

**EMPLOYMENT CONTRACT FOR SACRAMENTO COUNTY
CHIEF EXECUTIVE OFFICER**

The County of Sacramento, hereinafter referred to as EMPLOYER, by and through its duly elected and acting Board of Supervisors, and BRADLEY J. HUDSON, hereinafter referred to as EMPLOYEE, in consideration of the mutual promises made herein, agree as follows:

ARTICLE 1. TERM OF EMPLOYMENT

Specific Period

Section 1.01. EMPLOYER hereby employs EMPLOYEE and EMPLOYEE hereby accepts employment with EMPLOYER for a period of five (5) years beginning on August 14, 2011, and terminating at the close of the business day on August 13, 2016.

"Employment Term" Defined

Section 1.02. As used herein, the phrase "employment term" refers to the entire period of employment of EMPLOYEE by EMPLOYER hereunder, whether for the periods provided above, or whether terminated earlier as hereinafter provided or extended by mutual agreement between EMPLOYER and EMPLOYEE.

Contract Renewal

Section 1.03. The above notwithstanding, EMPLOYER may negotiate with EMPLOYEE a renewal of EMPLOYEE'S contractual relationship with EMPLOYER. Absent written renewal, amendment or extension of this contract, it shall terminate on the date provided in Section 1.01.

ARTICLE 2. DUTIES AND OBLIGATIONS OF EMPLOYEE

General Duties

Section 2.01. EMPLOYEE shall serve as the Chief Executive Officer of Sacramento County and in this capacity EMPLOYEE shall do and perform all services, acts or things necessary or advisable to manage and conduct the business of EMPLOYER, subject at all times to the policies set by EMPLOYER and in accordance with applicable law.

Loyal and Conscientious Performance of Duties

Section 2.02. EMPLOYEE agrees that to the best of his ability and experience he will at all times loyally and conscientiously perform all of the duties and obligations required of him either expressly or implicitly by the terms of this Agreement.

Devotion of Entire Time to Employer's Business

Section 2.03. (a) EMPLOYEE shall devote his entire productive time, ability and attention to the business of EMPLOYER during normal working hours during the term of this agreement.

(b) During the term of this Agreement, EMPLOYEE shall not engage in any other business duties or pursuits to the detriment of EMPLOYER.

(c) This agreement shall not be interpreted to prohibit EMPLOYEE from making passive personal investments or conducting private business affairs if those activities do not materially interfere with the services required under this Agreement.

Competitive Activities

Section 2.04. During the term of this contract EMPLOYEE shall not, directly or indirectly, either as an employee, employer, officer, director, or in any other individual or representative capacity, engage or participate in any business that is in competition in any manner or in conflict whatsoever with the business of EMPLOYER.

Avoidance of Impropriety

Section 2.05. EMPLOYEE acknowledges and understands that the position of Chief Executive Officer carries with it great public trust and responsibility. Accordingly, the duties of that position must be undertaken in a manner which not only avoids those acts of an inappropriate or illegal nature but also those actions which carry with them the appearance of impropriety. Therefore, in accordance with that goal, EMPLOYEE agrees to make full disclosure to, and obtain the approval of, the Board of Supervisors prior to entering into negotiations, or contracting for, any supplies, computer software, equipment (including computer hardware), work, professional services, or any other item or service, from any individual related to EMPLOYEE by blood, marriage, or domestic partnership or from any entity wherein any owner, partner, majority or controlling stockholder, or employee is related to EMPLOYEE by blood, marriage, or domestic partnership.

ARTICLE 3. OBLIGATIONS OF EMPLOYER

General Description

Section 3.01. EMPLOYER shall provide EMPLOYEE with the compensation, incentives, benefits, and expense reimbursement specified elsewhere in this Agreement.

Office and Staff

Section 3.02. EMPLOYER shall provide EMPLOYEE with a private office, secretarial or clerical help, office equipment and supplies, and other facilities and services, suitable to EMPLOYEE'S position and adequate for the performance of his

duties subject to availability of funds in the budget of EMPLOYER.

Indemnification of Losses of Employee

Section 3.03. EMPLOYER shall indemnify EMPLOYEE for all losses sustained by EMPLOYEE as a direct or indirect consequence of the discharge of his duties on EMPLOYER'S behalf.

Performance Evaluation

Section 3.04. EMPLOYEE shall receive annual performance evaluations by the Sacramento County Board of Supervisors.

Independent Authority

Section 3.05. EMPLOYEE has the right to exercise his independent authority as described in the Sacramento County Charter subject to the general direction of the Board of Supervisors.

ARTICLE 4. COMPENSATION OF EMPLOYEE

Annual Salary

Section 4.01. EMPLOYEE's starting annual salary under this Agreement shall be two hundred fifty-eight thousand two hundred dollars (\$258,200.00). Notwithstanding any other provision of this Agreement or County policies, EMPLOYEE shall not be paid the management differential afforded to other management class employees. Such salary shall be adjusted by any salary or cost of living increases granted generally to unrepresented County managers. Such salary may also be adjusted by mutual agreement of the Board of Supervisors and EMPLOYEE. EMPLOYEE shall be paid at the same intervals and in the same manner as regular permanent County employees.

ARTICLE 5. EMPLOYEE BENEFITS

Section 5.01. EMPLOYEE shall be provided the benefits including, but not limited to, retirement, health insurance, dental insurance, vision insurance on the same terms and conditions as provided to other, unrepresented management employees

Other Benefits

Section 5.02. In addition to the benefits noted in Section 5.01, EMPLOYEE shall be entitled to the following:

(a) Other Benefits: Should additional benefits be available generally to unrepresented County managers other than those in effect at the commencement of this Agreement, EMPLOYEE shall be entitled to receive those same additional benefits.

(b) Seven hundred dollars (\$700.00) per month to cover normal and necessary expenses incurred while performing EMPLOYEE'S duties.

(c) Participation at EMPLOYER'S expense in professional associations is authorized and encouraged subject to budget appropriations.

(d) EMPLOYER agrees to pay up to twenty-five thousand dollars (\$25,000.00) as and for relocation expenses reimbursed to EMPLOYEE for actual, documented relocation expenses. Relocation expenses shall include airline or ground transportation, hotel expenses, moving and storage and other reasonable expenses.

(e) EMPLOYER shall pay, on behalf of EMPLOYEE, into the County's 401(a) plan a match up to a maximum of nine thousand dollars (\$9,000.00) per year of EMPLOYEE contributions to the County's 457 Plan.

(f) EMPLOYER agrees to pay EMPLOYEE five hundred fifty dollars (\$550.00) per month as an automobile allowance or to assign EMPLOYEE, at EMPLOYEE's option, a County vehicle subject to existing County policies for vehicle assignment.

(g) EMPLOYEE, in lieu of vacation and sick leave provided to other, unrepresented management employees, shall, upon commencement of this Agreement, be entitled to 42 days leave and shall accrue an additional 42 days of leave upon each anniversary date of this Agreement; provided, however, EMPLOYEE shall not be entitled to accrue more than 84 days of leave. During the same annual periods as afforded to unrepresented management employees for cash out of vacation, EMPLOYEE may cash out up to 22 days of leave at the then rate of compensation.

(h) EMPLOYEE, upon separation from employment, shall be entitled to participate in any any Retiree Health Program upon the same terms and conditions as offered, from time to time, to retired employees of EMPLOYER.

ARTICLE 6. TERMINATION OF EMPLOYMENT

Section 6.01. (a) Notwithstanding section 1.01 of this Agreement, EMPLOYER reserves the right to earlier terminate this Agreement pursuant to the provisions of Section 18 of the Sacramento County Charter.

Termination by Employee

Section 6.02. EMPLOYEE may terminate his obligations under this Agreement by giving EMPLOYER at least sixty (60) days notice in advance. EMPLOYER reserves the right to accept less than sixty (60) days notice.

Effect on Compensation

Section 6.03. In the event that this Agreement is terminated by EMPLOYER for any reason prior to the completion of the term of employment specified herein, EMPLOYEE shall be entitled to the compensation and benefits earned by and vested in him prior to the date of termination as provided for in this Agreement, computed pro rata up to and including that date. Should such early termination by EMPLOYER be made without cause, EMPLOYEE shall be further entitled to a lump sum payment of salary equal to the salary payable for the unexpired term of this Agreement or for eighteen (18)

months, whichever is less. Should this Agreement be terminated pursuant to Section 18 of the County Charter in a manner in which reasons for removal must be given by the Board of Supervisors, EMPLOYEE shall also be entitled to the lump sum payment described herein unless those reasons include any of the following: breach of this Agreement, acts of dishonesty, fraud, misrepresentation, or other acts of moral turpitude.

ARTICLE 7. GENERAL PROVISIONS

Notices

Section 7.01. Any notices to be given by either party to the other shall be in writing and may be transmitted either by personal delivery or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the EMPLOYER at Board of Supervisors, 700 H Street, Room 2450, Sacramento, CA 95514 and the EMPLOYEE at Attn: Bradley J. Hudson, 6185 Magnolia Avenue, Riverside, CA 92506, but each party may change the address by written notice in accordance with this section. Notices delivered personally shall be deemed communicated as of the date of actual receipt. Mailed notices shall be deemed communicated as of the date of mailing.

Section 7.02. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, to which that party may be entitled. This provision shall be construed as applicable to the entire contract.

Entire Agreement

Section 7.03. This agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the employment of EMPLOYEE by EMPLOYER, and contains all of the covenants and agreements between the parties with respect to that employment in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement, or promise not contained in this Agreement, shall be valid or binding.

Modifications

Section 7.04. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

Effect of Waiver

Section 7.05. 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 for all or any other times.

Partial Invalidity

Section 7.06. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without impaired or invalidated in any way.

Law Governing Agreement and Forum

Section 7.07. This agreement shall be governed by and construed in accordance with the laws of the State of California and any action to enforce the terms of this Agreement shall be brought and tried in the County of Sacramento.

Personnel Rules Superseded

Section 7.08. The provisions of this Agreement shall control and supersede the provisions of the Sacramento County Personnel Rules or ordinances in the event that there is now, or is in the future, any inconsistency between this Agreement and the Sacramento County Personnel Rules as extant or as may be amended hereafter.

Sums Due Deceased Employee

Section 7.09. If EMPLOYEE dies prior to the expiration of the term of his employment, any sums that may be due to him from EMPLOYER under this Agreement as of the date of death shall be paid to the EMPLOYEE'S executors, administrators, heirs, personal representatives, successors, and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year last below written.

Dated: _____

EMPLOYEE:

Bradley J. Hudson, Chief Executive Officer

Dated: _____

EMPLOYER:

Chair of the Sacramento County Board of Supervisors

ATTEST: _____
Clerk, Board of Supervisors

APPROVED AS TO FORM:

SACRAMENTO COUNTY COUNSEL

By: _____

Dated: _____