

CITY ATTORNEY EMPLOYMENT AGREEMENT

THIS AGREEMENT, made and entered into at Vacaville, California, this 14th day of May, 2002, by and between the CITY OF VACAVILLE, a municipal corporation, hereinafter Referred to as "EMPLOYER", and GERALD L. HOBRECHT, an individual, hereinafter referred to as "EMPLOYEE".

RECITALS

WHEREAS, EMPLOYER has utilized the services of EMPLOYEE as Assistant City Attorney since October, 1990; and

WHEREAS, EMPLOYER has undertaken a comprehensive recruitment for the position of City Attorney and has selected EMPLOYEE for that position. Now, following that preliminary selection, EMPLOYER has reviewed and considered the terms and conditions of employment provided by comparable cities and public agencies for the position of City Attorney; and

WHEREAS, EMPLOYER acting by and through its City Council, desires to employ the services of EMPLOYEE as City Attorney of the City of Vacaville, and assure the continuous service of EMPLOYEE in such official capacity as provided for under the Municipal Code of the City of Vacaville by establishing herein certain salary and fringe benefits, and the other terms and conditions of his employment; and

WHEREAS, EMPLOYEE desires to undertake employment as City Attorney of the City of Vacaville under the terms and conditions of employment as set forth herein;

NOW, THEREFORE, in consideration of this Agreement, and the mutual promises, covenants and stipulations herein contained, the parties hereto agree as follows:

AGREEMENT

1. EMPLOYMENT:

EMPLOYER hereby appoints and employs EMPLOYEE as City Attorney of Vacaville, under this Agreement and conferring upon and delegating to EMPLOYEE all of the duties, powers, and responsibilities of City Attorney as the same are specifically prescribed and set forth in the State Law, the Vacaville Municipal Code, and the ordinances, resolutions, policies, rules and regulations as from time to time existing thereunder including, but not limited to, acting as General Counsel to the Vacaville Redevelopment Agency, Vacaville Housing Authority, and the Vacaville Financing Authority, and all subordinate boards and commissions of EMPLOYER and of those other named agencies. Further, EMPLOYEE shall undertake or defend litigation involving EMPLOYER, the Vacaville Redevelopment Agency, Vacaville Housing Authority and the Vacaville Financing Authority and shall

direct and oversee any outside special counsel found necessary and appropriate for specific legal services. EMPLOYEE accepts continued employment as City Attorney of the City of Vacaville and the other named agencies and agrees to loyally perform these duties to the best of his ability at all times.

2. TERM; NOTICE OF APPROACH OF END OF TERM; SEVERANCE PAY:

A. The term of employment shall run from July 1, 2002 until June 30, 2004, at which time this Agreement will terminate unless terminated earlier or extended pursuant to the terms herein.

B. EMPLOYEE shall advise EMPLOYER of the date of termination of this Agreement provided in subsection A above, on or about nine (9) months prior to said date.

C. EMPLOYER shall give EMPLOYEE written notice not to renew this Agreement six (6) months prior to the end of the term of this Agreement as-set forth in section A above. Upon completion of the remainder of the Agreement following a notice not to renew, EMPLOYER shall pay severance to EMPLOYEE in an amount equal to three (3) months' salary and benefits following the separation of EMPLOYEE from service to EMPLOYER.

D. In the event such written notice concerning renewal of the term of the Agreement is not given by EMPLOYER to EMPLOYEE, this Agreement shall be extended on the same terms and conditions as herein provided, for an additional period of one (1) year.

3. VOLUNTARY RESIGNATION OR RETIREMENT; NOTICE OF INTENTION TO SEEK OTHER EMPLOYMENT; NO SEVERANCE:

Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the EMPLOYEE to resign at any time from his position as City Attorney or to retire from public service. In the event that EMPLOYEE voluntarily resigns his position, or retires, prior to the expiration of the term of this Agreement, EMPLOYEE shall give EMPLOYER three (3) months notice in advance, unless the parties agree otherwise. Further, should EMPLOYEE begin to actively seek other employment, EMPLOYEE will notify EMPLOYER forthwith of EMPLOYEE'S intention to seek other employment. In the case of a voluntary resignation or retirement, no severance will be paid to EMPLOYEE.

4. INVOLUNTARY TERMINATION:

A. In the event of the involuntary termination of EMPLOYEE, EMPLOYER shall pay EMPLOYEE, or EMPLOYEE'S heirs or assigns, a lump sum in an amount equal to the total salary in effect prior to the involuntary termination for the following periods:

1. If terminated with twelve (12) months or more remaining on this Agreement, the severance will be equal to nine (9) months' salary and benefits.

2. If terminated with six (6) months remaining on this Agreement, but less than twelve (12) months, then the severance will be equal to six (6) months' salary and benefits.

3. If terminated with three (3) months left on this Agreement, but less than six (6) months, then the severance shall be three (3) months' salary and benefits.

B. "Involuntary termination" as used in this Agreement means EMPLOYEE'S discharge or dismissal by the EMPLOYER, EMPLOYEE'S resignation following a salary reduction greater in percentage than an across-the-board reduction in salary or benefits for any other group of City EMPLOYEES, or his resignation following a request by the City Council, approved by a majority vote, that he resign.

C. Involuntary termination does not include the EMPLOYEE'S death; permanent incapacity due to injury or illness, whether physical or mental; dismissal for willful misconduct in office or dishonesty in office; dismissal following EMPLOYEE'S conviction of a felony or misdemeanor involving moral turpitude; or EMPLOYEE'S resignation for any reason other than that so stated in subsection B above.

5. EXCLUSIVE EMPLOYMENT: EMPLOYEE agrees to give full attention to his duties and will not engage in any outside employment or business activities, which might conflict with those duties. This limitation shall not include occasional teaching, writing, or consulting performed during the City Attorney's vacation or other time off.

6. EVALUATION: EMPLOYER shall conduct an annual performance and compensation (i.e. merit step increase) evaluation of City Attorney, each year on or before the anniversary date of this Agreement.

7. SALARY: The agreed upon beginning compensation shall be One Hundred Forty-Five Thousand (\$145,000.00) a year. However the parties recognize and agree that the presently planned and budgeted two and one-half percent (2.5%) salary increase for non-safety personnel, which is effective July 1, 2002, shall also be applied to EMPLOYEE'S beginning salary, for a total beginning salary of One Hundred Forty-Eight Thousand Six Hundred Twenty-Five Dollars (\$148,625).

8. DEFERRED COMPENSATION: EMPLOYER agrees to provide an amount equal to 1% of salary for use by EMPLOYEE in a Deferred Compensation Plan.

9. VACATION: EMPLOYER agrees to provide EMPLOYEE twenty-five (25) paid vacation days per year. Up to Seven Hundred Twenty (720) hours of vacation may be accumulated by EMPLOYEE, but not more as it is the policy of the EMPLOYER that such vacation should be used, rather than reimbursed, in order to support the effective provision of the EMPLOYER ATTORNEY'S services hereunder.

10. MANAGEMENT INCENTIVE LEAVE/PAY: EMPLOYER recognizes that EMPLOYEE must devote a substantial amount of time outside of normal office hours to the business of the EMPLOYER. Therefore, EMPLOYER first created, and then modified, a Management Incentive Program to provide for a payment equivalent to approximately five and eight-tenths percent (5.8%) of salary, which will be paid to EMPLOYEE as with other management employees of EMPLOYER.

11. PROFESSIONAL FEES AND INSURANCE: EMPLOYER agrees to pay all American, State and County Bar Association dues, professional liability insurance, and other professional membership dues or insurance as may from time to time be necessary for the continued practice in good standing by the City Attorney before any judicial tribunal.

12. MEETINGS AND CONFERENCES: EMPLOYER recognizes the responsibility of the EMPLOYEE to participate in professional national, regional, state, and local associations, organizations, and continuing educational programs for the maintenance of his professional growth and the direct benefit to the EMPLOYER therefrom. The EMPLOYER therefore agrees to budget and to pay for EMPLOYEE'S expenses while attending such meetings or programs.

13. INDEMNIFICATION: Save and except for matters of willful misconduct or criminal acts by EMPLOYEE, EMPLOYER shall defend, hold harmless, and indemnify the EMPLOYEE against any suits, claims or demands, arising out of an alleged act or omission occurring in the performance of the EMPLOYEE'S duties.

14. GENERAL BENEFITS AND WORKING CONDITIONS: Unless otherwise specified herein, all other working conditions and benefits currently in existence or as may be adjusted by the EMPLOYER for all other non-safety management EMPLOYEES, shall apply to the EMPLOYEE unless specifically provided for by this Agreement to the contrary in which case the provisions of this Agreement shall prevail. EMPLOYEE shall also be entitled to receive cost of living adjustments as granted by EMPLOYER to non-safety management from time to time.

15. RETIREMENT: EMPLOYER agrees to continue to pay from EMPLOYEE'S salary an amount equivalent to seven percent (7%) of salary which will be contributed to the State P.E.R.S. retirement system. This provision is in accordance with the contract of EMPLOYER with P.E.R.S. and is commonly called a "414H2" plan.

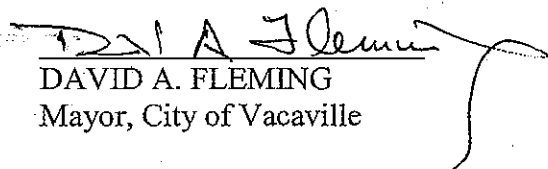
16. AUTOMOBILE AND OTHER EXPENSES: The former monthly vehicle and expense allowances having been eliminated and made part of EMPLOYEE'S salary, EMPLOYER agrees to reimburse EMPLOYEE at the mileage rate for all other EMPLOYEE'S for automobile expenses and for any out-of-pocket expenditures incurred by EMPLOYEE for the benefit of EMPLOYER so long as such reimbursement is made in accordance with the rules and policies of EMPLOYER.

17. HEALTH INSURANCE: EMPLOYER agrees to pay all costs of medical, dental, vision, life and long-term disability insurance for EMPLOYEE and his dependents in accordance with the plans provided by the EMPLOYER. In addition to other insurance and benefits, EMPLOYER agrees to pay four (4) calendar months of salary in the event of EMPLOYEE'S non self-inflicted death or disability, which renders EMPLOYEE incapable of performing the duties required by the Agreement.

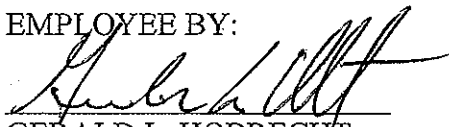
18. CHANGES IN TERMS AND CONDITIONS OF EMPLOYMENT: EMPLOYER may amend this Agreement and fix such other terms and conditions of employment as they deem appropriate and timely, provided that said terms and conditions are not inconsistent or in conflict with the provisions of this Agreement.

IN WITNESS WHEREOF, the EMPLOYER, City of Vacaville, caused this Agreement to be signed and executed in its behalf by its Mayor and duly attested by its City Clerk, and Gerald L. Hobrecht, EMPLOYEE, has signed and executed this Agreement on behalf of himself, both on the day and year first above written.


EMPLOYER BY:


DAVID A. FLEMING
Mayor, City of Vacaville

EMPLOYEE BY:


GERALD L. HOBRECHT

ATTEST:


KATHLEEN M. DUSSAULT
City Clerk of Vacaville

**FIRST AMENDMENT TO
CITY ATTORNEY EMPLOYMENT AGREEMENT**

THIS FIRST AMENDMENT, made and entered into at Vacaville, California, this 24th day of August, 2004, by and between the CITY OF VACAVILLE, a municipal corporation, hereinafter referred to as the "EMPLOYER", and GERALD L. HOBRECHT, an individual, hereinafter referred to as "EMPLOYEE".

RECITALS

WHEREAS, on May 14, 2002, EMPLOYER and EMPLOYEE entered in an agreement entitled "City Manager Employment Agreement" ("Agreement"); and

WHEREAS, it has come to the attention of EMPLOYER and EMPLOYEE that certain clarifications or corrections are needed to the Agreement in order to make EMPLOYEE'S terms and conditions of employment consistent with the terms and conditions of other City employees; and

WHEREAS, Section 18 of the Agreement provides that EMPLOYER may amend the Agreement and fix such other terms and conditions of employment as it deems appropriate and timely, provided that said terms and conditions are not inconsistent or in conflict with the provisions of the Agreement; and

WHEREAS, the parties agree that the clarifications or corrections made in this First Amendment are consistent with the provisions of the Agreement and/or the terms and conditions of EMPLOYEE'S employment; and

WHEREAS, on July 27, 2004, the City Council approved the clarifications or corrections and authorized the Mayor to execute an amendment to the Agreement.

NOW, THEREFORE, in consideration of this First Amendment, and the mutual promises, covenants and stipulations herein contained, the parties hereto agree as follows:

AMENDMENT

1. **SECTION 10 AMENDED.** Section 10 of the Agreement is amended to read in full as follows:

"10. SALARY: DEPARTMENT HEAD PAY: As part of EMPLOYEE'S salary, EMPLOYEE will receive department head incentive pay in the amount of five and eight tenths percent (5.8%) of base salary.

2. **SECTION 15 AMENDED:** Section 15 of the Agreement is amended to read in full as follows:


"15. RETIREMENT: EMPLOYER agrees to continue participation in the P.E.R.S. 414H2 and PARS retirement plans equivalent to 2.7% at 55 formula. EMPLOYEE shall contribute 7% and 2% respectively."

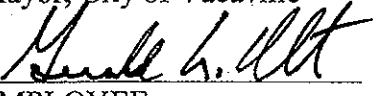
3. **SECTION 17 AMENDED:** Section 17 of the Agreement is amended to read in full as follows:

"17. HEALTH INSURANCE: EMPLOYER agrees to pay all costs of medical, dental, vision, life and long-term disability insurance for EMPLOYEE and his dependents in accordance with the plans provided by the EMPLOYER. However, EMPLOYER'S payment of the cost of medical insurance shall not exceed the amount charged for the Kaiser Health Plan. EMPLOYER'S contribution shall be in accordance with the contribution made for other City Department Heads, as such contribution may be modified from time to time. In addition to other insurance and benefits, EMPLOYER agrees to pay four (4) calendar months of salary in the event of EMPLOYEE'S non self-inflicted death or disability, which renders EMPLOYEE incapable of performing the duties required by this Agreement."

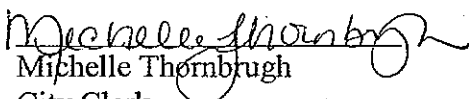
4. **OTHER TERMS AND CONDITIONS:** All other terms and conditions of the Agreement not expressly amended by this First Amendment shall remain in full force and effect.

IN WITNESS WHEREOF, the EMPLOYER has caused this First Amendment to be signed and executed in its behalf by its Mayor and duly attested by its City Clerk, and EMPLOYEE has signed and executed this First Amendment, the day and year first above written.

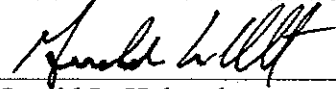

EMPLOYER
Leonard J. Augustine
Mayor, City of Vacaville


EMPLOYEE
Gerald L. Hobrecht
City Attorney

ATTEST:


Michelle Thornbrugh
City Clerk

APPROVED AS TO FORM:


Gerald L. Hobrecht
City Attorney

**SECOND AMENDMENT TO
CITY ATTORNEY EMPLOYMENT AGREEMENT**

THIS SECOND AMENDMENT is made and entered into at Vacaville, California, this 23rd day of APRIL, 2008, by and between the CITY OF VACAVILLE, a municipal corporation, hereinafter referred to as "EMPLOYER", and GERALD L. HOBRECHT, an individual, hereinafter referred to as "EMPLOYEE".

RECITALS

WHEREAS, on May 14, 2002, EMPLOYER and EMPLOYEE entered in an agreement entitled "City Attorney Employment Agreement" ("Agreement"); and

WHEREAS, on August 24, 2004, EMPLOYER and EMPLOYEE modified the Agreement by entering into a "First Amendment to City Attorney Employment Agreement" ("First Amendment") in order to make EMPLOYEE'S terms and conditions of employment consistent with the terms and conditions of other City employees; and

WHEREAS, the parties wish to amend the Agreement in order to amend the terms and conditions of EMPLOYEE'S employment as herein provided; and

WHEREAS, on April 22, 2008, the City Council approved this Second Amendment and authorized the Mayor to execute this Second Amendment.

NOW, THEREFORE, in consideration of this Second Amendment, and the mutual promises, covenants and stipulations herein contained, the parties hereto agree as follows:

AMENDMENT

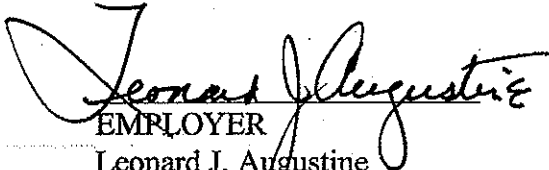
2. **SECTION 9 AMENDED:** Section 9 of the Agreement is amended to read in full as follows:

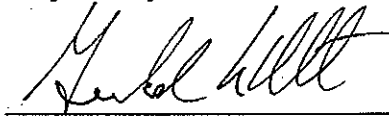
"9. VACATION: EMPLOYER agrees to provide EMPLOYEE twenty-five (25) paid vacation days per year. Up to Seven Hundred Twenty (720) hours of vacation may be accumulated by EMPLOYEE. EMPLOYEE, however, shall have the right, at any time prior to or upon EMPLOYEE'S retirement date, to redeem accumulated vacation hours in an amount determined by EMPLOYEE."

2. **SECTION 16 DELETED:** Section 16 of the Agreement, entitled "AUTOMOBILE AND OTHER EXPENSES", is deleted


3. **OTHER TERMS AND CONDITIONS:** All other terms and conditions of the Agreement and the First Amendment not expressly amended by this Second Amendment shall remain in full force and effect.

IN WITNESS WHEREOF, EMPLOYER has caused this Second Amendment to be signed and executed in its behalf by its Mayor and duly attested by its City Clerk, and EMPLOYEE has signed and executed this Second Amendment, the day and year first above written.

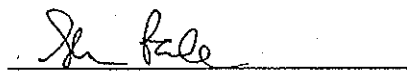

EMPLOYER
Leonard J. Augustine
Mayor, City of Vacaville


EMPLOYEE
Gerald L. Hobrecht
City Attorney

ATTEST:


Michelle Thornbrugh
City Clerk

APPROVED AS TO FORM:


Shana S. Faber
Assistant City Attorney

**THIRD AMENDMENT TO
CITY ATTORNEY EMPLOYMENT AGREEMENT**

THIS THIRD AMENDMENT is made and entered into at Vacaville, California, this 14th day of September 2010, by and between the CITY OF VACAVILLE, a municipal corporation, hereinafter referred to as "EMPLOYER", and GERALD L. HOBRECHT, an individual, hereinafter referred to as "EMPLOYEE".

RECITALS

WHEREAS, on May 14, 2002, EMPLOYER and EMPLOYEE entered in an agreement entitled "City Attorney Employment Agreement" ("Agreement"); and

WHEREAS, on August 24, 2004, EMPLOYER and EMPLOYEE modified the Agreement by entering into a "First Amendment to City Attorney Employment Agreement" ("First Amendment") in order to make EMPLOYEE'S terms and conditions of employment consistent with the terms and conditions of other City employees; and

WHEREAS, on April 23, 2008, EMPLOYER and EMPLOYEE modified the Agreement by entering into a "Second Amendment to City Attorney Employment Agreement" ("Second Amendment") in order to make certain other modifications to EMPLOYEE'S terms and conditions of employment; and

WHEREAS, on March 23, 2010, the City Council adopted Resolution Number 2010-22, by which: (i) the Department Head incentive pay was rolled into salary, effective April 1, 2010, and (ii) the Department Head contribution towards the PERS Employer contribution was increased; and,

WHEREAS, the parties wish to amend the Agreement in order to amend the terms and conditions of EMPLOYEE'S employment as herein provided; and

WHEREAS, on September 14, 2010, the City Council approved this Third Amendment and authorized the Mayor to execute this Third Amendment.

NOW, THEREFORE, in consideration of this Third Amendment, and the mutual promises, covenants and stipulations herein contained, the parties hereto agree as follows:

AMENDMENT

1. **SECTION 7 AMENDED**: Section 7 of the Agreement is amended to read in full as follows:

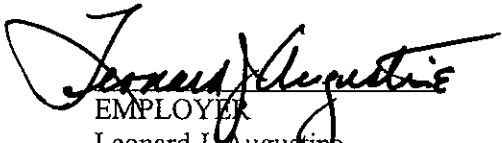
"7. SALARY: Effective July 1, 2010, the new annual base salary shall be \$241,320.24, which, as of that date, includes all increases and modifications since the initial Agreement dated May 14, 2002. The base salary shall automatically include any other adjustments which may be authorized in the future under this Agreement."


2. **SECTION 10 DELETED**: Section 10 of the Agreement, entitled "SALARY: DEPARTMENT HEAD PAY", is deleted.
3. **SECTION 15 AMENDED**: Section 15 of the Agreement is amended to read in full as follows:

"15. RETIREMENT: EMPLOYER agrees to continue participation in the P.E.R.S. 414H2 and PARS retirement plans equivalent to 2.7% at 55 formula. EMPLOYER'S contributions shall be in accordance with the contributions made for other City Department Heads; as such contributions may be modified from time to time."

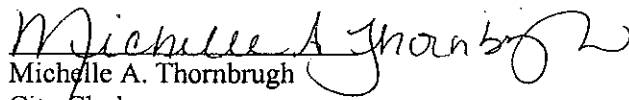
4. **OTHER TERMS AND CONDITIONS:** All other terms and conditions of the Agreement and the First and Second Amendments not expressly amended by this Third Amendment shall remain in full force and effect.

IN WITNESS WHEREOF, EMPLOYER has caused this Third Amendment to be signed and executed in its behalf by its Mayor and duly attested by its City Clerk, and EMPLOYEE has signed and executed this Third Amendment, the day, and year first above written.



EMPLOYER
Leonard J. Augustine
Mayor


EMPLOYEE
Gerald L. Hobrecht
City Attorney

ATTEST:


Michelle A. Thornbrugh
City Clerk

APPROVED AS TO FORM:


Melinda C. H. Stewart
Assistant City Attorney