

**INTERIM EMPLOYMENT AGREEMENT
FOR
NON-REPRESENTED EMPLOYEE
(INTERIM GENERAL MANAGER)**

1. PARTIES AND DATE.

This Agreement (“Agreement”) is made and entered into this 11th day of July, 2014, by and between the Mountain House Community Services District, hereafter referred to as the “District,” and Gabriel E. Karam, an individual (“Employee”), in order to provide in writing the terms and conditions of employment for Interim General Manager services. District and Employee are sometimes individually referred to herein as “Party” and collectively as “Parties.”

2. RECITALS.

2.1 Employment of Interim General Manager.

District desires to employ the services of Employee as limited term Interim General Manager (temporary) as defined by SJCERA for the District while it considers the location of a new General Manager and Employee desires to accept employment as Interim General Manager. It is the desire of the Parties through this Agreement to establish conditions of employment and to set working conditions for Employee. Employee represents that he has met the requirements under SJCERA and Federal law allowing him to enter into this Agreement.

3. TERMS.

3.1 Duties.

3.1.1 Designated Duties. District hereby agrees to employ Employee as Interim General Manager of District to perform the functions and duties in accordance with applicable state law, as well as the approved General Manager job description for the position. Employee shall also perform other legally permissible and proper duties and functions as the Board of Directors hereafter referred to as the “Board,” shall from time to time assign.

3.1.2 Control and Supervision. Employee shall serve at the will and pleasure of the Board pursuant to the terms and limitations of this Agreement.

3.1.3 Meetings and Presence in the Office. Employee shall attend all Board meetings, unless excused or directed otherwise. Employee is expected to be present and working in the District office on dates that the office is open. To that end, Employee may set his own schedule provided that Employee is discharging the duties of Interim General Manager to the satisfaction of the Board. Employee will be compensated on an hourly basis and only for time worked.

3.1.4 Outside Employment. Employee will focus his professional time, ability, and attention on District business during the term of this Agreement. To the extent consistent with applicable law, Employee shall not engage in any other business duties or pursuits whatsoever or, directly or indirectly, render any services of a business, commercial or professional nature to any other person or organization, whether for compensation or otherwise, without the prior consent of the Board except that:

(1) The expenditure of reasonable amounts of time not in conflict with the District's needs and interests, for educational, charitable, community, and professional activities, shall not be deemed a breach of this Agreement and shall not require prior consent. Such activities may include, but are not limited to, involvement with the California Special Districts Association, and other nonprofit associations, and the completion of the occasional outside consulting project.

3.1.5 Documents. Except as provided for under the Public Records Act, all final studies, reports and other final documents prepared by Employee while performing his duties during the term of this Agreement shall be furnished to and become the property of the District, without restriction or limitation on their use. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other materials either created by or provided to Employee in connection with the performance of this Agreement shall be held confidential by Employee. Such materials shall not, without the prior written consent of the Board, be used by Employee for any purposes other than the performance of his duties. Nor shall such materials be disclosed to any person or entity not connected with the performance of services under this Agreement, except as required by law. The terms of this Section 3.1.5 shall survive termination or expiration of this Agreement.

3.1.6 Rights and Obligations of Employee and District. District and Employee shall have the rights and obligations of public entities and public employers, respectively, set forth in the California Government Code.

3.2 Term; Termination; No Severance Pay.

3.2.1 Term. This Agreement shall become effective on July 14, 2014 and shall continue until terminated either by the Board or by Employee ("Initial Term"). In no case shall this agreement extend beyond 720 hours.

3.2.2 Termination. The Parties understand and agree that the employment relationship created by this Agreement is "at-will" and that the Employee shall serve at the will and pleasure of the Board and Employee understands and agrees that he has no constitutional or legally protected property or other interest in his appointment as Interim General Manager except as provided for in Section 3.6.9, and is not eligible for unemployment benefits. The Employee may be terminated at any time without cause. Nothing in any statute, ordinance, or rule shall prevent, limit or otherwise interfere with the right of the Board to terminate, without right of

appeal or grievance, the employment of the Employee at any time, as provided herein. Accordingly, Employee agrees that this Agreement sets forth the only terms and conditions applicable of termination and that Employee shall not be entitled to severance under any conditions.

3.2.3 Automatic Termination. This Agreement, and Employee's employment, shall automatically terminate upon the happening of any of the following events:

- (1) Upon mutual agreement in writing by both Parties to terminate this Agreement.
- (2) Upon thirty (30) days written notice of resignation given to Board by Employee.
- (3) Upon one (1) days written notice of employment termination given to Employee by Board.
- (4) Upon the death of Employee.
- (5) Upon employee working 720 hours.

3.2.4 Notice for Resignation. In the event Employee voluntarily resigns his position with District, then Employee shall give the Board thirty (30) days' written notice in advance, unless the Parties otherwise agree.

3.3 Hourly Wage.

District shall employ Employee as a limited term annuitant and compensate Employee at an Hourly Rate of \$100.00. This base hourly-wage shall be payable at the same time as other employees of the District are paid. Employee shall maintain a summary of his activities or other acceptable record and shall submit a time accumulation sheet to the payroll time keeper biweekly for payment.

3.4 Benefits.

3.4.1 No Benefits or other compensation. Employee shall not be entitled to any benefits provided to Employers employees, including, but without limitation, participation in the Employer's retirement plans, including SJCERA, annual paid leave (including sick/ or vacation), health insurance, dental or optical insurance, life insurance, long-term disability coverage, or other insurance. The Employer acknowledges that Employee will be taking July 25 through July 28 in the a.m. as unpaid leave due to a prior commitment.

3.5 Notices.

Notices pursuant to this Agreement shall be given by deposit in the custody of the United States Postal Service, postage pre-paid, addressed as follows:

District:	Board President Mountain House Community Services District 230 S. Sterling Drive, Suite 100 Mountain House, CA 95391
Employee:	Gabriel E. Karam, P.E., LEED AP P.O Box 251 Burson, CA 95225

Alternatively, notices required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service.

3.6 General Provisions.

3.6.1 Entire Agreement. The text herein shall constitute the entire agreement between the Parties.

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

3.6.3 Bonding. If applicable, the District shall bear the full cost of any fidelity or other bonds required of Employee in the performance of his duties as Interim General Manager

3.6.4 Modification. Any modification of this Agreement will be effective only if it is in writing and signed by both Parties.

3.6.5 Effect of Waiver. The failure of either Party to insist on strict compliance with any of the terms, covenants, or conditions of this Agreement by the other Party shall not be deemed a waiver of that term, covenant, or condition, nor shall any waiver or relinquishment of any right or power at any one time or times be deemed a waiver or relinquishment of that right or power for all or any other times.

3.6.6 Assignment. Neither this Agreement, nor any right, privilege nor obligation of Employee shall be assigned or transferred by him without the prior written consent of the Board. Any attempt at assignment or transfer in violation of this provision shall, at the option of the Board, be null and void and may be considered a material breach of this Agreement allowing immediate termination of this Agreement.

3.6.7 Law Governing Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of California. Venue shall be in San Joaquin County, California.

3.6.8 No Presumption of Drafter. The Parties acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the Parties, and this Agreement reflects their mutual agreement regarding the subject matter of this Agreement. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any Party to be the drafter of this Agreement and, therefore, no presumption for or against validity or as to any interpretation hereof, based upon the identity of the drafter shall be applicable in interpreting or enforcing this Agreement.

3.6.9 Indemnification. Beyond that required under Federal, State or Local Law, the District shall defend, save harmless and indemnify Employee against any 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 Interim General Manager, or resulting from the exercise of judgment or discretion in connection with the performance of program duties or responsibilities. Such indemnity shall not extend to any judgment for damages arising from acts associated with a conviction of Employee for a misdemeanor or felony. This indemnification shall extend beyond termination of employment and the otherwise expiration of this Agreement to provide protection for any such acts undertaken or committed in the Employee's capacity as Interim General Manager, regardless of whether the notice of filing of a lawsuit occurs during or following employment with the District. This indemnity provision shall survive the termination of the Agreement and is in addition to any other rights or remedies that the Employee may have under the law.

Employee may request and the District shall not refuse to provide independent legal representation at the District's expense and the District may not 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 attorneys 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 or 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 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.

3.6.10 Assistance of Counsel. Each Party to this Agreement warrants to the other Party that it has either had the assistance of counsel in negotiation for, and preparation of, this Agreement or could have had such assistance and voluntarily declined to obtain such assistance.

3.6.11 SJCERA Limitations. Employee shall be responsible for maintaining records of his time worked under this Agreement to ensure that he does not exceed 720 hours. Employee shall notify the Employer when he has worked 600 hours:

- The District affirms it is filling a vacant position solely on a temporary basis while District considers the filling the position with a "permanent" replacement;
- The compensation being provided Employee shall not exceed the hourly maximum published (publicly available) pay schedule for the vacant position;
- That in no case shall Employee hold the position for a period of more than twelve months from the appointment date or for more than 720 hours in a fiscal year unless District expressly secures in writing an extension to the terms of this Agreement from SJCERA.

[SIGNATURES ON NEXT PAGE]

MOUNTAIN HOUSE COMMUNITY SERVICES DISTRICT

By:

Steve Gutierrez
Board President

ATTEST:

Nicole Adamo
Board Clerk

APPROVED AS TO FORM:

Daniel J. Schroeder
District General Counsel

EMPLOYEE

By:

Gabriel E. Karam

