EMPLOYMENT AGREEMENT
BETWEEN THE CITY OF GRASS VALLEY AND
ALEXANDER GAMMELGARD

THIS EMPLOYMENT AGREEMENT ("Agreement") is between the CITY OF GRASS VALLEY ("City") and ALEXANDER GAMMELGARD ("Employee") and is dated for convenience this 22nd day of September, 2026.

RECITALS

A. City desires to employ Alexander Gammelgard as City Manager of the City of Grass Valley. Alexander Gammelgard desires to serve as City Manager of the City of Grass Valley, beginning September 22, 2026.

B. Alexander Gammelgard represents that he is qualified to perform the duties and services of the position of City Manager and is agreeable to filling the position.

C. The City Council as appointing power, and Alexander Gammelgard, desire to agree in writing to the terms and conditions of Alexander Gammelgard's employment as City Manager.

AGREEMENT

1. Duties and Scope of Services

1.1 City agrees to employ Employee as City Manager of the City of Grass Valley to perform the functions and duties specified by State law, the Grass Valley City Charter, the Grass Valley Municipal Code, and by formal direction of the City Council. Under the terms and conditions of this Agreement, Employee shall personally provide all the services and duties ordinarily performed by the City Manager for the City under the direction and control of the City Council and as set forth in the Grass Valley City Charter and Municipal Code. Employee has the authority to interview, hire and fire employees, perform his duties and direct the workforce subject to the specific limitations set forth in the Grass Valley City Charter and Municipal Code, the City's personnel rules and regulations, Administrative Policies, and applicable laws.

1.2 Employee shall perform his duties to the best of his ability in accordance with the highest professional, competency, integrity, and ethical standards of the profession and shall comply with all general rules and regulations established by the City.

1.3 Employee shall not engage in any activity which is, or may become, a conflict of interest, prohibited contract, or which may create an incompatibility of office as defined under California law. Prior to performing any services under this Agreement and annually thereafter, the Employee must complete disclosure forms required by law. However, Employee may engage in charitable endeavors not involving employment or activities related to the business of the City so long as such outside activities do not interfere with Employee's duties under this Agreement.

1.4 *Outside Engagements*.

1.4.1 Employee may engage in outside business ventures, passive and active investments, teaching, speaking, writing, and compensated or uncompensated service on corporate, advisory, charitable, or professional boards, provided that: (i) such activities do not materially interfere with the performance of Employee's duties; (ii) such activities do not create an actual conflict of interest under applicable law; and (iii) Employee provides reasonable advance written notice to the City Council of any compensated board service or outside employment.

1.4.2 City Council approval shall not be required for passive investments, personal investments not involving City counterparties, or uncompensated nonprofit/charitable activities. For any activity or other employment that may reasonably present a conflict or interfere with the performance of Employee's duties, Employee will seek discretionary written approval in advance from the City Council, which shall not be unreasonably withheld, conditioned, or delayed.

1.5 To ensure that Employee can effectively carry out his duties in a professional and forthright manner and implement the policies of the City Council impartially and equitably, the City Council and its members agree to the following:

1.5.1 to spend time each year to work with Employee and staff on setting goals and priorities for the City government, and

1.5.2 to work collectively on issues that may arise that inhibit the maximal achievement of City goals.

1.6 Employee is an FLSA-exempt employee and is expected to engage in those hours of work that are necessary to fulfill the obligations of his position. Employee does not have set hours of work as Employee is expected to be available at all times. Employee shall not be entitled to additional compensation for hours in excess of eight (8) hours per day and/or forty (40) hours per week. "Available at all times" shall mean reasonable professional availability appropriate to the position, including for City Council, committee, and commission meetings as appropriate and as requested by City Council, emergencies, and critical incidents, and shall not be construed to include set office hours.

1.7 City recognizes the importance of work-life balance. City and Employee acknowledge that the duties of the position require a flexible work schedule, including attendance at meetings, community events, emergencies, and other activities outside the City's customary business hours. Employee shall devote such time and effort as is reasonably necessary to faithfully perform the duties of the position. Employee shall have discretion to manage Employee's daily and weekly work schedule, including the appropriate balance of on-site and off-site work.

2. Term

2.1 The term of this Agreement shall be for six (6) years commencing on September 22, 2026 (the "Effective Date"), unless terminated by either party in accordance with the provisions set forth in Section 3 or until terminated by the event of the death or permanent disability of Employee, where such permanent disability renders Employee unable to perform his duties with or without a reasonable accommodation. The term may be extended or revised by mutual, written agreement of the parties. As consideration for the annual opportunity to be considered for increased compensation pursuant to sub-section 5.3., Employee specifically waives any right to an indefinite appointment under Grass Valley Municipal Code section 2.05.030, subdivision (A).

2.2 No later than twelve (12) months prior to the expiration of this Agreement, the parties agree that they shall meet to discuss the renewal of the Agreement, and the City Council within thirty (30) days of such meeting shall notify Employee in writing ("Notice re Extension") of its decision to extend or not extend the term of the Agreement. If the City Council states that it desires to extend or renew the term of this Agreement, it shall do so conditionally, stating that any such extension or renewal shall be subject to the parties reaching agreement on the terms and conditions of any such extension or renewal, and inviting Employee to discuss any such terms and conditions with the Mayor as soon as practicable, with the objective of reaching an agreement, if one can be reached, within sixty (60) days after the Council delivers its Notice re Extension to Employee stating the Council's desire to extend the term. If no such agreement can be timely reached, then this Agreement shall expire at the end of its term.

2.2.1 The City Council's determination to not extend this Agreement shall not entitle Employee to severance pursuant to this Agreement.

2.2.2 Should the City Council terminate this Agreement pursuant to Section 3.4 after the Employee is given the Notice re Extension extending the Agreement, Employee shall be entitled to severance pursuant to Section 4.

2.2.3 Should the City Council fail to notify the Employee of its intent to not extend or extend the Agreement pursuant to the provisions of this Section, this Agreement shall be automatically extended for one (1) additional year beyond the termination date.

3. Resignation and Termination

3.1 *Resignation*. Employee may resign at any time and agrees to give City Council at least ninety (90) days informal notice and thirty (30) days thereafter, sixty (60) days formal advance written notice, unless otherwise agreed in writing by the parties. Upon resignation, Employee shall be entitled to accrued Base Salary, personal/vacation and banked sick leave pay, and any other accrued and unused benefit allowances.

3.2 *Retirement*. If Employee retires from full time public service with City, Employee shall provide six (6) months advance notice. The Employee's actual retirement date will be mutually established. Upon retirement, Employee shall be entitled to accrued Base Salary, personal/vacation and banked sick leave pay, and any other accrued and unused benefit allowances.

3.3 *At Will Employment*. The parties recognize and affirm that: (i) Employee is an "at will" Employee whose employment may be terminated by the City without cause; and (ii) there is no express or implied promise to Employee for any form of continued employment. This Agreement is the sole and exclusive basis for an employment relationship between Employee and City.

3.4 *Termination Without Cause*. The City Council may at any time terminate Employee upon ninety (90) days advance written notice without cause. The City Council may place Employee on paid administrative leave for said ninety-day (90) day period, at the conclusion of which Employee's employment under this Agreement shall terminate. During any such period of paid administrative leave, Employee shall not be entitled to Business and Professional Development Expenses under Section 6 of this Agreement, nor shall Employee accrue any new leaves. Upon termination, Employee shall be entitled to accrued Base Salary, personal/vacation and banked sick leave pay, and any other accrued and unused benefit allowances as well as any Severance pay he is entitled to under and in compliance with Section 4 of this Agreement.

3.5 *Termination With Cause*. If City terminates this Agreement (thereby terminating Employee's employment) with Cause, as determined by the City Council at a Regular or Special Meeting of the City Council, Employee shall not be entitled to any additional compensation or payment, including Severance as described in Section 4 below, but shall be entitled only to accrued Base Salary, personal/vacation and banked sick leave pay, and any other accrued and unused benefit allowances according to their terms. As used in this Agreement, Cause shall only mean any of the following:

3.5.1 use of alcohol or drugs that impedes performance of duties;

3.5.2 conviction of a felony or misdemeanor involving moral turpitude (a plea or verdict of guilty or a conviction following a plea of *nolo contendere* is deemed a conviction for this purpose);

3.5.3 a proven claim of either sexual harassment or abuse of employees in violation of law or adopted City policy;

3.5.4 willful and repeated failure to carry out the lawful directives or policy decisions of the City Council;

3.5.5 willful abandonment of the position or continued and unexcused absence from duty; or

3.5.6 Employee's death or permanent disability, where such permanent disability renders Employee unable to perform his duties with or without a reasonable accommodation.

3.6 *Election Window*. During a period of ninety days immediately following any change in the composition of the City Council, by election or appointment (the "First Ninety Days"), the City Council shall take no action whether immediate or prospective, to remove Employee from office with or without cause. During the ninety-day period immediately following the expiration of the First Ninety Days, the City Council shall take no action, whether immediate or prospective, to remove Employee from office without cause. Employee shall at all times serve at the pleasure of the City Council and, subject to the provisions of this section, may be removed from office at any time, other than as described in this section, by three affirmative votes of City Councilmembers, with or without cause.

4. Severance Pay

4.1 If the City Council terminates Employee by giving Employee the 90-day notice of termination specified in Section 3.4, and if Employee signs, delivers to the City Council, and does not revoke, the General Release Agreement ("Release Agreement") in the form attached hereto as **Exhibit A**, then the City agrees to pay Employee a cash payment equal to twelve (12) months' aggregate salary, based on Employee's Base Salary in effect on the date of termination. Provided, however, that in no event shall such payment be in an amount greater than Employee's monthly salary multiplied by the number of months left on the unexpired term of the contract as required under Government Code section 53260. This cash payment may be paid (after required deductions and withholdings), at the option of the Employee, in: (i) lump sum upon the date of termination; (ii) lump sum on January 1 of the calendar year following termination, (iii) three (3) equal monthly installments, or (iv) in bi-weekly payments in accordance with the City's established payroll via direct deposit for the length of the severance period. Employee shall provide the City written notice of his payment election prior to the effective date of the Release Agreement.

4.2 In addition to the Severance payment described above, for twelve (12) months following termination without cause, the City shall continue Employee's medical, dental, and vision coverage (for Employee and eligible dependents) at the same coverage level and City contribution as under Section 7.1 immediately prior to termination. If continued participation in the City's group plans is not permitted, the City shall instead pay the full cost of COBRA or Cal-COBRA continuation coverage for that period. If such coverage is also unavailable, the City shall reimburse Employee for the cost of comparable coverage, provided that such reimbursement shall not exceed the amount of the City's contribution toward such coverage under Section 7.1 immediately prior to termination. The City's obligation under this Section 4.2 ends immediately upon Employee's eligibility for coverage through a new employer, regardless of enrollment; Employee must notify the City in writing within fourteen (14) days of such eligibility.

4.3 Such payments by the City pursuant to Sections 4.1 and 4.2 will release the City from any further obligations or liabilities under this Agreement. Notwithstanding the foregoing to the contrary, the Employee shall not be entitled to be paid severance pay in the event: (a) this Agreement expires and is not renewed, or (b) Employee's employment is terminated due to his death or permanent disability, where such permanent disability renders Employee unable to perform his duties with or without a reasonable accommodation.

5. Salary

5.1 City agrees to pay Employee a base salary of Two Hundred Seventy-Nine Thousand, Five Hundred Dollars ($279,500.00) in salary per annum for his services ("Base Salary"), payable in installments at the same time as other employees of the City are paid and subject to customary withholding.

5.2 The salary compensation provided in this Section shall not be decreased unless the same percentage decrease is applied to all management employees.

5.3 The City Council agrees to annually consider equity and/or merit increases in Employee's Base Salary and/or other benefits of Employee in such amounts and to such extent as the City Council in its sole discretion after consultation with Employee may determine is justified based upon an annual performance review of Employee and City budget.

5.4 Unless otherwise negotiated by the City and Employee, the Employee shall receive the same Cost-of-Living Adjustments (COLAs) and one-time off-schedule payments made to each City Department Head. In the event City Department Heads do not receive a COLA or one-time off-schedule payment in any fiscal year, the City Council shall consider any other incentive compensation or benefit adjustments granted City Department Heads in the prior fiscal year when considering equity and/or merit increases in Employee's Base Salary and/or other benefits under Section 5.3.

6. Business and Professional Development Expenses

6.1 City shall pay for or provide Employee reimbursement of all actual business expenses incurred in the performance of his duties under this Agreement. Without prior written approval from the City Council, Employee shall not incur business expenses in excess of the amount annually budgeted and approved by the City Council for this item. Employee shall provide written documentation verifying the incurring of each expense as required under the adopted administrative policies of the City. The expense documentation shall be maintained by the City in accordance with its records retention policies. Notwithstanding the foregoing, mileage shall not be reimbursed to Employee.

6.2 The City recognizes that certain general expenses, dues, memberships, subscriptions, travel and subsistence expenses are reasonably incurred by the Employee in the performance of job-related activities, functions, meetings, professional development and professional conferences such as the annual International City Managers' Association, California City Management Foundation, League of California Cities, Cal Cities' City Manager's Department, and Cal Cities' Division meetings among other professional conferences and trainings. The City agrees to budget and pay for or reimburse the Employee for these expenses; provided, however, that the amount paid shall be limited by the amount the City Council budgets for such expenditures.

6.3 The City agrees to reimburse Employee for expenses related to educational courses, short courses, executive coaching, seminars, and institutes that will benefit the City and improve the Employee's professional abilities; provided, however, that the amount paid shall be limited by the amount the City Council budgets for such expenditures.

7. Supplemental Benefits

7.1 *Health Coverage*. City shall pay the full premium for health insurance for Employee, including his dependents, for health coverage (medical, dental, and vision) benefit options as provided to other executive employees. Employee may opt to decline health coverage, and in exchange, Employee shall receive, as taxable income, payment in-lieu of benefits equal to two hundred fifty dollars ($250) per month less the costs of any elected dental or vision insurance per month. If Employee opts to decline health coverage, he must produce evidence of insurance through another source. Any payment due Employee for opting to decline health coverage shall be paid in a lump sum once per month and shall be considered taxable compensation; however, such compensation is not pensionable.

7.2 *Retirement*. City shall provide Employee with enrollment in the California Public Employees' Retirement System ("CalPERS") as a "Classic Member." City shall pay the employer share of the CalPERS contribution required by law, and Employee shall pay the full member contribution required by CalPERS.

7.3 *Supplemental Defined Contribution Benefit*. City shall contribute an amount equal to eight percent (8%) of Employee's Base Salary via bi-weekly payroll, to an employer-sponsored qualified retirement plan established pursuant to Internal Revenue Code section 401(a). All contributions made on behalf of Employee shall vest upon the City's contribution, and the City's obligation to make such contributions shall cease upon Employee's separation from active employment with the City for any reason. Employee's right to access amounts contributed to the 401(a) plan shall be governed exclusively by the terms of the plan and applicable law. If any provision of the 401(a) Plan or this Section 7.3 must be amended to remain compliant with applicable law, the City and Employee shall cooperate in good faith to implement such amendment while preserving, to the greatest extent permissible, the economic value of the benefit provided by this Section.

7.4 *Life Insurance.* The City shall provide term Life insurance benefits for the Employee, without cost to the Employee, of 1.5 times their annual salary up to two hundred thousand dollars ($200,000) for the Employee, five thousand dollars ($5,000) for the Employee's spouse and fifteen hundred dollars ($1,500) for eligible dependent children without cost to the employee as provided to other executive employees.

7.5 *Short Term/Long Term Disability Insurance.*

7.5.1 Short Term – There is no short-term disability coverage however employee may elect to pay into State Disability Insurance (SDI) at no cost to the City, or they may use any leave bank to cover short term disability exceeding 10 workdays and with a doctor's note.

7.5.2 Long Term - The City shall provide without cost to the Employee an income protection insurance program that shall insure an Employee's income to a maximum of sixty-six and two thirds percent (66 2/3%) of monthly earnings with a ceiling of six thousand dollars ($6,000) in calculated base. Conditions of coverage shall be controlled by the master agreement with the insurance company.

7.6 *Employee Assistance Program.* The City has an established Employee Assistance Program. This program provides confidential counseling help for employees and their families. The Employee Assistance program provides for up to 3 visits.

7.7 *Retiree Health Plan Benefit.* Employee becomes subject to this Retiree Health Plan Benefit when he completes at least twenty (20) years of service with the City of Grass Valley and shall earn the retiree health plan benefit described in and subject to the limitations of this Section.

7.7.1 Employee, upon completing at least twenty (20) years of City service, shall be entitled to the retiree health plan benefit, and upon completing at least twenty-five (25) years of City service, shall be eligible for an enhanced retiree health plan benefit, as provided below. In addition to the years of service, Employee is only eligible for this benefit if he retires from the City in good standing or is terminated without cause by the City Council during the term of this Agreement or any mutually-agreed extensions. The benefit provided hereunder shall become payable when the Employee begins receiving a retirement allowance from CalPERS, subject to the terms and conditions of this Section.

7.7.2 Twenty (20) years of service

(a) The City shall contribute toward the cost of medical coverage selected by the Employee only under a CalPERS medical insurance plan. The maximum monthly City contribution shall be $500 per month, until such time as Employee becomes eligible to receive Medicare or is hired and has healthcare coverage available from the new employment.

(b) The City shall pay the applicable statutory administrative fee associated with the Employee's CalPERS health coverage, to the extent permitted by applicable law and CalPERS rules.

(c) The City may administer this payment via a qualified Retiree-Only HRA subject to Section 7.6.10.

7.7.3 Twenty-Five (25) years of service

(a) The City shall contribute toward the cost of medical coverage selected by the Employee under either a CalPERS or non-CalPERS medical insurance plan. The maximum monthly City contribution shall be equal to fifty percent (50%) of the lowest cost available CalPERS plan as listed on the annual Region 1 Premiums Per Subscriber Per Month (PSPM) document for "2-Party" coverage as published by CalPERS each year, effective January 1 of each calendar year after publishing of the PSPM.

(b) If Employee elects CalPERS health coverage, the City shall pay the applicable statutory administrative fee associated with the Employee's CalPERS health coverage, to the extent permitted by applicable law and CalPERS rules.

(c) The City may administer this payment via a qualified Retiree-Only HRA subject to Section 7.6.10.

7.7.4 The City's contribution shall not exceed the actual premium for the coverage selected by the Employee. The Employee shall be responsible for all premiums and other costs exceeding the City's contribution.

7.7.5 The Employee may elect coverage for Employee plus one or additional eligible dependents, subject to applicable plan eligibility requirements. Any additional premium attributable to coverage beyond the benefit level funded by the City shall be paid by the Employee.

7.7.6 If the premium for the health plan selected by the Employee is less than the City's maximum contribution, the Employee shall not be entitled to receive the difference in cash or any other form of compensation.

7.7.7 The benefit provided under this Section is a retiree health plan benefit earned through qualifying service with the City and is intended to supersede the previous retiree health plan benefit for which Employee was eligible. It is not severance pay, a termination payment, or consideration for a release of claims, and it shall not be increased, accelerated, or otherwise converted into a cash payment as a result of termination of employment.

7.7.8 Effect of Termination Agreements

(a) Nothing in this Section shall be construed to authorize or require the City to provide health benefits as part of a cash or noncash settlement governed by Government Code sections 53260 and 53261 in excess of the limitations imposed by those statutes. Any severance, settlement, or termination agreement shall remain subject to all applicable statutory limitations.

(b) To the extent an Employee is eligible for a retiree health plan benefit under this Section independently of a termination or settlement agreement, the Employee's retiree health plan benefit shall be administered pursuant to this Section and the applicable retiree health plan documents, and shall not be characterized as severance or settlement consideration.

7.7.9 Within six (6) months of the Effective Date, the City Council agrees to consider a proposal to establish a Standalone Retiree-Only Health Reimbursement Arrangement ("Retiree HRA") for the sole benefit of the Employee or any other relevant classifications of employees, in accordance with Internal Revenue Code Section 105 and 106 and applicable IRS regulations. Any agreement by the parties to provide a Retiree HRA benefit to Employee shall require a separate written agreement or amendment hereto.

7.8 *Deferred Compensation*. City shall provide Employee with a deferred compensation plan. A City contribution equal to the annual IRC 402(g) limit (including "age 50+ catch up" provisions as may be applicable) as adjusted each calendar year, shall be deposited into the deferred compensation plan of the Employee's choice via bi-weekly payroll. In the event this agreement terminates or is not renewed, Employee shall be entitled to retain the amount of deferred compensation accumulated as of the date of termination or non-renewal.

7.9 *Community Events*. Employee shall receive an annual stipend of $1,000 for attending community events.

7.10 *Cellphone Allowance*. The City recognizes that the job duties of the City Manager require the use of a cell phone and/or data services. This is a necessary expense for the efficient operation of the City and other communication options are not sufficient, less efficient, or more costly to meet City needs. Based on the defined business need, the City Manager shall be eligible for an allowance of $60.00 for a voice/text/data plan per pay period. In no event may the allowance exceed the contract price. It is expected that the allowance will not cover the full cost of the cellular service contract and not be subject to payroll taxes, but the parties agree to comply with applicable tax laws.

7.11 *Automobile Allowance*. Recognizing that the City Manager's normal duties require frequent use of his automobile, City Manager shall be entitled to $440 per pay period as an automobile allowance. This allowance is in lieu of mileage reimbursement or other expenses that may be incurred by City Manager in connection with his use of his own automobile for City purposes. In consideration for this allowance, City Manager shall be responsible for all costs of maintenance and operation of his vehicle. City Manager shall at all times maintain automobile liability insurance on any vehicle used by him in the course of City employment. Such insurance shall have coverage limits acceptable in form and amounts to City. City Manager shall provide a certificate or other evidence of such insurance to City. City Manager acknowledges that this allowance will be subject to payroll taxes unless he maintains the records required by law to permit other treatment of this allowance.

8. Leave Benefits

8.1 *Personal Leave*. Employee shall accrue 328 hours of Personal Leave per year, in addition to recognized City holidays. One twenty-sixth (1/26) of such Personal Leave amount shall accrue each pay period (12.62 hours). Employee may not carry a balance of more than 520 hours of his Personal Leave. When Employee has accumulated 520 hours of Personal Leave he will accrue no further Personal Leave until he has Personal Leave in an amount sufficient to bring his accumulated Personal Leave balance below 520 hours. Employee may convert up to 160 hours of accrued Personal Leave to salary compensation once each year upon City Council's prior budget approval and consistent with Internal Revenue Service rules governing constructive receipt. Personal Leave conversion of a maximum of 160 hours to salary must be submitted by December 20th of each year. 100% of Personal Leave hours in excess of the maximum accrual amount may be converted to banked PERS service credit in accordance with CalPERS regulations. Personal Leave time cashed out pursuant to this provision shall be subtracted from the accumulated Personal Leave balances when paid.

8.2 *Sick Leave Bank*. The Parties acknowledge that Employee has a sick leave bank accrued based on his participation in the City compensation and benefits plan prior to March 2016. Those hours of leave were placed in a Banked Sick Leave bank account to be utilized by the Employee, or paid out upon separation from service as set forth herein, or converted to banked PERS service credit in accordance with CalPERS regulations.

8.3 *Holidays*. Employee shall be entitled to the twelve (12) paid holidays as listed below:

8.3.1 New Year's Day

8.3.2 Martin Luther King Day

8.3.3 Presidents Day

8.3.4 Memorial Day

8.3.5 July 4th

8.3.6 Labor Day

8.3.7 Veterans Day

8.3.8 Thanksgiving Day

8.3.9 The Day After Thanksgiving

8.3.10 Christmas Eve

8.3.11 Christmas Day

8.3.12 New Year's Eve

A paid holiday is equivalent to eight hours, for a total of 96 hours per year. Holiday hours are accrued outside of Personal Leave, must be used within the calendar year accrued. Unused holiday hours may not be carried over into any subsequent calendar year or "cashed out."

9. Indemnification

9.1 The City shall defend, hold harmless, and indemnify Employee against any tort, professional liability claim, or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Employee's duties as City Manager. The City may compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon. This indemnification shall extend beyond termination or separation of employment, and the expiration of this Agreement, to provide full and complete protection to Employee, by the City, as described herein, for any acts undertaken or committed in Employee's performance of his duties as City Manager, regardless of whether the notice or filing of a lawsuit for such tort, claim, demand, or other legal action occurs during or following Employee's employment with City.

9.2 In the event the Employee shall serve as the chief executive of other City related legal entities, then each provision of this Section shall be equally applicable to each City related legal entity as though set forth in an indemnity Agreement between the Employee and that legal entity. The City hereby guarantees the performance of this indemnity obligation by the City related legal entity, and shall indemnify and hold the Employee harmless against any failure or refusal by City related legal entity to perform its obligations under this Section.

9.3 Notwithstanding the foregoing, the City may, but shall not be required to, indemnify and/or defend the Employee under the circumstances described and conditions set forth in Government Code sections 995.2, 995.4, 995.6, 995.8 and 995.9. Additionally, notwithstanding the foregoing, this Agreement shall not be deemed or construed to constitute a waiver of the rights the City possess under Government Code sections 825 and 818.

10. Performance Evaluation

The City Council shall evaluate City Manager's performance at least once annually, at which time adjustments to compensation may be considered pursuant to Section 5.3 of this Agreement. The City Council and City Manager shall annually develop mutually agreeable performance goals and criteria which the City Council shall use in reviewing City Manager's performance in the following year. It shall be City Manager's responsibility to initiate this review each year. City Manager will be afforded an adequate opportunity to discuss each evaluation with the City Council. A facilitated performance evaluation, paid for by the City, may be conducted upon the mutual agreement of the City Manager and the City Council.

11. Other Terms and Conditions of Employment

The City Council, by resolution, shall fix any other terms and conditions of employment, as it may determine from time to time, relating to the performance of Employee, provided such terms and conditions are not inconsistent with provisions of this Agreement or law.

12. Notices

Any notices required by this Agreement shall be in writing and either given in person or by first class mail with the postage prepaid to the addresses provided below, with a courtesy copy sent via email on the same date such notice is delivered or mailed:

TO CITY:

City Council
Attn: Mayor
City of Grass Valley
125 E. Main Street
Grass Valley, CA 95945
Email: hilaryh@grassvalleyca.gov or the email address shown in the records of the City for the Mayor

With a courtesy copy to the City Attorney at the following address or the address then shown in the records of the City for the City Attorney:

David J. Ruderman, Esq.
Grass Valley City Attorney
Colantuono, Highsmith & Whatley, PC
420 Sierra College Drive, Suite 140
Grass Valley, CA 95945-5091
Email: druderman@chwlaw.us

TO EMPLOYEE: Alexander Gammelgard
City Manager
City of Grass Valley
125 E. Main Street
Grass Valley, CA 95945
Email: agammelgard@grassvalleyca.gov

and

Home address and email on file with City Clerk

13. Government Code Section 53243.2

If Employee is convicted of a crime involving an abuse of his office or position, all of the following shall apply: (i) if Employee was provided with administrative leave pay pending an investigation, Employee shall be required to fully reimburse City such amounts paid; (ii) if City pays for the criminal legal defense of Employee (which would be in its sole discretion, as it is generally not obligated to pay for a criminal defense), Employee shall be required to fully reimburse City such amounts paid; and (iii) if this Agreement is terminated, any Severance pay related to the termination that Employee may receive from City shall be fully reimbursed to City or shall be void if not yet paid to Employee. For purposes of this Section, abuse of office or position means either: (a) an abuse of public authority, including waste, fraud, and violation of the law under color of authority; or (b) a crime against public justice.

14. Recitals Incorporated

The recitals set forth above are incorporated into this Agreement by this reference.

15. Waiver

The waiver of any breach of any provision hereunder by either party to this Agreement shall not be deemed to be a waiver of any other provision or subsequent breach hereunder, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party marking the waiver.

16. Construction of Terms

The language of all parts of this Agreement shall be construed according to their plain meaning and shall not be construed for or against either party. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment or exhibits hereto.

17. Severability

If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be unenforceable, void, or invalid, in whole or in part, for any reason, the remainder of this Agreement shall remain in full force and effect. In the event of such entire or partial invalidity, the parties hereto agree to enter into supplemental or other Agreements to effectuate the intent of the parties and the purpose of this Agreement.

18. 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 Nevada, State of California.

19. Entire Agreement

This Agreement constitutes the entire Agreement between the parties pertaining to the employment of Employee by the City and supersedes all prior and contemporaneous Agreements, representations, promises and understanding of the parties, whether oral or in writing. No supplement, modification or amendment of this Agreement shall be binding, unless executed in writing by all parties and this Agreement may not be altered, amended, or modified by any other means. Each party waives his/its future right to claim, contend, or assert that this Agreement was modified, canceled, superseded, or changed by any oral Agreement, course of conduct, waiver, or estoppel.

[Signatures on following page.]

This Agreement is executed on the date above stated.

CITY OF GRASS VALLEY

____
Mayor

Date: ______________________________

ALEXANDER GAMMELGARD

____

Date: ______________________________

ATTEST:

____
Taylor Whittingslow, City Clerk

APPROVED AS TO FORM:

____
David J. Ruderman, City Attorney

Exhibit A

GENERAL RELEASE AGREEMENT

This General Release Agreement ("Release Agreement") is entered into on this __ day of ________, 20___ by and between __________________________ ("Manager") and CITY OF GRASS VALLEY ("City"), in light of the following facts:

RECITALS

A. Manager's employment with City concluded on __________________________.

B. Certain disputes have arisen between City and Manager.

C. City and Manager each deny any liability whatsoever to the other.

D. City and Manager wish to fully and finally resolve any and all disputes they may have with each other.

E. Manager is hereby informed that he/she has twenty-one (21) days from receipt of this Agreement to consider it. City hereby advises Manager to consult with his/her legal counsel before signing this Agreement.

F. Manager acknowledges that for a period of seven (7) days following Manager's signing of this Agreement ("Revocation Period"), he/she may revoke the Agreement. This Agreement shall become effective and enforceable the day after the Revocation Period has expired (the "Effective Date"), unless Manager revokes as provided in Paragraph 4, below.

G. Manager acknowledges that the Salary Payment referenced in section 1 of this Release Agreement represents all compensation, including salary, accrued benefit balances and reimbursed expenses, due and payable to him/her through the date of employment termination. Manager also acknowledges that City has made this Salary Payment without regard to whether he/she signs this Agreement. The Salary Payment does not constitute consideration for this Agreement.

AGREEMENT

1. *Receipt of Salary Payment*. Manager hereby acknowledges receipt of a check or checks for all compensation owing to him/her, including salary, accrued benefit balances, and reimbursed expenses ("Salary Payment") from City.

2. *Severance*. Following Manager's signing, delivering to the City, and not revoking this Release Agreement, City shall pay Manager the gross amount as provided for in Section 4

of the Manger's Employment Agreement, less applicable deductions. Manager acknowledges that the Severance is in excess of all amounts due and owing him/her as a result of his/her employment by City.

3. *General Release* In consideration of the Severance to be paid and provided to Manager, and other good and valuable consideration, Manager, on behalf of himself, his heirs, executors, administrators, representatives, assigns and successors, hereby fully, finally, and forever discharges and releases: the City; its City Council and each and every member of the City Council, both past, present and future, individually; all City related Boards and Commissions and the present, past and future members thereof; all present, past and future elected and appointed officials and officers of the City or appointed by the City; all agents, employees, attorneys, consultants, officers, directors, (whether former or current); all successors, assigns, and insurers; (all hereafter singly and collectively referred to as "the Released Parties"), from any and all claims, charges, complaints, promises, agreements, controversies, suits, rights, costs, losses, debts, actions, grievances, judgments, obligations, damages, expenses (including any claims for attorneys' fees and costs), demands, causes of action, liability, and obligation of any kind or nature, whether known or unknown, suspected or unsuspected, anticipated and unanticipated which Manager has, owns or holds, or claims to have, own or hold, or may have, own or hold against the City and the Released Parties based upon, arising out of, or related to any matter, cause, fact, thing, act, or omission whatsoever occurring or existing at any time to and including the Effective Date of this Release Agreement (collectively, a "Claim"), where such Claim arises directly or indirectly from Manager's employment agreement(s), employment, and/or separation from the City, or any other right or claim that would not exist but-for Manager's employment with the City, except for the obligations of the City set forth in this Release Agreement, including but not limited to:

a. Any and all claims for wages, salary, paid leave, and/or benefits;

b. Any grievance or other administrative remedy deriving from any law, rule, regulation or City policy;

c. Any and all claims for wrongful or constructive discharge and/or reinstatement;

d. Any and all claims relating to any contracts, express or implied, or breach of the covenant of good faith and fair dealing, express or implied;

e. Any and all tort claims of any nature, including but not limited to fraud, deceit, misrepresentation, negligent misrepresentation, defamation, invasion of privacy, negligent or-intentional infliction of emotional distress;

f. Any and all claims of discrimination, harassment, retaliation, or failure to accommodate under Federal, State, or municipal statute or ordinance, pertaining to but not limited to race, national origin, color, age, sex, gender, sexual orientation, disability, religion, marital status, whistleblower, protected activity, or any other legally recognized protected status, and including, but not limited to, any claims under the United States Constitution, California Constitution, California Fair Employment and Housing Act, Family and Medical Leave Act, California Family Rights Act, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, 42 U.S.C. Section 1981, 42 U.S.C. Section 1983, the Americans with Disabilities Act and comparable state statutes and regulations, the Age Discrimination in Employment Act of 1967 ("ADEA"), the Older Workers' Benefit Protection Act, the California Labor Code including but not limited to Section 1102.5, any and all state and federal whistle-blower statutes and/or freedom of speech causes of action; the California and United States Constitution; the Equal Pay Act of 1963, the Equal Pay Act of 1963; the Fair Labor Standards Act ("FLSA"); the Civil Rights Act of 1866, and any other laws and regulations relating to employment and/or discrimination;

g. The California Occupational Safety and Health Act, as amended, and any applicable regulations thereunder;

h. The California Consumer Credit Reporting Agencies Act – Cal. Civ. Code § 1785 et seq;

i. California Investigative Consumer Reporting Agencies Act – Cal. Civ. Code § 1786 et seq;

j. Any other federal, state or local civil or human rights law or any other federal, state or local law, regulation or ordinance;

k. Any public policy, contract, tort, or common law; and/or

l. Any basis for recovering costs, fees or other expenses including attorneys' fees incurred in these matters.

Manager hereby waives and relinquishes all rights and benefits afforded by Section 1542 of the Civil Code of California. Manager understands and acknowledges the significance and consequences of this specific waiver of Section 1542. Section 1542 of the Civil Code of California states as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Notwithstanding the provisions of Section 1542, and for the purpose of implementing a full and complete release and discharge of City and the Released Parties, Manager expressly acknowledges that this General Release is intended to include in its effect, without limitation, all claims which he/she does not know or suspect to exist in his/her favor.

Manager further acknowledges that he/she has read this General Release and that he/she understands that this is a general release, and that he/she intends to be legally bound by the same.

With regard to Manager's waiver of rights under the ADEA and Older Workers' Benefit Protection Act only (see 29 CFR Section 1625.22), such waiver shall not be deemed to waive rights or claims that may arise after the Effective Date of this Release Agreement. Manager is waiving his/her rights to sue City and the Released Parties on any basis related to his/her age.

Notwithstanding anything herein to the contrary, Manager does not release any claim that by law he/she cannot release, including any worker's compensation claim, and any claim for unemployment benefits.

4. *Revocation*. Manager may revoke this Release Agreement within seven (7) days of signing it (the "Revocation Period). To revoke this Release Agreement, Manager must submit a written statement to that effect by sending an email to [INSERT EMAIL ADRESS], with a courtesy copy mailed to [City Attorney/City Clerk], [MAILING ADDRESS]. The revocation statement will be deemed submitted when received by the recipient's email. If Manager timely revokes this Release Agreement, he will not be entitled to the severance payment or other consideration described in this Release Agreement.

5. *Collective/Class Action Waiver*. If any claim described in Section 3 of this Agreement is not subject to release, the consideration provided to Manager in this Agreement shall be the sole relief provided to her for the claims that are released by Manager herein and he/she will not be entitled to recover and agrees to waive any monetary benefits or recovery against the City in connection with any such claim, charge or proceeding without regard to whom has brought such complaint or charge.

Additionally, if any claim is not subject to release, to the extent permitted by law, Manager waives any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding based on such a claim in which the City or any other of the Released Parties identified in this Agreement is a party.

6. *Continuing Effects*. Manager further agrees to waive any claim for damages occurring at any time after the date that Manager signs this Agreement because of alleged continuing effects of any alleged discriminatory or other wrongful acts or omissions involving the Released Parties, which occurred on or before Manager signs this Agreement. Manager further agrees to waive any right he/she may have to sue for injunctive relief against the alleged continuing effects of any alleged discriminatory or other wrongful acts or omissions occurring prior to and including the date that Manager signs this Agreement.

7. *Severability*. If for any reason any provision of this Agreement is determined to be invalid, unenforceable or contrary to any existing or future law to any extent, such provision

shall be enforced to the extent permissible under the law and such invalidity, unenforceability or illegality shall not impair the operation of or otherwise affect those portions of this Agreement which are valid, enforceable and legal.

8. *Binding Effect*. This Agreement is and shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, affiliates, predecessors, successors and assigns. Each person executing this Agreement represents and warrants for the benefit of the Parties that he or she is actually authorized to enter into this Agreement and to bind his or her principal to this Agreement.

9. *Fees and Costs*. Manager and City agree that in the event of litigation relating to this Release Agreement, the prevailing party shall be entitled to recover his/her/its reasonable attorney's fees and costs.

Dated: ______________________________ CITY OF GRASS VALLEY

By: ____________________________________

Dated: ______________________________ MANAGER

By: ______________________________________

ATTEST:

By: _________________________________ Date: __________________________________

City Clerk

APPROVED AS TO FORM:

By: _________________________________ Date: __________________________________

City Attorney