

EMPLOYMENT AGREEMENT FOR GENERAL MANAGER

This Agreement is made this 4th day of June, 2014, by and between the San Mateo County Harbor District (hereinafter "SMCHD"), a political subdivision of the State of California, and Peter Grenell (hereinafter "Grenell").

WHEREAS, SMCHD has determined that Grenell has the experience, skills and abilities to perform the duties of General Manager, and

WHEREAS, SMCHD's position of General Manager is currently being filled by Grenell and SMCHD desires to continue to fill that position by Grenell,

WITNESSETH, in consideration of the mutual promises contained herein, the parties agrees as follows:

Section 1. Appointment

SMCHD's Board of Harbor Commissioners (hereinafter "Board") hereby enters into this Agreement with Grenell to continue in the position of General Manager of SMCHD.

Section 2. Compensation and Benefits

A. Salary. Grenell's initial salary shall be one hundred forty-six thousand seven hundred sixty dollars and twelve cents (\$146,760.12) per year. On July 1, 2014, July 1, 2015 and July 1, 2016, Grenell shall be entitled to a cost of living increase based upon the Consumer Price Index for Urban Wage Earners and Clerical Workers – San Francisco/Oakland, California, All Items Index (1967-100).

B. Retirement. Grenell is eligible to participate in the Public Employees Retirement System (PERS). Employee contributions shall be made on behalf of Grenell by SMCHD at the level of 2.5% at 55; Grenell shall be responsible for paying an amount that is one percent (1.0%) of the difference between the cost of the 2% at 55 plan and the 2.5% at 55 plan cost.

C. Vacation. Grenell shall receive annual vacation as governed by District Policy and Procedure 6.5.1 (Paid Time Off), except as it relates to requests for approval of, or advance notice for, Paid Time Off use.

D. Management Time Off. In addition to vacation time, Grenell shall receive five (5) hours per month of management time off. Management time shall not be accumulated for a period greater than one (1) year from date of

accrual. Management time accrued shall not be subject to cash payout in lieu of use as time off. Grenell shall not, under any circumstances, be entitled to any overtime, overtime pay, compensatory time, or PTO/OT.

E. Car Allowance. SMCHD shall pay Grenell, in lieu of use of an SMCHD motor vehicle, a sum of six hundred dollars (\$600.00) per month for private automobile costs incurred in the performance of this Agreement.

F. Deferred Compensation. Grenell is eligible to participate in the SMCHD Deferred Compensation Plan through ICMA Retirement Corp. SMCHD does not make any contributions to this plan on behalf of Grenell.

G. Health Insurance. Grenell is authorized to participate in the SMCHD's medical plan. Grenell also has the option to decline participation in the SMCHD medical plan and receive one-half of the monthly premiums for employee coverage as income.

H. Life Insurance. SMCHD shall provide to Grenell a group term life insurance policy whose value shall be twice annual salary to a maximum of \$200,000. SMCHD shall pay the premium for such coverage.

I. Cellular Phone. SMCHD shall supply Grenell with a cellular phone. SMCHD shall reimburse Grenell for monthly service and usage fee for business-related charges. Grenell shall pay charges for all personal calls. Grenell shall return all cellular phone equipment to SMCHD upon expiration or termination of this Agreement.

J. Professional Development. SMCHD agrees to budget and pay for membership, dues, conferences, and subscriptions on behalf of Grenell which are reasonably necessary for the continuation and full participation in professional associations as approved and determined by the Board.

K. Holidays and Fringe Benefits. Unless otherwise specified above, Grenell shall be entitled to all holidays and other fringe benefits as governed by District Policy and Procedures Nos. 6.5.2 (Holidays), 6.5.3 (Bereavement Leave), 6.5.4 (Jury/Court Leave), and 6.5.6 (Family Medical Leave), and is eligible for Workers Compensation benefits including industrial disability leave as of the date of appointment or as may thereafter be adjusted for him by the Board and Extended Illness Bank (EIB) credits as provided for by District policy and/or other labor agreements.

L. Continuing Medical and Life Insurance Benefits. Grenell shall continue to be eligible for continuing health, dental, vision, and life insurance benefits per Amended Resolution 28-87.

Section 3. Performance Evaluations

The Board shall provide Grenell with a performance evaluation annually. The Board agrees to meet with Grenell to discuss his evaluation and to mutually establish or redefine performance goals.

Notwithstanding the above paragraph, the Board shall provide Grenell with a mid-term performance evaluation during the first week of March 2015, which shall include consideration of a salary increase, performance incentive pay, and/or bonus.

Section 4. Term of Agreement

Grenell shall begin service under this Agreement on June 4, 2014, and this Agreement shall remain in effect until November 30, 2016, or until terminated by either party pursuant to Section 5 of this Agreement.

Section 5. Termination of Services and Severance Pay

Employment under this Agreement is "at will" and nothing in this Agreement shall prevent, limit, or interfere with SMCHD's right to terminate Grenell, subject only to the provisions of this section. The SMCHD Board may terminate this Agreement at any time without cause and without need of any explanation of cause by providing Grenell with written notice. SMCHD agrees to give Grenell three (3) month's written notice of termination without cause, or in the alternative, equivalent pay and benefits in lump sum in lieu of such notice. If SMCHD terminates this Agreement without cause, it shall, in addition to the notice period, pay Grenell a lump sum in an amount equal to the sum of six (6) month's total compensation consisting of Grenell's gross monthly base salary at his then existing salary level calculated at the date of termination of Grenell's services performed under this Agreement plus the cash value of all benefits to which Grenell is entitled as of the date of termination of Grenell's services. All payments in this paragraph shall be made in accordance with Government Code section 53260, and shall be contingent upon Grenell executing a full release of all claims in favor of SMCHD.

In the event that SMCHD terminates this Agreement as set forth in this Section above, SMCHD may extend Grenell's employment under this Agreement beyond the three (3) month notice period as set forth above for a period not to exceed an additional thirty (30) days to enable SMCHD and Grenell to complete an efficient transition from Grenell's employment as General Manager to his successor.

As of the effective date of termination of this Agreement, Grenell shall receive all of his accumulated hours in his individual PTO bank.

SMCHD Board reserves the right to terminate this Agreement immediately, at any time and if, in the opinion of the Board, Grenell has breached or neglected the duties which he is required to perform, has committed any act of dishonesty, fraud, misrepresentation or act of moral turpitude, or has failed to obey the lawful direction of the Board. In the event of termination under this paragraph, SMCHD will not be required to provide any notice period or pay severance to Grenell. Grenell may appeal in writing within 10 days of his termination and ask for a hearing by the SMCHD, which will be held within 30 days of Grenell's request. Said hearing may be in closed or open session at Grenell's discretion. The SMCHD's decision shall be final.

Grenell may terminate this Agreement by providing a minimum of thirty (30) days written notice of such termination to the SMCHD by Grenell. Notice shall be given to each Commissioner at the SMCHD Office, 400 Oyster Point Boulevard, Suite 300, South San Francisco, CA.

In the event Grenell terminates this Agreement, the provisions of this Agreement and all compensation and benefits owed Grenell under it, including but not limited to payment of severance, shall cease upon the effective date of such termination.

This Agreement shall be considered as terminated by Grenell in the event any of the following events occur, and upon the first of such event to occur. The effective date of such termination shall be the date the event occurs:

1. Grenell's death;
2. Upon the occurrence of an event disqualifying Grenell from public office pursuant to the State Constitution or State law, or causing a forfeiture of office under State law, or otherwise requiring the removal of the General Manager under State law; or
3. Upon Grenell's commission of an act of official misconduct.

If Grenell is permanently disabled or otherwise unable to perform his duties under this Agreement for a period of four months beyond any paid time off, SMCHD may terminate this Agreement subject to the notice and severance pay provisions of Section 5, paragraph 1 of this Agreement.

Section 6. Release

Grenell hereby releases and forever discharges the SMCHD, its officers, Board, agents, commissioners, and employees from any and all claims, damages, and causes of action, known or unknown, arising out of Grenell's employment prior to June 6, 2014, including but not limited to any claims arising out of any of his prior contracts.

Section 7. Professional Performance

Grenell shall perform the duties of General Manager as set forth in the SMCHD job description and other such duties as may be prescribed by the SMCHD Board or by law. Grenell agrees to perform said duties in a professional, workmanlike and businesslike manner in accordance with standards of quality satisfactory to the Board.

As General Manager, Grenell shall direct his performance to focus on achieving or making substantial progress toward achieving performance objectives as identified by Board of Harbor Commissioners during the term of this Agreement.

Section 8. Compliance With Law

Grenell shall, during his employment hereunder, comply with all laws and regulations applicable to such employment.

Section 9. Indemnity and Defense

SMCHD agrees to extend to Grenell as to any action or proceeding brought on account of any act or omission of Grenell within the scope of services provided for SMCHD pursuant to Section 7 of this Agreement, those rights of indemnification, including the right that SMCHD shall pay any judgment or any compromise or settlement of any action and any legal fees or court costs of such action or proceeding, and the right to provision for a defense of actions or processing, as are provided for employees of a public entity by the provisions of Division 3.6 of Title I of the California Government Code.

Section 10. Materials and Supplies

SMCHD agrees to supply Grenell with supplies and materials necessary to accomplish the duties of General Manager. SMCHD shall also provide necessary administrative and clerical assistance to support activities required by this Agreement.

Section 11. Merger; Amendments; Waiver

This Agreement contains the entire Agreement of the parties and no prior oral representations, waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of both parties to this Agreement.

IN WITNESS WHEREOF, The parties hereto have made and executed this amended Agreement as of the date set forth above.

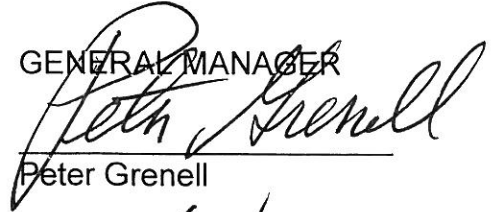
SAN MATEO COUNTY HARBOR DISTRICT



Robert Bernardo, President

Date: 6-4-14

GENERAL MANAGER



Peter Grenell

Date: 6/5/14