

**EIGHTH AMENDMENT TO
EMPLOYMENT AGREEMENT**

CITY MANAGER, CITY OF CARPINTERIA

THIS EIGHTH AMENDMENT TO EMPLOYMENT AGREEMENT is made and entered into this 12th DAY OF DECEMBER, 2011 by and between **THE CITY OF CARPINTERIA** ("City") and **DAVE DURFLINGER** ("Employee") at Carpinteria, California, with reference to the following facts and intentions: This amendment will be effective January 1, 2012.

- A.** Employee serves as City Manager for City.
- B.** It is the policy of the City Council to conduct an annual performance evaluation of the City Manager and to review the status of his salary and benefits, as determined appropriate.

NOW, THEREFORE, in consideration of the above Recitals and of the mutual promises and conditions of the Employment Agreement, **IT IS AGREED** as follows:

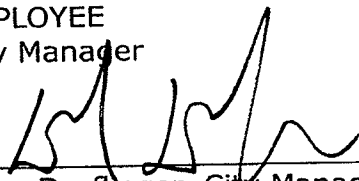
1. Section 6 - Benefits. The following provisions of Section 6, Benefits, shall be amended in their entirety to read as follows:
 - a. Medical Insurance - The City shall provide medical insurance coverage for family coverage in the amount equal to the family insurance premium rate for 2006 HMO as Base Premium Amount or PPO family coverage which is determined by the HMO City Share premium. Any future premium increases after 2006 which exceeds 10% will be paid 20% by the employee through payroll deduction and 80% by the City.
2. All other provisions of the Employment Agreement, as amended, shall remain unchanged and in full force and effect, with the understanding that the City Council will reevaluate the conditions of the contract no later than six months from the date of this amendment.

IN WITNESS WHEREOF, the parties hereto have executed this Eighth Amendment to Employment Agreement on the date first written above.

CITY
City of Carpinteria

By: 
Al Clark, Mayor

EMPLOYEE
City Manager


Dave Durflinger, City Manager

Date: 1/30/12

Date: 1/30/12

**SEVENTH AMENDMENT TO
EMPLOYMENT AGREEMENT**

CITY MANAGER, CITY OF CARPINTERIA

THIS SEVENTH AMENDMENT TO EMPLOYMENT AGREEMENT is made and entered into this 11th DAY OF APRIL, 2011 by and between **THE CITY OF CARPINTERIA** ("City") and **DAVE DURFLINGER** ("Employee") at Carpinteria, California, with reference to the following facts and intentions: This amendment will be effective July 1, 2011.

- A.** Employee serves as City Manager for City.
- B.** It is the policy of the City Council to conduct an annual performance evaluation of the City Manager and to review the status of his salary and benefits, as determined appropriate.

NOW, THEREFORE, in consideration of the above Recitals and of the mutual promises and conditions of the Employment Agreement, **IT IS AGREED** as follows:

1. Section 5 – Flexible Benefit Program (Wellness) Allowance shall be amended in its entirety to read as follows:

Employee will be enrolled in a flexible benefit program, and credited with a flexible benefit program allowance of five hundred eighty-one dollars (\$581.00). This allowance may be utilized in a manner consistent with the provisions applicable to management personnel of the City, and will be increased by the amount of any increase in the allowance granted to management personnel.

2. Section 6 – Benefits. The following provisions of Section 6, Benefits, shall be amended in their entirety to read as follows:

- a. Medical Insurance – The City shall provide medical insurance coverage for family coverage in the amount equal to the family insurance premium rate for 2011 HMO or PPO family coverage. Any future premium increases after 2011 will be paid by Employee.
- b. Leave Bank – Employee shall be granted a leave bank of thirty-one (31) days, which will be granted to Employee on the effective date of this Agreement (adjusted by any leave bank allowance granted to Employee this fiscal year)

and at the beginning of each fiscal year thereafter. Employee shall have the same leave bank cash-out options, leave accumulation rights and treatment of accrued leave upon termination as granted management personnel of the City.

d. Retirement - The City is a member of the Public Employees Retirement System (PERS) for the purpose of employee retirement benefits. Employee shall be eligible for coverage under PERS as provided under the existing contract between PERS and the City, and any subsequent amendments thereto, with the City paying the Employer contributions to PERS. Employee will be required to pay three percent (3%) of Employee contributions to PERS. In addition, the City shall report the value of one-hundred percent (100%) of the Employer Paid Member Normal Contribution (EPMNC) on earned compensation as special compensation for Employee, as provided by Resolution number 4216.

h. Fitness Program - This benefit has been eliminated.

3. A new Section 6A, Furloughs, shall be added to the Employment Agreement, to read as follows:

Furloughs - Employee will be required to take eighty (80) furlough hours in fiscal year 2011-2012. Employee can elect to use his leave bank during the furlough days.

4. All other provisions of the Employment Agreement, as amended, shall remain unchanged and in full force and effect, with the understanding that the City Council will reevaluate the conditions of the contract no later than six months from the date of this amendment.

IN WITNESS WHEREOF, the parties hereto have executed this Seventh Amendment to Employment Agreement on the date first written above.

CITY
City of Carpinteria

By: Al Clark
Al Clark, Mayor

Date: 4/11/11

EMPLOYEE
City Manager

Dave Durlinger
Dave Durlinger, City Manager

Date: 4/13/11

**SIXTH AMENDMENT TO
EMPLOYMENT AGREEMENT**

CITY MANAGER, CITY OF CARPINTERIA

THIS SIXTH AMENDMENT TO EMPLOYMENT AGREEMENT is made and entered into this 13TH DAY OF July, 2009 by and between **THE CITY OF CARPINTERIA** ("City") and **DAVE DURFLINGER** ("Employee") at Carpinteria, California, with reference to the following facts and intentions:

- A. Employee serves as City Manager for City.
- B. It is the policy of the City Council to conduct an annual performance evaluation of the City Manager and to review the status of his salary and benefits.

NOW, THEREFORE, in consideration of the above Recitals and of the mutual promises and conditions of the Employment Agreement, **IT IS AGREED** as follows:

1. Section 9 Housing Assistance

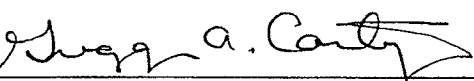
City will pursue developing a program for housing assistance for employees holding the position of City Manager. It is the City's intention that a Committee of two Council members meet with the Employee regarding provisions for a housing assistance program and attempt to implement this program within Fiscal Year 2009-2010.

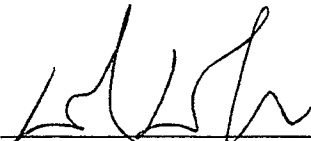
2. All other provisions of the Employment Agreement, as amended, shall remain unchanged and in full force and effect, with the understanding that the City Council will reevaluate the conditions of the contract in six months.

IN WITNESS WHEREOF, the parties hereto have executed this Sixth Amendment to Employment Agreement on the date first written above.

CITY
City of Carpinteria

EMPLOYEE
City Manager

By: 
Gregg Carty, Mayor Date

 8/5/09
Dave Durflinger, City Manager Date

**FIFTH AMENDMENT TO
EMPLOYMENT AGREEMENT**

CITY MANAGER, CITY OF CARPINTERIA

THIS FIFTH AMENDMENT TO EMPLOYMENT AGREEMENT ("Fifth Amendment") is made and entered into this 11th day of August, 2008, by and between **THE CITY OF CARPINTERIA** ("City") and **DAVE DURFLINGER** ("Employee") at Carpinteria, California, with reference to the following facts and intentions:

- A. Employee serves as City Manager for City.
- B. Based on Employee's continuing performance as City Manager, City wishes to amend the Employment Agreement to increase Employee's annual salary and deferred compensation, effective August 11, 2008, upon execution of this Fifth Amendment to Employment Agreement.

NOW, THEREFORE, in consideration of the above Recitals and of the mutual promises and conditions of the Employment Agreement, **IT IS AGREED** as follows:

- 1. The first sentence of Section 5a of the Employment Agreement shall be amended as follows:

Employee shall be paid at the rate of Five Thousand Three Hundred Sixteen Dollars and Ninety Two Cents (\$5,316.92) biweekly, which equals One Hundred Thirty-Eight Thousand Two Hundred Thirty Nine Dollars and Eighty One Cents (\$138,239.81) per year ("Base Salary"). In addition to Base Salary, Employee shall be paid an additional five percent (5%) of the Base Salary, which equals Six Thousand Nine Hundred Eleven Dollars and Ninety Nine Cents (\$6,911.99) per year ("Additional Compensation"). Employee shall, in his sole discretion, allocate in writing such additional compensation to base salary and/or medical reimbursement and/or Deferred Compensation as defined in Section 5c of the Employment Agreement.

- 2. Section 5c of the Employment Agreement shall be amended as follows:

City will Pay Deferred Compensation to the International City/County Management Association ("ICMA") in employee's name in the amount of Five Percent (5%) of Employee's annual Base Salary in addition to that portion of Employee's annual Additional Compensation, if any, allocated by Employee to

Deferred Compensation pursuant to Section 5a of the Employment Agreement.

3. The first sentence of Section 10 of the Employment Agreement shall be amended as follows:

The City will review Employee's performance on an annual basis, with the goal being to have any amendments to the Employment Agreement become effective as of the first pay period following July 1 of such year.

4. All other provisions of the Employment Agreement, as amended, shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Fifth Amendment to Employment Agreement on the date first written above.

**CITY
CITY OF CARPINTERIA**

EMPLOYEE

By: *Shirley A. Corty*
MAYOR
City of Carpinteria

By: *David Durflinger*
DAVID DURFLINGER

**FOURTH AMENDMENT TO
EMPLOYMENT AGREEMENT**

CITY MANAGER, CITY OF CARPINTERIA

THIS FOURTH AMENDMENT TO EMPLOYMENT AGREEMENT ("Fourth Amendment") is made and entered into this 23rd day of July, 2007, by and between **THE CITY OF CARPINTERIA** ("City") and **DAVE DURFLINGER** ("Employee") at Carpinteria, California, with reference to the following facts and intentions:

- A. Employee serves as City Manager for City.
- B. Based on Employee's continuing performance as City Manager, City wishes to amend the Employment Agreement to increase Employee's annual salary and deferred compensation, effective July 23, 2007, upon execution of this Fourth Amendment to Employment Agreement.

NOW, THEREFORE, in consideration of the above Recitals and of the mutual promises and conditions of the Employment Agreement, **IT IS AGREED** as follows:

- 1. The first sentence of Section 5a of the Employment Agreement shall be amended as follows:

Employee shall be paid at the rate of Four Thousand Nine Hundred Twenty Three Dollars and Seven Cents (\$4,923.07) biweekly, which equals One Hundred Twenty Seven Thousand Nine Hundred and Ninety Nine Dollars and Eighty Two Cents (\$127,999.82) per year ("Base Salary"). In addition to Base Salary, Employee shall be paid an additional eight percent (8%) of the Base Salary, at a rate of Three Hundred Ninety Three Dollars and Eighty Five Cents (\$393.85) biweekly, which equals Ten Thousand Two Hundred and Thirty Nine Dollars and Ninety Nine Cents (\$10,239.99) per year ("Additional Compensation"). Employee shall, in his sole discretion, allocate in writing such Additional Compensation to Base Salary and/or Deferred Compensation as defined in Section 5c of the Employment Agreement.

- 2. Section 5c of the Employment Agreement shall be amended as follows:

City will Pay Deferred Compensation to the International City/County Management Association ("ICMA") in employee's name in the amount of Five Percent (5%) of Employee's annual Base Salary annually effective July 23, 2007 in addition to that

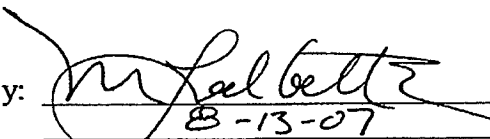
portion of Employee's annual Additional Compensation, if any, allocated by Employee to Deferred Compensation pursuant to Section 5a of the Employment Agreement, with payment made each July 1st thereafter during the term of this Agreement.

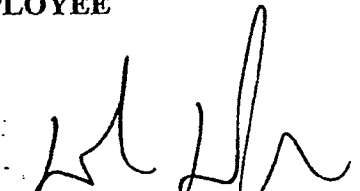
3. All other provisions of the Employment Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Fourth Amendment to Employment Agreement on the date first written above.

CITY
CITY OF CARPINTERIA

EMPLOYEE

By: 
8-13-07
City of Carpinteria

By: 
DAVID DURFLINGER

**THIRD AMENDMENT TO
EMPLOYMENT AGREEMENT**

CITY MANAGER, CITY OF CARPINTERIA

THIS THIRD AMENDMENT TO EMPLOYMENT AGREEMENT ("Third Amendment") is made and entered into this 24th day of July, 2006 by and between THE CITY OF CARPINTERIA ("City") and DAVE DURFLINGER ("Employee") at Carpinteria, California with reference to the following facts and intentions:

- A Employee serves as City Manager for the City of Carpinteria.
- B. Based on Employee's continuing performance as City Manager, City wishes to amend the Employment Agreement to increase Employee's annual salary effective July 24, 2006, upon execution of this Third Amendment to Employment Agreement.

NOW, THEREFORE, in consideration of the above Recitals of the mutual promises and conditions of the Employment Agreement, IT IS AGREED as follows:

1. The first sentence of Section 5a of the Employment Agreement shall be amended as follows:

Employee shall be paid at the rate of Four Thousand Nine Hundred Twenty Three Dollars and Seven Cents (\$4,923.07) biweekly, which equals One Hundred Twenty Seven Thousand, Nine Hundred Ninety Nine Dollars and Eighty Seven Cents (\$127,999.87) per year.

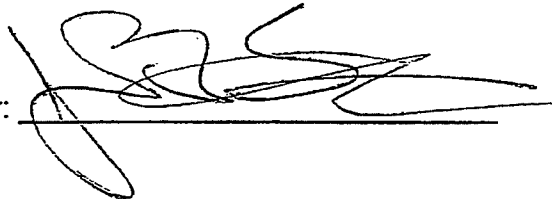
2. All other provisions of the Employment Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Third Amendment to Employment Agreement on the date first written above.

CITY
City of Carpinteria

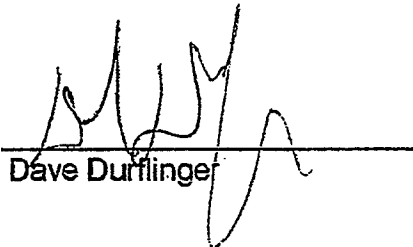
EMPLOYEE

By: _____



By: _____

Dave Durflinger



**SECOND AMENDMENT TO
EMPLOYMENT AGREEMENT**

CITY MANAGER, CITY OF CARPINTERIA

THIS SECOND AMENDMENT TO EMPLOYMENT AGREEMENT ("Second Amendment") is made and entered into this 26th day of July, 2004, by and between **THE CITY OF CARPINTERIA** ("City") and **DAVE DURFLINGER** ("Employee") at Carpinteria, California, with reference to the following facts and intentions:

- A. Employee serves as City Manager for City.
- B. Based on Employee's continuing performance as City Manager, City wishes to amend the Employment Agreement to increase Employee's annual salary and deferred compensation, effective July 26, 2004, upon execution of this Second Amendment to Employment Agreement.
- C. City and Employee also wish to make a minor clerical correction to the Notice provisions of the Employment Agreement.

NOW, THEREFORE, in consideration of the above Recitals and of the mutual promises and conditions of the Employment Agreement, **IT IS AGREED** as follows:

- 1. The first sentence of Section 5a of the Employment Agreement shall be amended as follows:

Employee shall be paid at the rate of Four Thousand Three Hundred Seven Dollars and Seventy-Seven Cents (\$4,307.77) bi-weekly, which equals One Hundred Twelve Thousand, Two Dollars (\$112,002.00) per year.

- 2. Section 5c of the Employment Agreement shall be amended to read as follows:

c. **Deferred Compensation.** City will pay Deferred Compensation to the International City/County Management Association ("ICMA") in employee's name in the amount of Five Percent (5%) of employee's annual base salary annually effective July 26, 2004, with payment made each July 1st thereafter during the term of this Agreement. *

3. That portion of Section 13a of the Employment Agreement regarding notice to the City shall be amended as follows:

City: Mayor
City of Carpinteria
5775 Carpinteria Avenue
Carpinteria, CA 93013

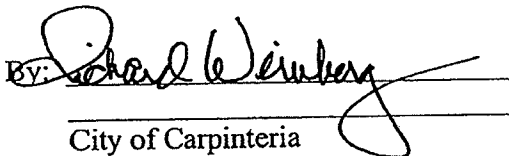
Copy to: Peter N. Brown, City Attorney
C/o Hatch & Parent
21 East Carrillo Street
Santa Barbara, CA 93101

4. All other provisions of the Employment Agreement shall remain unchanged and in full force and effect.

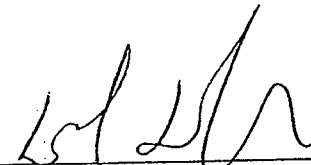
IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment to Employment Agreement on the date first written above.

CITY
CITY OF CARPINTERIA

EMPLOYEE

By: 

City of Carpinteria

By: 

DAVID DURFLINGER

FIRST AMENDMENT TO
EMPLOYMENT AGREEMENT

CITY MANAGER, CITY OF CARPINTERIA

THIS FIRST AMENDMENT TO EMPLOYMENT AGREEMENT ("First Amendment") is made and entered into this 12th day of May, 2003, by and between THE CITY OF CARPINTERIA ("City") and DAVE DURFLINGER ("Employee") at Carpinteria, California, with reference to the following facts and intentions:

- A. Employee serves as City Manager for City.
- B. Based on Employee's performance as City Manager, City increased Employee's annual salary to One Hundred Thousand Dollars (\$100,000.00) effective January 14, 2002.
- C. Based on Employee's continuing performance as City Manager, City wishes to amend the Employment Agreement to increase Employee's annual salary, effective upon execution of this First Amendment to Employment Agreement.
- D. City and Employee also wish to make a minor clerical correction to the Notice provisions of the Employment Agreement.

NOW, THEREFORE, in consideration of the above Recitals and of the mutual promises and conditions of the Employment Agreement, IT IS AGREED as follows:

- 1. The first sentence of Section 5a of the Employment Agreement shall be amended as follows:

Employee shall be paid at the rate of Four Thousand Two Hundred Thirty Dollars and Seventy-Seven Cents (\$4,230.77) bi-weekly, which equals One Hundred Ten Thousand Dollars (\$110,000.00) per year.

- 2. Section 13a of the Employment Agreement shall be amended to read as follows:

a. Notices. All notices, requests, demands and other communications under this Employment Agreement shall be in writing and shall be deemed to have been duly given on the date of service if personally served, on the first day after mailing, if mailed by Federal Express or a similar overnight delivery service, or on the second day after mailing if mailed by first-class mail, registered or certified, return receipt requested, postage prepaid and properly addressed as follows:

///

City: Mayor
City of Carpinteria
5775 Carpinteria Avenue
Carpinteria, CA 93013

Copy to: Peter N. Brown, City Attorney
C/o Hatch & Parent
21 East Carrillo Street
Santa Barbara, CA 93101

Employee: David Durlinger
4868 Dorrance Way, No. C
Carpinteria, CA 93013

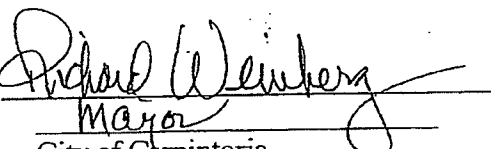
Any party may change their address for the purpose of this section by giving the other party written notice of the new address in the above manner.

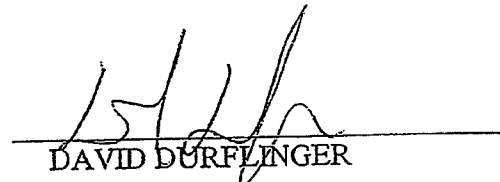
3. All other provisions of the Employment Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Employment Agreement on the date first written above.

CITY
CITY OF CARPINTERIA

EMPLOYEE

By: 
Mayor
City of Carpinteria

By: 
DAVID DURFLINGER

EMPLOYMENT AGREEMENT

CITY MANAGER FOR THE CITY OF CARPINTERIA

This Employment Agreement is made and entered into this 23rd day of July 2001, by and between the City of Carpinteria (City) and David Durlinger (Employee) at Carpinteria, California, with reference to the following facts and intentions:

- A. City desires to hire an individual for the position of City Manager;
- B. Employee represents that he is well qualified to perform the duties of City Manager of City, and will devote the necessary time, effort and energy to perform such duties; and
- C. Based upon these representations, City is desirous of employing Employee as its City Manager effective July 24, 2001 pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the above recitals and of the mutual promises and conditions of this Agreement, IT IS AGREED as follows:

1. **Employment.** City hereby employs Employee and Employee hereby accepts employment with City, in position of City Manager effective July 24, 2001 on the terms and conditions and for the compensation set forth in this Agreement.
2. **Scope of Duties.** As City Manager, Employee shall be the administrative head of the government of the City under the direction and control of the City Council, except as otherwise provided in Chapter 2.08 of the Carpinteria Municipal Code. The powers, duties and responsibilities of Employee, as City Manager, are set forth and described in the Carpinteria Municipal Code, including but not limited to Chapter 2.08 of the Municipal Code. Employee shall perform his obligations and responsibilities as City Manager diligently within the time parameters indicated by the City Council, applying the highest degree of professionalism, integrity and management to every aspect of his obligations.
3. **Employment At-Will.** As City Manager, Employee serves at the pleasure of the City Council. In the event City seeks to terminate Employee's employment as City Manager, Employee shall have the hearing rights set forth in Section 2.08 of the Carpinteria Municipal Code.
4. **Pay Practices.** Employee shall be paid in the same manner as management personnel of City.
5. **Compensation.** For the services to be provided pursuant to this Agreement, Employee shall receive the following compensation, subject to appropriate tax and governmental deductions:

a. **Salary.** Employee shall be paid at the rate of three thousand three hundred sixty-five dollars and thirty-nine cents (\$3,365.39) biweekly, which equals eighty-seven thousand five hundred dollars (\$87,500) per year. Effective the first pay period after July 1 of each year, Employee shall have his base wage increased by a percentage change equal to the highest positive rate of change, March to March, of the average Consumer Price Index (CPI) All Urban Wage Earners and Clerical Workers, as issued by the U.S. Department of Labor for the Los Angeles-Riverside-Orange County, California area. Employee, as an executive employee, is exempt from overtime payments and entitlements under state and federal laws.

b. **SDI/FICA Medicare Reimbursement.** City will reimburse Employee for payroll deductions made on base salary for State Disability Insurance (SDI) and FICA Medicare Tax. Such reimbursement will be equal to Employee's annual cost for SDI and FICA Medicare Tax, will be pro-rated over the twenty-six (26) payroll periods and paid to Employee on the regular biweekly payroll check.

c. **Deferred Compensation.** City will pay deferred compensation to the International City/County Management Association (ICMA) deferred compensation plan in Employee's name in the amount of two thousand five hundred dollars (\$2,500) annually beginning July 1, 2002 and each July 1 thereafter during the term of this Agreement.

d. **Flexible Benefit Program (Wellness) Allowance.** Employee will be enrolled in a flexible benefit program, and credited with a flexible benefit program allowance of one thousand one hundred sixty-two dollars (\$1,162.00). This allowance may be utilized in a manner consistent with the provisions applicable to management personnel of the City, and will be increased by the amount of any increase in the allowance granted management personnel.

6. **Benefits.** In addition to the compensation listed in Section 5 above, Employee shall receive the benefits listed below.

a. **Medical and Dental Insurance.** City shall provide, at City's sole expense, medical and dental coverage for Employee and Employee's dependents. Coverage shall be provided under the then current plan available to management personnel of City and is subject to change on the same basis as applicable to management personnel.

b. **Leave Bank.** Employee shall be granted a leave bank of thirty-four (34) days, which will be granted to Employee on the effective date of this Agreement (adjusted by any leave bank allowance granted Employee this fiscal year) and at the beginning of each fiscal year thereafter. Employee shall have the same leave bank cash-out options, leave accumulation rights and treatment of accrued leave upon termination as granted management personnel of City.

c. **Holidays.** The schedule of holidays applicable to Employee shall be the same schedule as applicable to management personnel of City.

d. **Retirement.** City is a member of the Public Employees Retirement System (PERS) for the purpose of employee retirement benefits. Employee shall be eligible for coverage

under PERS as provided under the existing contract between PERS and the City, and any subsequent amendments thereto, with City paying both the employer and Employee contributions to PERS. In addition, the City shall report the value of one-hundred percent (100%) of the Employer Paid Member Normal Contribution (EPMNC) on earned compensation as special compensation for Employee, as provided by Resolution Number 4216.

e. **Life Insurance.** City will purchase and maintain a term life insurance policy for Employee with a face value of one hundred fifty thousand dollars (\$150,000) throughout the term of Employee's employment with City. If Employee retires with twenty (20) years or more of continuous service with City and is enrolled in City's group life insurance program at the time of retirement, Employee may continue to be covered, at City sole expense, for a ten thousand dollar (\$10,000) life benefit. Such extended coverage will not include AD&D benefits.

f. **Short-Term/Long Term Disability Program.** City will provide Employee, at City's sole expense, additional short-term disability coverage to integrate with SDI for a weekly benefit of sixty percent (60%) of covered earnings and a long-term disability program to provide a monthly benefit of sixty-six and two-thirds percent (66 2/3%) of covered earnings.

g. **Other Leave Time.** Employee shall be eligible for advance of leave time for catastrophic events, family care leave and disability leave on the same terms as applicable to management personnel of City, except any authorizations required for these benefits must issue from the City Council.

h. **Fitness Program.** If Employee chooses to enroll in a physical fitness program at The Firm Athletic Club in Carpinteria, City shall pay eighty percent (80%) of the cost of such enrollment.

i. **Annual Physical.** City shall provide Employee the opportunity for an annual physical examination, with City paying for any costs not paid by Employee's health insurance.

7. **Use of Vehicle.**

a. **City's Obligations.** City shall provide Employee a vehicle to be used in connection with the performance of his duties under the terms of this Agreement. City shall further pay for the cost of maintenance, repair and gasoline, and provide vehicle liability insurance for this vehicle.

b. **Employee's Obligations.** Employee shall operate the City-provided vehicle in a safe manner, and shall maintain a valid California automobile driver's license during the term of this Agreement.

c. **Out of Area Use.** While Employee is entitled to use the City provided vehicle for personal use within the Carpinteria/Santa Barbara area, Employee shall be entitled to drive the City provided vehicle out of the local area on City business only.

8. Reimbursable Expenses.

a. General. Expenses incurred by Employee in the performance of his duties under the terms of this Agreement shall be reimbursed to Employee by City, but these reimbursable expenses shall be limited to those reasonable and necessary for the performance of Employee's duties under this Agreement. Such expenses shall be submitted to the City Council for approval and reimbursement upon such forms and with receipts and other expense records as may be reasonably required by the City Council.

b. Memberships. City will pay the membership costs and fees for Employee to join and maintain membership in the International City/County Management Association (ICMA) and such other associations as the City Council may deem appropriate.

c. Conferences. City will reimburse Employee for reasonable travel and meeting expenses incurred by Employee to attend the annual League of California Cities Conference, annual League of California City Managers meeting, annual ICMA conference, and such other travel and/or meetings as are approved by the City Council. Employee shall provide receipts and other expense records as may reasonably be requested by the City Council as a condition for expenses to be reimbursed under this subsection.

d. Professional Development. The City agrees that all direct costs of all training or instruction required by the City relating to the performance of Employee's duties as City Manager shall be paid for by the City. Charges for tuition, books and supplies for educational courses not required by the City but directly related to Employee's performance of his duties as City Manager, and having the prior written approval of the City's Mayor, will be reimbursed to employee upon presentation of satisfactory completion of such training.

9. Housing Assistance. City is in the process of developing a program for housing assistance for employees holding the position of City Manager. It is City's intention to meet with Employee regarding the provisions of this housing assistance program, and attempt to implement this program within the first year of this Agreement.

10. Annual Reviews. The City Council will attempt to review Employee's performance on an annual basis. All compensation and benefits provided under this Agreement may be discussed by the parties as part of the performance review process.

11. Conflict of Interest. Employee represents and warrants to City that he presently has no interest or employment, and covenants that he will not acquire any interests or employment, direct or indirect, for financial gain or otherwise, which would conflict in any manner or interfere with the performance of services required to be performed under this Agreement.

12. Severance Pay.

a. General. In the event Employee's employment is terminated by City other than for cause, as defined in subsection "b" below, Employee shall be entitled severance pay in an amount equal to six (6) months of pay at his then existing regular rate of pay.

b. **Termination for Cause.** Cause for termination is any of the following:

(1) Employee's willful or intentional failure or refusal to perform his duties and responsibilities consistent with his obligations under this Agreement, or to comply with lawful written directives issued by the City Council pertaining to performance of Employee's job duties and responsibilities.

(2) Employee is convicted of a felony or any crime involving moral turpitude, provided that Employee may be placed on administrative leave without pay should he be charged with a felony or any crime involving moral turpitude.

(3) Employee is determined by a civil court of competent jurisdiction to be liable for damages for dishonesty or fraud.

(4) Employee is determined to have engaged in unlawful discrimination or harassment of City employees or any third party in connection with the performance of his duties under this Agreement.

(5) Employees fails to report to work without notice to City and/or without authorization from the City Council for three (3) consecutive days, except if Employee's failure to comply with this subsection is due to emergency circumstances beyond Employee's control.

City and Employee acknowledge and agree that nothing contained in this section is intended to alter the at-will status of Employee's employment with City and set forth in section 3 above.

13. **General Provisions.**

a. **Notices.** All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if personally served, on the first day after mailing, if mailed by Federal Express or a similar overnight delivery service, or on the second day after mailing if mailed by first-class mail, registered or certified, return receipt requested, postage prepaid and properly addressed as follows:

City: Gary Nielsen, Mayor
City of Carpinteria
5775 Carpinteria Avenue
Carpinteria, CA 93013

With copy to: Peter N. Brown, City Attorney
c/o Hatch and Parent
21 East Carrillo Street
Santa Barbara, CA 93101

Employee: David Durflinger
P.O. Box 1283
2176 Ortega Hill Road
Summerland, CA 93067

Any party may change their address for the purpose of this section by giving the other party written notice of the new address in the above manner.

b. **Waiver.** No waiver of a provision of this Agreement shall constitute a waiver of any other provision, whether or not similar. No waiver shall constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

c. **Construction of Terms.** All parts of this Agreement shall in all cases be construed according to their plain meaning and shall not be construed in favor or against either of the parties. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, in whole or in part, the remainder of this Agreement shall remain in full force and effect and shall not be affected, impaired or invalidated thereby. In the event of such invalidity, voidness or unenforceability, the parties hereto agree to enter into supplement agreements to effectuate the intent of the parties and the purposes of this Agreement.

d. **Controlling Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of California, with venue proper only in the County of Santa Barbara, State of California.

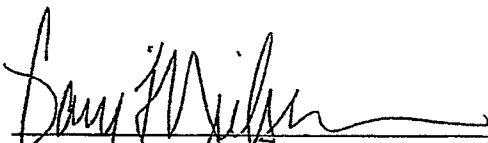
e. **Entire Agreement and Amendment.** In conjunction with the matters considered herein, this Agreement contains the entire understanding and agreement of the parties and there have been no promises, representations, agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means. Each party waives their future right to claim, contest or assert that this Agreement was modified, cancelled, superseded or changed by any oral agreement, course of conduct, waiver or estoppel.

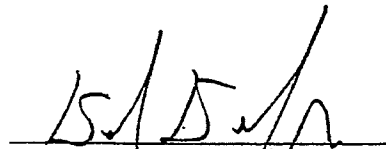
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

CITY
CITY OF CARPINTERIA

EMPLOYEE

By:


Gary Nielsen, Mayor
City of Carpinteria


DAVID DURFLINGER