

AMENDMENT TO CONTRACT

#4

The County of San Benito ("COUNTY") and Ray Espinosa ("EMPLOYEE") enter into this agreement on the date stated next to the signatures below. In consideration of the mutual promises set forth herein, the parties agree as follows:

1. Existing Contract.

a. Initial Contract.

COUNTY and EMPLOYEE acknowledge that the parties entered into a contract, dated November 19, 2013.

b. Prior Amendments. (Check one.)

☐ The initial contract previously has not been amended.

☒ The initial contract previously has been amended. The date(s) of prior amendments are as follows: November 4, 2014, November 22, 2016, and March 25, 2017.

c. Incorporation of Original Contract.

The initial contract and any prior amendments to the initial contract (hereafter collectively referred to as the "original contract") are attached to this amendment as Exhibit 1 and made a part of this amended contract.

2. Purpose of this Amendment.

The purpose of this amendment is to change the agreement between the parties in the following particulars:

a. Term of the Contract. (Check one.)

☐ The term of the original contract is not modified.

☒ The term of the original contract (Exhibit 1) is modified to read as follows:

1. TERM AND ROLLOVER:

The three year term established by Amendment No. 1, and the four year term established by Amendment No. 2, is hereby amended to a term of four years, from February 8, 2022, through February 7, 2026, (hereinafter the "Amended Term." The terms and conditions of this Amendment No 4, shall continue in full force and effect and " rollover" on an biennial basis (every two years) unless a written Notice of Intent to Terminate this Agreement is received by the EMPLOYEE from the COUNTY in accordance with paragraph 11A set forth below. Any rollover after the expiration of the Amended Term shall be for a period of two year term and shall continue to rollover on an biennial basis unless written Notice to Terminate this Agreement is received by the EMPLOYEE from the COUNTY.

b. Scope of Services. (Check one.)

- ☒ The services specified in the original contract (Exhibit 1) are not modified.
- ☐ The services specified in the original contract (Exhibit 1) are modified as specified below: (Check one.)
- ☐ The services specified in the original contract are modified only as specified below:

Modified or New Scope of Services:

(Insert modified or new services.)

- ☐ The services specified in the original contract are deleted in their entirety and replaced with the following services:

New Scope of Services:

(Insert new services.)

c. Payment Terms. (Check one.)

- ☒ The payment terms in the original contract (Exhibit 1) are not modified.
- ☐ The payment terms in the original contract (Exhibit 1) are modified as specified below: (Check one.)
- ☐ The payment terms are modified only as specified below:

Modified or New Payment Terms:

(Insert modified or new payment terms.)

- ☐ The payment terms are deleted in their entirety and replaced with the following payment terms:

New Payment Terms:

B-1. BILLING

Charges for services rendered pursuant to the terms and conditions of this contract shall be invoiced on the following basis: (Check one.)

- ☐ One month in arrears.
- ☐ Upon the complete performance of the services specified in the original agreement (Exhibit 1) and this amendment.
- ☐ The basis specified in paragraph B-4.

B-2. PAYMENT

Payment shall be made by COUNTY to EMPLOYEE at the address specified in paragraph 8 of the original contract, net thirty (30) days from the invoice date.

B-3. COMPENSATION

COUNTY shall pay to EMPLOYEE: (Check one.)

☐ a total lump sum payment of \$ _____, or

☐ a total sum not to exceed \$ _____,

for services rendered pursuant to the terms and conditions of the original contract (Exhibit 1) and this amendment, and pursuant to any special compensation terms specified in paragraph B-4.

B-4. SPECIAL COMPENSATION TERMS: (Check one.)

☐ There are no additional terms of compensation.

☐ The following specific terms of compensation shall apply:
(Specify)

d. Other Terms. (Check one.)

☐ There are no other terms of the original contract that are modified.

☒ Other terms of the original contract are modified only as specified below:

Other Modified or New Terms:

1. The fourth sentence of Paragraph 11a shall be amended to read as follows:

In the event of such termination, while the EMPLOYEE is ready, willing, and able to perform the duties of the County Administrative Officer, and if termination is for other than "just cause" (defined as neglect of duty, malfeasance or misconduct in office, or other good cause shown), then the COUNTY shall pay the EMPLOYEE a cash severance payment equal to eighteen (18) month's pay from the Effective Date of the written Notice to Terminate. The Severance payment shall be based solely upon the following: (1) EMPLOYEE's salary at the time of termination.

2. The following sentence shall be added to the end of paragraph 11A.

Severance pay shall not be due for any portion of the 18 month Notice Period that employee has been provided Notice of Termination/Non-Renewal of the contract and EMPLOYER allows EMPLOYEE to continue to work during the notice period. If termination is for "just cause" then no severance payment shall be made.

3. All other provisions of paragraph 11A remain unchanged.

3. Other Terms.

All other terms and conditions of the original contract (Exhibit 1) which are not changed by this amendment shall remain the same.

EMPLOYEE

Ray Espinosa, County Administrative Officer

Date

COUNTY

San Benito County Board of Supervisors

Bea Gonzales, Chair

Date

APPROVED AS TO LEGAL FORM:

San Benito County Counsel's Office

Barbara Thompson
Barbara Thompson, County Counsel

2/2/22
Date

EXHIBIT 1
TO AMENDMENT # 7

**ORIGINAL
CONTRACT**

(Please attach the initial contract and any prior amendments, from the most recent to the initial contract, in reverse chronological order.)

**AMENDMENT TO CONTRACT
#3**

The County of San Benito ("COUNTY") and Ray Espinosa ("EMPLOYEE") enter into this Amendment to Contract ("Amendment #3") on the date stated next to the signatures below. In consideration of the mutual promises set forth herein, the parties agree as follows:

1. Existing Contract.

a. Original Contract.

COUNTY and EMPLOYEE acknowledge that the parties entered into an Original Contract, dated November 19, 2013.

b. Prior Amendments. (Check one.)

☐ The initial contract previously has not been amended.

☒ The Original Contract was previously amended. The date of the prior amendment is as follows: November 4, 2014, November 22, 2016

c. Incorporation of Original Contract.

The Original Contract and any prior amendments to the Original Contract (hereafter collectively referred to as the "Original Contract") are attached to this Amendment #3 as Exhibit 1 and made a part of this Amendment #3.

2. Purpose of this Amendment.

The purpose of this Amendment #2 is to change the agreement between the parties in the following particulars:

a. Term of the Contract. (Check one.)

☒ The term of the Original Contract is not modified.

☐ The term of the Original Contract, paragraph 1, is modified to read as follows:

b. Scope of Services. (Check one.)

☒ The services specified in the Original Contract (Exhibit 1) are not modified.

c. Payment Terms. (Check one.)

☐ The payment terms in the Original Contract (Exhibit 1) are not modified.

☒ The payment terms in the Original Contract (Exhibit 1), Paragraph 6A is modified as set forth below:

6. .COMPENSATION OF EMPLOYEE:

A. Annual Salary: As compensation for the services to be rendered by EMPLOYEE hereunder, COUNTY shall pay EMPLOYEE an annual salary of two hundred eleven thousand eight hundred and eighteen dollars (\$211,818) annually beginning April 9, 2017, and payable in pro rata installments at the same time and in the same manner as other employees of the COUNTY are paid. The COUNTY shall pay EMPLOYEE two hundred twenty-two thousand and eighty-four dollars (\$222,084) annually the beginning of the pay period following completion of EMPLOYEE'S undergraduate degree, as evidenced by the submittal of course transcripts or other proof

of completion acceptable to the Board of Supervisors, and payable in pro rata installments at the same time and in the same manner as other employees of the COUNTY are paid. Cost of living and step increases will follow the same rules as those for other County Appointed Department Heads. The Board of Supervisors may, at any time during the term of this Amendment #3, increase EMPLOYEE'S salary provided that any increase is agreed upon through a majority vote by the Board of Supervisors in open session of a regularly scheduled Board meeting.

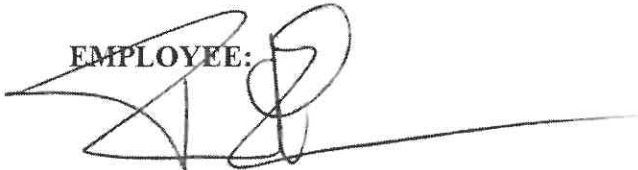
d. Other Terms. (Check one.)

- ☒ There are no other terms of the original contract that are modified.
☐ Paragraphs 9 and 11 are modified as set forth below:

3. Other Terms.

All other terms and conditions of the Original Contract (Exhibit 1) that are not changed by this Amendment #3 shall remain the same.

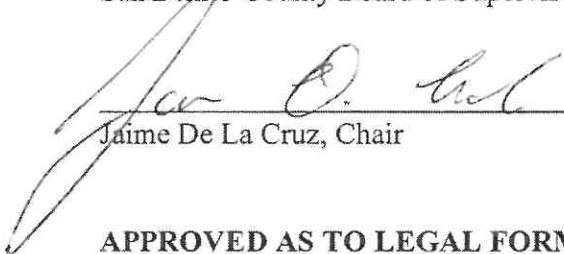
EMPLOYEE:


Ray Espinosa, County Administrative Officer

3/31/17
Date

COUNTY:

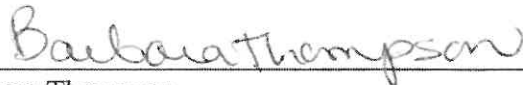
San Benito County Board of Supervisors


Jaime De La Cruz, Chair

3/28/17
Date

APPROVED AS TO LEGAL FORM:

San Benito County Counsel's Office


Barbara Thompson
Acting Assistant County Counsel

3/28/17
Date

AMENDMENT TO CONTRACT
#2

The County of San Benito ("COUNTY") and Ray Espinosa ("EMPLOYEE") enter into this Amendment to Contract #2 ("Amendment #2") on the date stated next to the signatures below. In consideration of the mutual promises set forth herein, the parties agree as follows:

1. Existing Contract.

a. Original Contract.

COUNTY and EMPLOYEE acknowledge that the parties entered into an Original Contract, dated November 19, 2013.

b. Prior Amendments. (Check one.)

☐ The initial contract previously has not been amended.

☒ The Original Contract was previously amended. The date of the prior amendment is as follows: November 4, 2014.

c. Incorporation of Original Contract.

The Original Contract and any prior amendments to the Original Contract (hereafter collectively referred to as the "Original Contract") are attached to this Amendment #2 as Exhibit 1 and made a part of this Amendment #2.

2. Purpose of this Amendment.

The purpose of this Amendment #2 is to change the agreement between the parties in the following particulars:

a. Term of the Contract. (Check one.)

☐ The term of the Original Contract is not modified.

☒ The term of the Original Contract, paragraph 1, is modified to read as follows:

1. TERM AND ROLLOVER:

The three-year term established in Amendment # 1, November 4, 2014, through November 4, 2017, is hereby amended to a term of four years, from November 22, 2016 through November 22, 2020 (hereinafter the "Amended Term"). The terms and conditions of this Amendment #2 shall continue in full force and effect and "rollover" on an annual basis unless a written Notice to Terminate this Amendment #2 is received by the EMPLOYEE from the COUNTY in accordance with paragraph 11A set forth below. Any rollover after the expiration of the Amended Term shall be for a period of one year and shall continue to rollover on an annual basis unless written Notice to Terminate this Amendment #2 is received by the EMPLOYEE from the COUNTY.

b. Scope of Services. (Check one.)

☒ The services specified in the Original Contract (Exhibit 1) are not modified.

c. **Payment Terms.** (Check one.)

- ☐ The payment terms in the Original Contract (Exhibit 1) are not modified.
☒ The payment terms in the Original Contract (Exhibit 1), Paragraph 6A is modified as set forth below:

6. **COMPENSATION OF EMPLOYEE:**

A. **Annual Salary:** As compensation for the services to be rendered by EMPLOYEE hereunder, COUNTY shall pay EMPLOYEE an annual salary at the rate set forth in the COUNTY'S current Department Head Salary Plan for the County Administrative Officer at Step "E," effective November 6, 2016, and payable in pro rata installments at the same time as other employees of the COUNTY are paid. The COUNTY shall pay EMPLOYEE Step "F" of the Department Head Salary Plan the beginning of the pay period following completion of EMPLOYEE'S undergraduate degree, as evidenced by the submittal of course transcripts or other proof of completion acceptable to the Board of Supervisors, and payable in pro rata installments at the same time as other employees of the COUNTY are paid. Cost of living and step increases will follow the same rules as those for other County Appointed Department Heads. The Board of Supervisors may, at any time during the term of this Amendment #2, increase EMPLOYEE'S salary provided that any increase, with the exception of increases provided all Appointed Department Heads, is agreed upon through a majority vote by the Board of Supervisors in open session of a regularly scheduled Board meeting.

d. **Other Terms.** (Check one.)

- ☐ There are no other terms of the original contract that are modified.
☒ Paragraphs 9 and 11 are modified as set forth below:

9. **PERSONAL GOALS AND OBJECTIVES:**

EMPLOYEE is in the process of completing his bachelor's degree. If EMPLOYEE desires to continue his professional education at the master's degree level, cost of such professional development/education shall be borne by EMPLOYEE, unless otherwise agreed to by the Board of Supervisors. However, the Board recognizes in light of the value that such education will provide to the COUNTY, that EMPLOYEE may attend such classes during working hours without the use of leave hours, as the Board may approve from time to time, as long as educational coursework does not interfere with his duties as CAO. Further, travel expenses (hotel, mileage, and per diem) shall be reimbursable pursuant to the COUNTY'S travel policy or as may be approved by the Board of Supervisors. EMPLOYEE agrees to attend classes in Sacramento, CA. whenever possible in order to reduce reimbursable travel costs. EMPLOYEE will be eligible for tuition reimbursement in the same manner and in the same amount as provided for all COUNTY employees under the COUNTY'S applicable reimbursement policies.

11A. **Termination by Employer:**


EMPLOYEE shall serve "at-will" and the COUNTY may terminate EMPLOYEE at any time with or without cause, upon written Notice of Termination to EMPLOYEE.

Notice of Termination shall be effective upon the date of personal service upon the EMPLOYEE or three days after first class mailing postage pre-paid to EMPLOYEE's last known address on file with the COUNTY's Human Resources Department (hereinafter the "Effective Date"). The parties hereby expressly waive any County Code provisions to the contrary, and/or any other County rules relating to notice of dismissal or termination and to any rights to hearing or appeal thereon. In the event of such termination, while the EMPLOYEE is ready, willing, and able to perform the duties of the County Administrative Officer, the COUNTY shall pay the EMPLOYEE a cash severance payment equal to twelve (12) month's pay from the Effective Date of the written Notice to Terminate. The severance payment shall be based solely upon the following: (1) EMPLOYEE'S salary at the time of termination and (2) the monetary contribution paid by the COUNTY towards the EMPLOYEE'S health insurance. At COUNTY'S option, severance may be paid bi-weekly for the remainder of the severance period or in one payment. EMPLOYEE shall be entitled to a payout of all vacation and sick time accumulated upon the Effective Date of the Notice of Termination in the same manner and in the same amount as other Appointed Department Heads.

3. Other Terms.

All other terms and conditions of the Original Contract (Exhibit 1) that are not changed by this Amendment #2 shall remain the same.

EMPLOYEE:



Ray Espinosa, County Administrative Officer

11/14/16
Date

COUNTY:

San Benito County Board of Supervisors

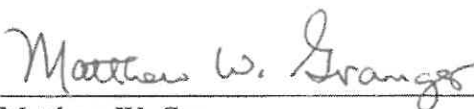


Robert Rivas, Chair

11/22/16
Date

APPROVED AS TO LEGAL FORM:

San Benito County Counsel's Office



Matthew W. Granger
County Counsel
County of San Benito

11-14-2016
Date

AMENDMENT TO CONTRACT

#1

The County of San Benito ("COUNTY") and Ray Espinosa ("EMPLOYEE") enter into this agreement on the date stated next to the signatures below. In consideration of the mutual promises set forth herein, the parties agree as follows:

1. Existing Contract.

a. Initial Contract.

COUNTY and EMPLOYEE acknowledge that the parties entered into a contract, dated November 19, 2013.

b. Prior Amendments. (Check one.)

☒ The initial contract previously has not been amended.

☐ The initial contract previously has been amended. The date(s) of prior amendments are as follows: _____

c. Incorporation of Original Contract.

The initial contract and any prior amendments to the initial contract (hereafter collectively referred to as the "original contract") are attached to this amendment as Exhibit 1 and made a part of this amended contract.

2. Purpose of this Amendment.

The purpose of this amendment is to change the agreement between the parties in the following particulars:

a. Term of the Contract. (Check one.)

☐ The term of the original contract is not modified.

☒ The term of the original contract (Exhibit 1), paragraph 1, is modified to read as follows:

1. TERM AND ROLLOVER: The Employer hired Employee and Employee accepted employment with Employer beginning November 19, 2013 as the County Administrative Officer for an initial term of two years (hereinafter the "Initial Term"). Upon the approval of this Amendment No. 1, the Board of Supervisors hereby establishes an "Amended Term" of the Agreement for a three year period of time, November 4, 2014 through November 4, 2017. The terms and conditions of this Agreement shall continue in full force and effect and "rollover" on an annual basis unless a written Notice of Intent to Terminate this Agreement is received by the Employee from the Employer ninety (90) calendar days before

the expiration of the Amended Term. Any rollover after the expiration of the Amended Term shall be for a period of one year and shall continue to rollover on an annual basis unless written notice of intent to terminate this Agreement is received by the Employee from the Employer ninety (90) calendar days before the expiration of the Amended Term anniversary date.

b. **Scope of Services. (Check one.)**

- ☒ The services specified in the original contract (Exhibit 1) are not modified.
☐ The services specified in the original contract (Exhibit 1) are modified as specified below: (Check one.)
☐ The services specified in the original contract are modified only as specified below:

Modified or New Scope of Services:

(Insert modified or new services.)

- ☐ The services specified in the original contract are deleted in their entirety and replaced with the following services:

New Scope of Services:

(Insert new services.)

c. **Payment Terms. (Check one.)**

- ☐ The payment terms in the original contract (Exhibit 1) are not modified.
☒ The payment terms in the original contract (Exhibit 1), Paragraph 6A is modified as set forth below:

6. **COMPENSATION OF EMPLOYEE:**

A. **Annual Salary:** As compensation for the services to be rendered by Employee hereunder, Employer shall pay Employee an annual salary at the rate as set forth in the County's current Department Head Salary Plan for the County Administrative Officer at Step "B," effective November 4, 2014, and payable in pro rata installments at the same time as other employees of the County are paid. Cost of living and step increases will follow the same rules as those for other County Appointed Department Heads.

d. **Other Terms.** (Check one.)

☒ There are no other terms of the original contract that are modified.

☐ Other terms of the original contract are modified only as specified below:


Other Modified or New Terms:

(Insert other modified or new terms.)

3. **Other Terms.**

All other terms and conditions of the original contract (Exhibit 1) which are not changed by this amendment shall remain the same.

EMPLOYEE

 CAU
Name/Title: Ray Espinosa, County Administrative Officer

10/29/14

Date

COUNTY

San Benito County Board of Supervisors

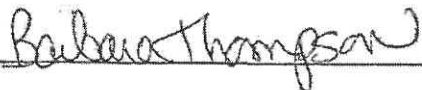

Jerry Muenzer, Chair

11/4/14

Date

APPROVED AS TO LEGAL FORM:

San Benito County Counsel's Office



10/29/14

Date

EMPLOYMENT AGREEMENT

THIS AGREEMENT is made and entered into on this 19th day of November of 2013 (hereinafter the "Effective Date" of this Agreement), by and between the BOARD OF SUPERVISORS on behalf of the COUNTY OF SAN BENITO, a political subdivision of the State of California (hereinafter "Employer") and RAY ESPINOSA (hereinafter "Employee") pursuant to these terms and conditions:

WHEREAS, the Employer and Employee mutually desire to set forth herein certain procedures, benefits, and requirements regarding the employment of Employee by the Employer; and,

WHEREAS, the Employer desires to employ the services of Employee as County Administrative Officer of said County under the terms and conditions recited herein; and,

WHEREAS, Employee desires to accept employment as the County Administrative Officer of said County under the terms and conditions recited herein.

NOW, THEREFORE, the Employer and Employee hereby mutually covenant and agree to the following:

1. TERM AND ROLLOVER: The Employer hereby hires Employee and Employee hereby accepts employment with Employer beginning upon the Effective Date set forth above for an initial term of two years (hereinafter the "Initial Term"). The terms and conditions of this Agreement shall continue in full force and effect and "rollover" on an annual basis unless a written Notice of Intent to Terminate this Agreement is received by the Employee from the Employer ninety (90) calendar days before the expiration of the Initial Term. Any rollover after the expiration

of the Initial Term shall be for a period of one year and shall continue to rollover on an annual basis unless written notice of intent to terminate this Agreement is received by the Employee from the Employer ninety (90) calendar days before the expiration of the Initial Term anniversary date.

3. TITLE AND DESCRIPTION OF DUTIES:

A. The Employee shall serve as County Administrative Officer of the County of San Benito. In that capacity, Employee shall do and perform all duties, services, acts, or things necessary or advisable to fulfill the duties of County Administrator as specified by law and as specified in the San Benito County Code and Resolutions as may be amended from time to time.

B. Any evaluation or review of the Employee's performance shall be conducted in the same manner as evaluations and annual reviews for other Appointed Department Heads. Any evaluation or review of the Employee's performance shall be considered and discussed with the Employee in closed session of the Board of supervisors pursuant to Government Code Section 54957.

4. LOYAL AND CONSCIENTIOUS PERFORMANCE OF DUTIES: 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.

5. DEVOTION OF ENTIRE TIME TO EMPLOYER'S BUSINESS:

A. Employee shall devote his entire professional productive time, ability, and attention to the business of Employer during the term of this Agreement.

B. During the term of this Agreement, Employee shall not engage in any other business duties or pursuits whatsoever. Furthermore, during the term of this Agreement, Employee

shall not, whether directly or indirectly, render any services of a commercial or professional nature to any other person or organization without the prior written consent of the Board of Supervisors. However, the expenditure of reasonable amounts of time for educational, charitable, or professional activities performed on Employee's time off shall not be deemed a breach of this Agreement if those activities do not materially interfere with the services required under this Agreement and shall not require the prior written consent of the Board of Supervisors.

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 or present a conflict of interest.

6. COMPENSATION OF EMPLOYEE:

A. Annual Salary: As compensation for the services to be rendered by Employee hereunder, Employer shall pay Employee an annual salary at the rate as set forth in the County's current Department Head Salary Plan for the County Administrative Officer at Step "A," and payable in pro rata installments at the same time as other employees of the County are paid. Cost of living and step increases will follow the same rules as those for other County Appointed Department Heads.

B. Automobile Insurance: Employee shall provide Employer a Certificate of Insurance showing comprehensive automobile liability coverage at amounts as may be established by County Policy. Employee shall be personally responsible for the purchase and maintenance of the insurance policy required herein and shall annually provide Employer the required insurance certificate.

C. Tax Withholding: Employer shall have the right to deduct or withhold from the compensation due to Employee hereunder any and all sums required for federal income and all state or local taxes now applicable or that may be enacted and become applicable in the future.

D. County Benefits: Employee shall be provided with all other County benefits, including, but not limited to, vacation accrual, sick leave, administrative leave (eighty (80) hours), medical, dental, and life insurance, car allowance, and retirement plans at the same rates and in the same amounts as typically provided to other Appointed Department Heads, except as otherwise specified in this Agreement.

7. CUMULATIVE VACATION LEAVE UPON TERMINATION:

A. Upon termination for any reason whatsoever, Employer shall compensate Employee for all accrued vacation leave and said compensation shall be based upon Employee's salary as of the date of employment termination and in accordance with applicable County policy.

B. In the event the Employee voluntarily resigns or dies while employed by the County under this Agreement or any renewals thereof, the Employee or his beneficiaries or those entitled to his estate, shall be entitled to his earned salary and any other benefits as allowed by current applicable County policy.

8. GOALS AND OBJECTIVES FOR THE COUNTY: No later than December 31, 2013, Employee shall present to the Board of Supervisors his "Goals and Objectives" for the further development and administration of the County. At a minimum, the "Goals and Objectives" shall contain the Employee's plan for the restructuring of the County's Administrative Office and any other plans for the development or restructuring of any other County department or office.

9. PERSONAL GOALS AND OBJECTIVES: Employee is encouraged to pursue continuing professional education towards obtaining a bachelor's degree from an accredited college/university within two (2) years of the Effective Date of this Agreement. Cost of such professional development/education shall be borne by Employee, unless otherwise agreed to by the Board of Supervisors. Concurrent with the Employee's presentation to the Board of Supervisors of his "Goals and Objectives" for the County, the Employee shall also provide Board of Supervisors with his 'Personal Goals and Objectives," which shall provide at a minimum Employee's plan to obtain his bachelor's degree and any other professional certification or training.

10. SEMINARS AND CONFERENCES. Employee may attend official or professional meetings and occasions necessary and consistent with the performance of his official functions for the Employer, including, but not limited to, annual and special conferences of the California Administrative Officers Association of California (CAOAC) and the California State Association of Counties (CSAC) and such other regional and local governmental groups and committees thereof on which Employee may serve as a member. These conferences shall be consistent with the type and number of conferences customarily attended by County Administrative Officers of the County. Employee shall be reimbursed for all travel expenses in accordance with the County's adopted travel policies.

11. TERMINATION OF EMPLOYMENT:

A. Termination by Employer: Notwithstanding the terms and conditions contained in Section 1 above, Employer may immediately terminate Employee at any time without cause upon written notice to Employee. The parties hereby expressly waive any County Code provisions to the contrary, and/or any other County rules relating to notice of dismissal and to

any rights to hearing or appeal thereon. Should Employer decide to terminate Employee, Employee shall be entitled to receive a ninety (90) day Notice of Intent to Terminate followed by ninety (90) days of severance pay based upon whatever compensation Employee is receiving at the time the Notice of Intent to Terminate is given. Any Notice of Intent to Terminate given under Section 1 above shall be deemed sufficient for any notice required under this Section.

B. Termination by Employee: Employee may, at any time, for any reason, terminate his employment with the Employer by providing ninety (90) days advance written notice of termination to Employer by certified or registered mail, return receipt requested. In the event of such termination, Employee shall not receive severance pay or unemployment compensation through the State of California. In the event of Employee's death, this Agreement shall automatically terminate on the date of his death and any pay-out owed to Employee's estate shall not include any severance payment.

12. COMPLIANCE WITH LAWS AND ORDINANCES: Employee shall perform all services pursuant to this Agreement in accordance with all applicable federal, state, county and local laws, ordinances, regulations, titles and departmental procedures.

13. NON-ASSIGNABLE: This Contract is personal to Employee and is not assignable under any circumstances.

14. ENTIRE AGREEMENT: 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.

15. MODIFICATIONS: Any modification of this Agreement will be effective only if it is in writing signed by the party to be charged and approved by the Board of Supervisors.

16. 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 of relinquishment of that right or power for all or any other times.

17. PARTIAL INVALIDITY: If any provision of 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 being impaired or invalidated in any way.

18. INDEMNIFICATION: In accordance with and subject to the California Tort Claims Act, Employer shall defend and indemnify Employee against any and all losses sustained by Employee as a direct consequence of the discharge of his duties on Employer's behalf for the period of his employment and beyond such period regardless of whether the notice of filing of a lawsuit occurs during or following employment. Employer shall defend, hold harmless, and indemnify Employee against any tort, professional liability claim, demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of his duties as County Administrative Officer.

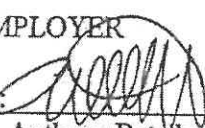
19. LAW GOVERNING AGREEMENT: This Agreement shall be governed by and construed in accordance with the laws of the State of California. Venue for any suit brought over the terms and conditions of this Agreement shall be in San Benito County.

20. CAPTIONS: The captions of each paragraph in this Agreement are inserted as a matter of convenience and reference only, and in no way define, limit, or describe the scope or intent of the Agreement or in any way affect it.

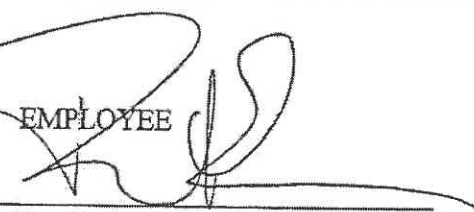
IN WITNESS WHEREOF, the Employer has caused this Agreement to be signed and executed in its behalf by the Chair of the Board of Supervisors, and duly attested by its Board Clerk, and the Employee has signed and executed this Agreement, both in duplicate, the day and year first above written.

EMPLOYER

By:


Anthony Botelho, Chair
San Benito Board of Supervisors


EMPLOYEE


Ray Espinosa

ATTEST:

Denise R. Thome, Clerk to the Board

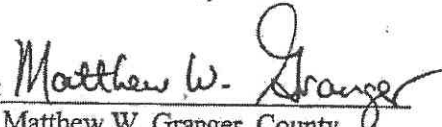
By:


Denise R. Thome, Clerk

APPROVED AS TO FORM:

San Benito County Counsel

By:


Matthew W. Granger, County
Counsel