

EMPLOYMENT CONTRACT
BETWEEN THE MOUNTAIN HOUSE COMMUNITY SERVICE DISTRICT
AND
EDWIN PATTISON

THIS CONTRACT (hereinafter "Contract") is made and entered into this 19th day of November, 2014, by and between the Mountain House Community Services District, a Community Services District organized under the laws of the State of California, hereinafter called "District" or "Employer," and Edwin Pattison hereinafter called "Employee", and is effective as of January 1, 2015 ("Effective Date"); and, is made with reference to the following facts:

A. The District conducted a search for a General Manager to execute oversight and management of the District departments, develop and manage the budget and other functions as outlined in the laws of the State of California required in connection therewith.

B. While searching, the District identified and selected Employee for General Manager. The District needs the specialized skills of Employee, a professional manager, to act as its General Manager.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

SECTION 1. DUTIES.

A. General.

District hereby employs Employee as General Manager to serve at the will of the District Board of Directors and to be subject to termination at any time with or without notice or cause in accordance with Sections 11 and 12 of this Contract. Employee hereby accepts such at will status, and agrees to render all management services as may be requested from time to time by the Board, as described in this Contract. Employee shall perform the functions and duties specified in the laws of the State of California, and the Ordinances and Resolutions of the Mountain House Community Services District. Employee acknowledges and agrees that as an employee he cannot assign or subcontract to any other party the performance of any services described in this Contract.

Employee understands and agrees that he has no constitutional or legally protected property or other interest in his appointment as General Manager. Employee understands that he has accepted an appointment for five (5) years. This Contract may be terminated at any time at the will of the District, with or without cause or prior notice. In such event, Employee shall be entitled to payment for services rendered to the effective date of termination, but no other form of compensation will be owed unless otherwise provided in Section 12 of this Contract. Employee may resign at any time with or without cause so long as he gives at least 30 days advance written notice.

SECTION 2. TERM.

A. The provision of services by Employee for this Contract shall be for five (5) years, commencing January 1, 2015, and shall expire on December 31, 2019 at 11:59 p.m., subject to the termination, resignation and severance provisions of this Contract. Nothing in this Contract shall prevent, limit, or otherwise interfere with the right of the District to terminate the services of Employee at any time, subject to the provisions of Section 11. Nothing in this Contract shall prevent, limit or otherwise interfere with the right of Employee to resign at any time from his position with the District, subject to Section 11.

B. Employee shall remain in the exclusive employ of the District, and shall neither accept other employment nor become employed by any other employer except upon written approval of the District.

C. The term "employed" shall not be construed to include occasional teaching, writing, or consulting performed on Employee's time off as long as said consulting work does not conflict with the interests of the District.

SECTION 3. DISABILITY.

If Employee shall, for whatever reason, become incapable of performing any of the essential functions of Employee's position (hereinafter "Absence"), even with reasonable accommodation by the District, either

A. Permanently, or

B. For a period exceeding the period of leave available to Employee at the time of the beginning of the Absence under the Family Medical Leave Act or the California Family Rights Act, or accrued sick leave, whichever is longer, then Employee shall be deemed to have suffered a disability. The District and Employee agree that said time period is a reasonable accommodation by the District, and that granting a longer time would be an undue hardship on District due to the nature and importance of the position of General Manager and the critical need that the District has for a General Manager, based, in part, on what occurred in 2012 when it experienced extended periods of time without a functioning permanent General Manager.

SECTION 4. ANNUAL SALARY.

The District agrees to pay Employee for his services as General Manager a base annual salary of One Hundred Fifty-Three Thousand Dollars and No Cents (\$153,000.00) a year ("Annual Compensation") payable in periodic installments at the same time as other employees of District are paid subject to normal employee/employer withholdings. Deductions will be made for withholding taxes, and any other deductions Employee authorizes in writing and/or that the District may be required to make under state or federal laws and regulations; provided that the District shall deduct Employee's share of the FICA taxes on the same terms as it pays for such taxes for other management employees of the District. Employee shall be eligible to

participate in the District's Section 457 Deferred Compensation Plan. The District shall contribute 2% of Employee's annual salary. .

SECTION 5. WORK LEAVE.

Employee shall be entitled to the following leave:

A. Vacation Leave: Employee shall accrue vacation at a rate as set forth in the Employer's Personnel Policies and Procedures as they currently exist and amended thereafter in the same manner as other management employees of the District.

B. Administrative Leave - Manager shall accrue Eighty (80) hours of administrative leave on the Effective Date of this Contract and up to Eighty (80) hours of administrative leave each January 1 of calendar year thereafter beginning on January 1, 2016. The maximum accrual of administrative leave shall not exceed Eighty (80) hours of leave.

C. Sick Leave: Employee shall accrue sick time in accordance with the Employer's Personnel Policies as they currently exist and amended thereafter in the same manner as other management employees of the District.

SECTION 6. BENEFITS.

Employee shall be entitled to the following benefits:

A. Retirement: Employee shall be entitled to participate in the District's current retirement plan with the San Joaquin County Employees' Retirement Association (SJCERA). The employee's benefit tier and eligibility, retirement formula, and requirements concerning retirement age and service will be governed by the provisions of the SJCERA plan .

B. Insurance: Employee shall be entitled to participate in the District's Cafeteria Plan at \$923.96 per pay period. This sum shall be increased in accordance with any additional amount provided other management employees during the term of this agreement. In addition, to the extent allowed by law, the District shall pay Employee's contribution towards Unemployment Insurance/ Old-Age, Survivors, and Disability Insurance (OASDI)/Medicare/Life Insurance/Workers Compensation Insurance.

C. Car Allowance: Employee shall receive a \$246.92 per pay period vehicle allowance.

D. Holidays: Employee shall be entitled to 10 holidays per year plus 4 floating (8 hour) days per year.

SECTION 7. PROFESSIONAL MEMBERSHIPS AND TRAINING.

The District agrees to budget and to pay for International City/County Management Association (ICMA) professional dues and subscriptions of Manager necessary for continuation and full participation in national, regional, state and local associations and organizations necessary and desirable for continued professional participation, growth and advancement, and for the good of District. District shall also pay for such other professional membership dues, institutional dues and service club dues as are budgeted or approved in advance by the Board. In addition, Employee shall be reimbursed for such conference, seminar, training or other meetings, travel, and subsistence expenses (lodging and meals) as are budgeted or approved by the Board. Meal expenses, not covered in registration fees as part of the meeting or conference, shall be reimbursed consistent with the provisions in the District's personnel manual or Board Policy regarding the reimbursement of meal expenses of other management employees of the District

SECTION 8. REIMBURSEMENT OF BUSINESS EXPENSES.

To the extent Employee necessarily incurs expenses in the performance of his/her duties, Employee will receive reimbursement therefor consistent with District policies and procedures and any applicable laws. Employee shall submit a claim form to District in the form and manner required of any employee.

SECTION 9. RELOCATION INCENTIVE

The District shall pay Employee a one-time lump sum as a one-time relocation incentive of Ten Thousand Dollars (\$10,000.00) upon lease or purchase of property within forty (40) miles of the District's current main office. District agrees to allow Manager to use all or a portion of the relocation incentive for temporary housing expenses incurred during the first 18 months after the Effective Date of this Contract. Said amount shall be in addition to his/her Annual Compensation and shall be paid in the first payroll cycle of Employee's employment with the District. No receipts of evidence of how said amount was used shall be required.

SECTION 10. HOURS OF WORK.

Employee is expected to devote a great deal of time outside normal office hours to business of the District.

SECTION 11. TERMINATION

A. Termination by District: The Board of Directors may terminate this Contract, with or without cause, by a majority vote of the Board.

B. Termination Procedure: If the Board of Directors at a properly noticed meeting is considering terminating this Contract, Employee shall be provided the opportunity to

address the Board of Directors present at said meeting prior to any vote to terminate the Contract.

C. Termination Without Cause: In the event the Board of Directors terminates this Contract without cause and for the convenience of the District, Employee shall be entitled to severance pay as described in Section 12 of this Contract. No other forms of compensation or benefits are included in the severance, other than any that may be required by state or federal law. The severance pay shall be paid, for the benefit of Employee on the same dates as regular payroll payments to District employees. Such payments shall not be reduced by reason of other compensated engagements secured by Employee during the period severance payments are made as set forth in Section 12 following the date of termination. It is mutually understood and agreed that upon any termination of this Contract without cause and for the convenience of the District, the severance compensation shall constitute the only obligation owed by District to Employee.

D. Events which Terminate Contract: This Contract shall terminate automatically upon the occurrence of any of the following events:

1. The death of Employee.
2. The dissolution or bankruptcy of the District.
3. The disability of Employee, as defined in Section 3 of this Contract.
4. The majority of the Board of Directors of the District votes to terminate Employee at a duly authorized meeting without cause.
5. If the District, citizens or legislature act or acts to amend any provision of applicable law which substantially changes the role, powers, duties, authority, or responsibilities of Employee, Employee shall have the right to declare that such amendments constitute termination.
6. If the District reduces the base salary, compensation or any other financial benefit of Employee, unless it is applied in no greater percentage than the average reduction of all department heads, Employee shall have the right to declare that such action shall constitute a breach of this Contract and regard it as termination.
7. If Employee resigns following an offer to accept resignation, or a suggestion that he resign, whether formal or informal, by any member of the Board of Directors of the District acting as an authorized representative of the majority of the Board of Directors, then Employee may declare a termination of this Contract as of the date of the suggestion.
8. Upon a breach of contract declared by either party following a thirty (30) day cure period for either Employee or the District. Written notice of a breach of contract shall be provided by the party declaring a breach of contract to party accused of breaching the contract.

9. Conviction of Employee of any public offense which is a felony, and/or involves moral turpitude, and/or the punishment for which includes a prohibition of holding public employment.

10. If the majority of the Board of Directors of the District votes to terminate Employee at a duly authorized meeting with cause for one or more of the following causes:

- (i) Immoral or unprofessional conduct;
- (ii) Dishonesty, gross carelessness, misconduct or neglect;
- (iii) Abuse of drug or alcohol which materially affects the performance of Employee's duties.
- (iv) If Employee is insubordinate or is grossly negligent in performing his/her duties pursuant to this Contract.
- (v). If Employee violates any policies adopted by the Board of Directors of the District.
- (vi). If Employee willfully refuses to carry out the lawful directives of the District's Board of Directors.
- (vii). If Employee habitually fails to report to work.
- (viii). If Employee commits actions of fraud, embezzlement, bribery, or other similar serious acts in connection with Employee's employment with the District.

In the event of voluntary resignation in good standing, Employee shall give the Board thirty (30) days advance written notice. During this thirty (30) day period, the Employee shall, while continuing his management functions, summarize District operations and projects and provide the Board with a written report thereof, including professional observations and recommendations, and provide briefings and training to staff and any chosen successor. Nothing in this paragraph shall prevent the District from having the Employee separate before expiration of the thirty (30) day notice period, provided the District pays the Employee for any remaining portion of the thirty (30) day period not worked.

SECTION 12. SEVERANCE PAY

In the event the Board of Directors elects ("Board Action") to terminate this Contract without cause pursuant to Section 11(C) of this Contract, Employee shall be entitled to a cash settlement equal to six (6) months' salary plus the value of six (6) months of the amount set forth in Section 6(B) of this Contract, subject to the limitations set forth in Government Code Section 53260 if the Contract is terminated without cause less than 6 months remaining in the Contract term.

In accordance with Government Code Section 53243.2, if this Contract is terminated, any severance pay provided to Employee shall be fully reimbursed to the District if Employee is convicted of a crime involving an abuse of office or position. Abuse of office or position shall be defined in accordance with Government Code Section 53243.4

SECTION 13. ANNUAL PERFORMANCE EVALUATION

The Board may review and evaluate the performance of Employee annually in advance of the anniversary date of the effective date of this Agreement. Nothing in this Contract shall prevent the Board of Directors from conducting more frequent performance evaluations.

SECTION 14. INDEMNIFICATION.

Beyond that required under Federal, State or Local Law, the District shall defend, save harmless and indemnify Employee against any claim, tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Employee's duties as General Manager, or resulting from the exercise of judgment or discretion in connection with the performance of program duties or responsibilities, unless the act or omission involved willful or wanton conduct. Employee may request and the District shall not unreasonably refuse to provide independent legal representation at the District's expense and the District may not unreasonably withhold approval. Legal representation, provided by the District for Employee shall extend until a final determination of the legal action including any appeals brought by either party. The District shall indemnify Employee against any and all losses, damages, judgments, interest, settlements, fines, court costs and other reasonable costs and expenses of legal proceedings including attorney's fees, and any other liabilities incurred by, imposed upon, or suffered by Employee in connection with or resulting from any claim, action, suit, or proceeding, actual or threatened, arising out of or in connection with the performance of his/her duties. Any settlement of any claim must be made with prior approval of the District in order for indemnification, as provided in this Section, to be available.

Employee recognizes that the District shall have the right to compromise or settle a claim or suit and agrees that he will sign any settlement agreement involving only the payment of money by the District or a third party. However, if Employee is a named party to the suit and the settlement agreement requires that Employee perform or refrain from performing any conduct, Employee's written consent must be given for the compromise or settlement, which consent shall not be unreasonably withheld. Further, the District agrees to pay all reasonable litigation expenses of Employee throughout the pendency of any litigation to which Employee is a party, witness or advisor to the District. Such expense payments shall continue beyond Employee's service to the District as long as litigation is pending. Further, the District agrees to pay Employee reasonable consulting fees and travel expenses when Employee serves as a witness, advisor or consultant to the District regarding pending litigation if those services occur after Employee is no longer an employee of the District.

SECTION 15. OTHER TERMS AND CONDITIONS OF EMPLOYMENT.

A. The District, in consultation with Employee, shall fix any such other terms and conditions of employment as it may determine from time to time, relating to the performance

of Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Contract, the District's Ordinances, or any other law.

SECTION 16. NOTICES.

Notices pursuant to this Contract shall be in writing given by deposit in the custody of the United State Postal Service, postage prepaid, addressed as follows:

- (1) The District: President of Board of Directors.
 Mountain House Community Services District
 230 S. Sterling Drive
 Suite 100
 Mountain House, CA 95391

- (2) Employee: Edwin Pattison
 2712 Black Bart Dr.
 Valley Spring, CA 95252

Alternatively, notices required pursuant to this Contract may be personally served in the same manner as is applicable to civil judicial process. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice with the United States Postal Service. Either party may change the mail address in this Section 16 upon written notice to the other party.

SECTION 17. GENERAL PROVISIONS.

- A. The text herein shall constitute the entire Contract between the parties.

- B. This Contract shall be binding upon and inure to the benefit of the heirs at law and executors of Employee.

- C. This Contract shall become effective on the Effective Date first written above.

- D. If any provision, or any portion thereof, contained in this Contract is held unconstitutional, invalid or unenforceable, the remainder of this Contract, or portion thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect.

- E. Any disputes arising from this Contract shall first be submitted to nonbinding mediation with each party to bear its/his own costs and legal fees. Should litigation result from such unresolved dispute(s), each party shall bear that party's own legal fees and costs. The prevailing party in any litigation shall be entitled to an award of reasonable attorney's fees.

- F. Any failure of a party to insist upon strict compliance with any term, undertaking, or condition of this Contract shall not be deemed to be a waiver of such term, undertaking, or condition. To be effective, a waiver must be in writing, signed and dated by both parties.

G. This Contract shall be governed by and construed in accordance with the laws of the State of California. Employee and District agree that venue for any dispute shall be San Joaquin County Superior Court.

H. This Contract may be executed in counterparts, each of which shall be deemed to be an original, but all of which, when taken together, shall constitute one and the same instrument.

I. This Contract constitutes the entire understanding and Contract between the parties as to those matters contained in it, and supersedes any and all prior contemporaneous agreements, representations and understandings of the parties. This Contract may be amended at any time by mutual agreement of the parties, but any such amendments must be in writing, dated, approved by the Board at a regular meeting and signed by the parties and attached hereto.

J. The paragraph headings used in this Agreement are for reference only, and shall not in any way limit or amplify the terms and provisions hereof, nor shall they enter into the interpretation of this Agreement.

K. The parties acknowledge that each party has reviewed, negotiated, and had an opportunity to discuss with counsel this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any document executed and delivered by any party in connection with transactions contemplated by this Agreement.

IN WITNESS WHEREOF, the Mountain House Community Services District has caused this Contract to be signed and executed in its behalf by its President and duly attested by its District Clerk and Employee has signed and executed this Contract, both in duplicate, the day and year first above written.

"DISTRICT"

MOUNTAIN HOUSE COMMUNITY
SERVICES DISTRICT

By: _____
STEVEN GUTIERREZ, President

ATTEST:



GABRIEL KARAM, Secretary of the District

G. This Contract shall be governed by and construed in accordance with the laws of the State of California. Employee and District agree that venue for any dispute shall be San Joaquin County Superior Court.

H. This Contract may be executed in counterparts, each of which shall be deemed to be an original, but all of which, when taken together, shall constitute one and the same instrument.

I. This Contract constitutes the entire understanding and Contract between the parties as to those matters contained in it, and supersedes any and all prior contemporaneous agreements, representations and understandings of the parties. This Contract may be amended at any time by mutual agreement of the parties, but any such amendments must be in writing, dated, approved by the Board at a regular meeting and signed by the parties and attached hereto.

J. The paragraph headings used in this Agreement are for reference only, and shall not in any way limit or amplify the terms and provisions hereof, nor shall they enter into the interpretation of this Agreement.

K. The parties acknowledge that each party has reviewed, negotiated, and had an opportunity to discuss with counsel this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any document executed and delivered by any party in connection with transactions contemplated by this Agreement.

IN WITNESS WHEREOF, the Mountain House Community Services District has caused this Contract to be signed and executed in its behalf by its President and duly attested by its District Clerk and Employee has signed and executed this Contract, both in duplicate, the day and year first above written.

"DISTRICT"

MOUNTAIN HOUSE COMMUNITY
SERVICES DISTRICT

By: 
STEVEN GUTIERREZ, President

ATTEST:

GABRIEL KARAM, Secretary of the District

APPROVED AS TO FORM:



DANIEL J. SCHROEDER, District Counsel

"Employee



EDWIN PATTISON