend beyond the 2007-2008 school year. Consequently, your service as the Acting Superintendent for the 2007-2008 school year shall not entitle you to earn any credited service, and no contributions shall be necessary from you to the Public School Employees Retirement Fund.

This arrangement will continue until the first to occur of (a) when the Board employs a superintendent or (b) when either party provides not less than two (2) weeks prior written notice of termination of your employment or (c) June 30, 2008.

This arrangement is subject to approval by the Board.

Please sign and return the enclosed copy of this letter to confirm your agreement to the foregoing.

Sincerely,



Patrick Snyder, President
Board of School Directors
School District of Lancaster

00483113

Agreed and Accepted:

By: _____
Dr. Stephen A. Iovino

credited service, and no contributions may be made by the annuitant, the employer or the Commonwealth on account of such employment." 24 Pa. C.S.A. §8346(b).

This letter will also confirm that SDL has determined that an emergency under §8346(b) of the Code exists and that SDL asked you to return to school service for a period not to extend beyond the 2007-2008 school year. Consequently, your service as the Acting Superintendent for the 2007-2008 school year shall not entitle you to earn any credited service, and no contributions shall be necessary from you to the Public School Employees Retirement Fund.

This arrangement will continue until the first to occur of (a) when the Board employs a supintendent or (b) when either party provides not less than two (2) weeks prior written notice of termination of your employment or (c) June 30, 2008.

This arrangement is subject to approval by the Board.

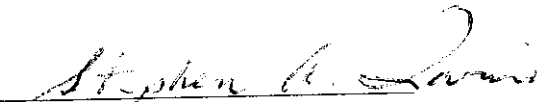
Please sign and return the enclosed copy of this letter to confirm your agreement to the foregoing.

Sincerely,

Patrick Snyder, President
Board of School Directors
School District of Lancaster

00483113

Agreed and Accepted:

By: 
Dr. Stephen A. Iovino