

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into effective March 10, 2009 by and between the CITY OF STANTON, a municipal corporation (the "City") and CAROL JACOBS (the "Manager") as follows:

WHEREAS, City desires to employ the services of Manager as city manager of City, as provided by the City Municipal Code; and

WHEREAS, effective March 10, 2009, City and CAROL JACOBS desires to mutually terminate JACOBS agreement as Administrative Services Director.

WHEREAS, it is the desire of the City Council of City (the "Council"), to provide certain benefits, establish certain conditions of employment and to set working conditions of said Manager; and

WHEREAS, it is the desire of the Council to (1) secure and retain the services of Manager and to provide inducement for her to remain in such employment, (2) to make possible full work productivity by assuring Manager's morale and peace of mind with respect to future security, and (3) to provide a means of terminating Manager's services when City may desire to terminate his employ; and

WHEREAS, Manager desires to accept employment as city manager of City.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

Section 1. Duties

City hereby agrees to employ Manager as city manager of City to perform the functions and duties specified in the City Municipal Code and the Government Code of the State of California, and to perform other legally permissible and proper duties and functions as the Council shall from time and time assign. Manager agrees that as of the effective date of this Agreement, Manager, without further notice to City, will have automatically resigned the position of Administrative Services Director and that employment agreement will be of no further force or effect. Final disposition of the payment of accrued benefits will be provided Manager as set forth in Section 9 of this Agreement.

Section 2. Termination and Severance Pay

- A. In the event Manager is terminated by a majority vote of the Council at such time as Manager continues to be willing and able to perform her duties under this Agreement, City agrees to pay Manager a lump sum cash payment, or equal payments over an agreed upon period of time, equal to six (6) months of aggregate salary and the equivalent value of car allowance (Section 4), health benefits and discretionary compensation (Section 6); provided, however, that in the event Manager is terminated by a majority vote of the Council because of her commission of any illegal act involving a felony, an act or action constituting moral turpitude or personal gain to her, then in that event, City shall have no obligation to pay the aggregate severance sum designated in this paragraph.

- B. Except for a termination involving the commission of any illegal act, etc., as set forth in Section 2 A, above, the Manager may not be terminated by the City within the three (3) months preceding or following a City General Municipal Election where one or more Council seats are contested on the ballot of such election (the "election cool-off period"). Notwithstanding the foregoing, if a majority vote of the Council should determine to terminate Manager during the election cool-off period, and such termination does not involve the commission of any illegal act, etc., as set forth in Section 2 A, above, the Manager shall be entitled to an additional three (3) months aggregate salary beyond the six (6) months as provided in Section 2 A, above.
- C. In the event City at any time during the term of this Agreement reduces the salary or other financial benefits of Manager in a greater percentage than an applicable across-the-board reduction for all department-heads level employees of City, or in the event City refuses, following written notice, to comply with any other provision benefiting Manager herein, or Manager resigns following a request, whether formal or informal, by a majority of the Council that she resign, Manager may, at her option, be deemed to be "terminated" at the date of such reduction, resignation or such refusal to comply, within the meaning and context of the severance pay provision set forth in Section 2 A and B.
- D. Manager hereby expresses her intent to remain as Manager for a period of not less than three (3) years from the date of execution of this Agreement. Manager and Council agree that should Manager be offered other employment during such three-year period, Manager shall, prior to accepting such offer of employment, advise Council of her intent to accept the offer and provide Council the opportunity to meet with her to discuss the offer and other matters as might be desirable by either party. In the event Manager voluntarily resigns her position with City, Manager shall give City thirty (30) days written notice in advance.

Section 3. Salary

City agrees to pay Manager for her services rendered pursuant hereto a monthly base salary of fourteen thousand seven hundred and forty dollars (\$14,740.00), payable in installments at the same time as other employees of City are paid. City and Manager agree that, as of the effective date of this Agreement, such base salary is over ten percent (10%) higher than the current base salary of the highest paid department-head level City employee. City agrees that the base salary of Manager shall be maintained at least ten percent (10%) higher than any future base salary of the then highest paid department-head level City employee and that, within thirty days written request of the Manager, to increase such base salary of the Manager to maintain such ten percent (10%) salary differential. In addition, City agrees to increase said base salary and/or other benefits of Manager in such amounts and to such extent that the Council may determine that it is desirable to do so; provided however, that unless otherwise agreed to by both Manager and Council, Manager shall automatically receive any cost of living or other salary and/or fringe benefit increases provided to all department-head level City employees.

Section 4. Automobile/Telephone

The City agrees to pay to the Manager a five hundred dollars (\$500.00) per month automobile allowance. The Manager shall provide the City with proof of insurance demonstrating coverage in an amount acceptable to the City. The City agrees to provide and pay the monthly cellular telephone charges for service and the charges of business-related calls and the Manager shall reimburse the City for all other non-business related calls.

Section 5. Holidays Benefits

Manager shall be entitled to the same holidays as other department-head level City employees.

Section 6. Health, Disability and Life Insurance

- A. City agrees to provide hospitalization, surgical and comprehensive medical for Manager by choice, at the sole option of Manager, of either of the two options as follows:
1. City will provide Manager a medical benefit payment, up to and including, five hundred dollars (\$500.00) per month. The medical benefit may be used to pay for private hospitalization, surgical and comprehensive medical and dental insurance for Manager and her dependents. The medical benefit shall be taken as a cash benefit, subject to applicable payroll deductions, provided that Manager demonstrates, to the satisfaction of the City, that Manager has hospitalization, surgical and comprehensive medical insurance in force; OR,
 2. City shall contribute one hundred percent (100%) of premium, commensurate to Blue Shield HMO, for "Manager and two or more", for health insurance plan cost. City shall also contribute one hundred percent (100%) of premium, commensurate to Delta Dental, for "Manager and two or more" for dental plan cost.
- B. City also agrees to provide Manager short term and long term disability insurance coverage commensurate with the standard employee City program.
- C. City also agrees to provide a term life insurance policy equal to a maximum of one hundred fifty thousand dollars (\$150,000.00).

Section 7. Retirement

City agrees to execute all necessary agreements to enroll Manager in the California Public Employees' Retirement System ("CalPERS") and to pay a maximum of seven percent (7%) of "compensation earnable," for Manager, toward the employee's contribution to CalPERS.

Section 8. Deferred Compensation

Manager may, at her own cost, participate in the City's deferred compensation program.

Section 9. Comprehensive Leave

In lieu of sick, vacation, administrative, or any other paid leave, Manager shall accrue annually up to a maximum of four hundred (400) hours of comprehensive leave. For that portion of the year commencing March 10, 2009 (e.g., first day of employment), through, and including, June 30, 2009, Manager shall accrue a prorated total of one hundred thirty three (133) hours of comprehensive leave. On June 30, 2009, Manager shall be paid, at the then current rate of pay, for all accumulated comprehensive leave up to a maximum of sixty seven (67) hours. Thereafter, on June 30 of each year, Manager shall be paid, at the then current rate of pay, for all accumulated comprehensive leave up to a maximum of two hundred (200) hours. After any such sell back of comprehensive leave

under the previous sentence, any accumulated comprehensive leave remaining shall be carried forward to the following year. On July 1 of each year, the total amount of comprehensive leave available to Manager shall be replenished to reach the maximum comprehensive leave accumulation limit of four hundred (400) hours.

On March 19, 2009 City will pay Manager a lump sum payment equal to her accrued, but unused paid leave as Administrative Services Director, through March 10, 2009, up to a maximum of one hundred eighty (180) hours, less all state and federal employment taxes.

Section 10. Dues and Subscriptions

City agrees to pay for the professional dues and subscriptions of Manager necessary for her continuation and full participation in national, regional, state and local associations and organizations necessary and desirable for her continued professional participation, growth and advancement, and for the good of City.

Section 11. Professional Development

- A. City hereby agrees to pay the travel and subsistence expenses of Manager for professional and official travel, meetings and occasions adequate to continue the professional development of Manager and to adequately pursue necessary official and other functions for City, including but not limited to, International City and County Management Association and League of California Cities and other professional associations.
- B. City also agrees to pay for the travel and subsistence expenses of Manager for short courses, institutes and seminars that are necessary for her professional development and for the good of City.
- C. City recognizes that certain expenses of a non-personal and generally job-affiliated nature are incurred by Manager, and hereby agrees to reimburse or to pay said general expenses.

Section 12. Performance Evaluation

- A. The Council shall review and evaluate the performance of Manager twice annually. A full, formal, review and evaluation shall be conducted each year on the anniversary date of the effective date of the Agreement. The Mayor of City shall provide Manager with a summary written statement of the findings of the Council and provide an adequate opportunity for Manager to discuss his evaluation with the Council. An interim and informal review and evaluation shall be conducted approximately six (6) months following the anniversary evaluation. Such reviews and evaluations shall be in accordance with specific criteria developed jointly by the Council and Manager. Said criteria may be modified as the Council may from time to time determine after consultation with Manager. The Council further agrees to review the Manager's total compensation on the anniversary date of the effective date of the Agreement.
- B. Annually, the Council and Manager shall define such goals and performance objectives which they determine necessary for the proper operation of the City, and in the attainment of the Council's policy objectives and shall further establish a relative priority among those various goals and objectives, said goals and objectives to be reduced to writing. They shall generally

be attainable within the limitations as specified and the annual operating and capital budgets and appropriations provided.

Section 13. Indemnification

City shall defend, save harmless and indemnify Manager against any tort, professional liability claim and demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Manager's duties as city manager.

Section 14. Bonding

City shall bear the full cost of any fidelity or other bonds required of Manager, acting as city manager of the City, under any law or ordinance.

Section 15. Other Terms and Conditions of Employment

- A. The Council, in consultation with the Manager, shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to the performance of Manager, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement or State or Federal law.
- B. All provisions of the City Municipal Code and regulations and rules of City relating to vacation and sick leave, retirement and pension system contributions, life insurance, holidays and other fringe benefits and working conditions as they now exist or thereafter may be amended, which apply to department-head level City employees, except as otherwise set forth herein, also shall apply to Manager.

Section 16. Notices

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

- (1) City: City of Stanton
7800 Katella Avenue
Stanton, CA 90680
- (2) Manager: Carol Jacobs

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.

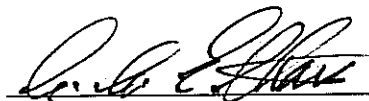
Section 17. General Provisions

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

- B. The Agreement shall be effective as provided herein; however, salary, benefits and other terms and conditions of this Agreement shall not accrue to Manager until such time as Manager presents herself fully available to perform her duties on a full-time basis; such date to be no later than March 10, 2009.
- C. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing by the City and the Manager. No waiver of either party at any time of the breach of, or lack of compliance with, any condition or provision of this Agreement shall be deemed a waiver of any other provision or condition hereof.
- D. This Agreement shall be binding upon, or shall inure to the benefit of, the respective heirs, executors, administrators, successors and assigns of the parties provided, however, that Manager may not assign Manager's obligations hereunder.
- E. This Agreement shall be governed by and construed in accordance with the laws of the State of California.
- F. 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.

IN WITNESS WHEREOF, the City and Manager have signed and executed this Agreement as of the day and year first above written.

CITY



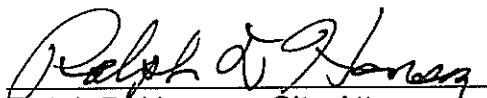
A.A. ETHANS, Mayor

ATTEST:



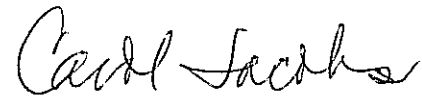
Brenda Green, City Clerk

APPROVED AS TO FORM:



Ralph D. Hanson, City Attorney

MANAGER



CAROL JACOBS